

# Microfinance Loan Facility for CBEs and SMEs

## Revolving Fund Loan Scheme

### Call for Business Plan 2020

Call for business plan in support of well-formulated projects aimed at enhancing and improving solid waste collection services to help reduce greenhouse gas emissions through sorting, composting and recycling in Greater Monrovia.

#### Eligibility:

Registered Community Based Enterprises (CBEs) and Small Medium Enterprises (SMEs) operating in the solid waste sector in Greater Monrovia.

#### Loan size:

From USD 3,000 to USD 15,000 per application.

#### Information Sessions:

**2 September 2020** at 09:00 GMT (Liberian Time) at Corina Hotel (Monrovia).

**26 November 2020** at the Monrovia City Hall, Monrovia:

- Session 1: 09:00 - 11:00 GMT (Liberian Time)
- Session 2: 13:00 - 15:00 GMT (Liberian Time)

#### Questions and clarifications:

Accepted until **30 October 2020** to [ca-proposal@citiesalliance.org](mailto:ca-proposal@citiesalliance.org) with subject line "Microfinance Loan Questions".

#### Deadline:

**10 November 2020** at 16:00 GMT (Liberian Time)

#### To apply:

Please submit your proposal to [ca-proposal@citiesalliance.org](mailto:ca-proposal@citiesalliance.org) with subject line "Microfinance Loan Proposal".



EUROPEAN UNION

### The Cities Alliance

The mission of the Cities Alliance is to improve the lives of urban populations by delivering integrated, citywide and innovative solutions to urban poverty in cities where it matters the most. Cities Alliance's vision is to provide technical support and grants to local and national actors to deliver policies and programmes that directly address urban poverty and gender inequality in cities. Cities Alliance is an agent for urban change with a clear focus on secondary cities, which are increasingly instrumental to economic and social progress in rapidly urbanising economies.

Cities Alliance is the global partnership supporting cities to deliver sustainable development. For nearly 20 years, the Secretariat has convened partners from civil society, local and national authorities, and development actors with an urban focus to combine complementary strengths and expertise. With its programmatic approach and diverse membership, Cities Alliance has the capacity to coordinate the efforts and core competencies among partners to leverage this collective expertise to advance urban thinking and solutions. The Cities Alliance is managed through a Secretariat based in Brussels and is hosted by the United Nations Office for Project Services (UNOPS).

The **Cities Alliance Liberia Country Programme (LCP)** provides long-term, programmatic support to help Liberia realise its developmental objectives in a way that benefits the majority of the urban poor. Launched in 2016 with funding from Comic Relief, it is an ambitious, (initially) five-year, multi-level urban development programme that aims to improve the lives and opportunities of up to 400,000 slum dwellers in Greater Monrovia. It also includes two projects on primary waste collection (2018–2021) and innovative waste-to-energy initiatives (2018–2020) funded by the EU.

### Improved access to sanitation through more sustainable and efficient solid waste collection in Greater Monrovia

The Cities Alliance Liberia Country Programme through the European Union funded 4-year Solid Waste Management Project entitled "Delivering Climate Resilient Solid Waste Management Service in Greater Monrovia through Community Based Enterprises" supports primary waste collection services within Greater Monrovia Metropolitan region. The project is complementary to the Chessmanburg Landfill and Urban Sanitation project implemented through the World Bank.

The project works directly with Monrovia City Corporation, Paynesville City Corporation, WASH commission, Environmental Protection Agency and the Ministry of Internal Affairs to coordinate and provide overall oversight to project activity implementation and ensure implementation of a sustainable primary solid waste collection model.

The project has four main components:

- Collection of more waste;
- Extraction and re-use of plastic and organic waste;
- Awareness and education campaigns; and
- Integrated Solid waste management systems and capacity building.

The goal of the programme is to contribute to poverty reduction and improve the quality of life while supporting Liberia's carbon neutrality agenda. The Programme overall objective is to ensure a citywide integrated solid waste management system that reduces greenhouse gas emission in Greater Monrovia, enhancing the city's resilience against climate change and disease; thus, creating jobs and creates awareness of climate change.

Cities Alliance Liberia Country Program is seeking proposals in the form of Business Plans from eligible Community Based Enterprises (CBEs) and Small Medium Enterprises (SMEs) working in the solid waste sector of Greater Monrovia.

## Objectives

The Microfinance Loan Facility for CBEs and SMEs is aimed at enhancing and improving solid waste collection services, reduce greenhouse gas emissions through sorting, composting and recycling in Greater Monrovia.

## Outcomes

Overall, the establishment of the loan facility targets the following results:

- Expansion of the operations of the CBEs and SMEs both vertically and horizontally in terms of geographical coverage and venture in solid waste value addition approaches including recycling and compositing;
- Establishment of a loan facility that will in the long run be handed over to a national institution for further implementation;
- Increase in the number of communities and households served by CBEs and SMEs; and
- Increase in revenue generated by beneficiary CBEs and SMEs.

The proposed business plan should expand the existing initiatives in the solid waste collection services in Greater Monrovia and must be aligned with its overall objective and activities and contribute to advancing initiatives in the solid waste collection services, reduce greenhouse gas emissions through sorting, composting and recycling in Greater Monrovia.

## Eligibility

- **Scope.** The Business Plan proposals must meet the objectives of one of improving access to sanitation through more sustainable and efficient solid waste collection in Greater Monrovia.
- **Target organisations.** The Microfinance Loan scheme targets all CBEs and SMEs operating in within the Solid Waste Management Sector of Greater Monrovia.
- **Fiduciary requirements.** The enterprises must be duly registered any of with the local authorities and must be willing to open an account with Eco Bank Liberia Limited.

- **Geographic scope.** The beneficiaries must work in the geographic space of at least 1 of the 12 local authority areas of the Greater Monrovia area.
- **Funding.** Funding can be requested for microfinance loans between USD \$3,000 and USD \$15,000 through a Business Plan proposal with a clear costing demonstrating how the amount applied for is derived.
- **Language.** Applications must be submitted in English.
- **Applications:** Applications must provide all the information and support documentation requested.<sup>1</sup>
- **Applicants should not:**
  - be included in any of the following ineligibility lists (which are consolidated and can be checked at the [United Nations Global Marketplace](#)):
    - The [United Nations Ineligibility List \(UNIL\)](#) which includes UNOPS’ ineligibility list;
    - The [World Bank Corporate Procurement Listing of Non-Responsible Vendors](#) and the [World Bank Listing of Ineligible Firms and Individuals](#); and
    - the [Consolidated United Nations Security Council Sanctions List](#);
  - be currently [suspended from doing business with UNOPS](#).

## Available funding

Funding is available for projects with a duration of up to 12 months. **Available loan sizes per applicant range from USD \$3,000 to USD \$15,000.** Please note that Cities Alliance typically receives far more applications than funding is available. Once the request for Business Plan proposals is closed, a competitive selection process will select applicants for further screening. Note that not every application receives or qualify for a loan. Smaller sizes of loan applications are encouraged.

Depending on the details of the proposal and risk assessment of application, Eco Bank Liberia Limited in consultation with Cities Alliance will design a payment schedule that will be a mix between staggered and milestone payments.

## The Micro-Finance Loan funding can be spent on:

Cost Categories	Description
<b>Purchase of equipment and/or other small fixed assets</b>	Cost of equipment to be used for waste collection including, but not limited to wheelbarrows, push carts, tricycles, pick-up trucks personal protective equipment, rakes and shovels, among others.
<b>Maintenance of Equipment</b>	Cost of spare parts to rehabilitate existing equipment to enhance the delivery of solid waste collection at household level in informal settlements.
<b>Office Equipment (Administrative Assistance)</b>	Costs to acquire office equipment that allow the CBEs to improve their administrative and final management, including but not limited to, office furniture, IT equipment, printers, scanners.

<sup>1</sup> For further details about the application process and requirements, please see the “How to apply” section of this document.

Cost Categories	Description
<b>Infrastructure improvement/ rehabilitation</b>	Cost to renovate or improve existing composting facilities across Greater Monrovia owned and managed by the CBE or SME. This cost includes the cost of materials, labour, transportation and contractors profit.
<b>Increase in Productivity</b>	Costs to improve existing plastic recycling initiatives that are owned and managed by the applicant CBE or SME.

## How to apply

To apply for the Microfinance Loan, follow these guidelines:

### Deadline

Applicants must submit Business Plan proposals before **10 November 10, 2020, 16:00 hrs GMT (Liberian Time)**. Late submissions will not be accepted. Please submit your proposal to [ca-proposal@citiesalliance.org](mailto:ca-proposal@citiesalliance.org) with subject line: **“Microfinance Loan Proposal”**.

### Information Sessions

- An information session, open for CBES and SMEs in Greater Monrovia, is scheduled for **Wednesday, 2 September 2020 at Corina Hotel**, located on Tubman Boulevard in Monrovia at **09:00 GMT (Liberian Time)**.
- A second information session, open for CBEs and SMEs in Greater Monrovia, is scheduled for **Monday, 26 October 2020 at the Monrovia City Hall, with two sessions as follows:**
  - Session 1 TIME: 9:00 - 11:00 GMT (Liberian Time)
  - Session 2 TIME: 13:00 - 15:00 GMT (Liberian Time)

During the **‘Information Sessions’**, facilitators from the Cities Alliance Liberia Country Programme will provide detailed explanation on the Microfinance Loan Scheme, explain the requirements and related business plan proposal templates to all potential applicants in attendance.

### Questions and Clarifications:

- Please submit your questions or request for clarifications about this ‘Waste Reuse – Solid Waste Management Grant’ opportunity or the application to [ca-proposal@citiesalliance.org](mailto:ca-proposal@citiesalliance.org) with subject: **“Microfinance Loan Questions”**.
- We will accept question/clarification requests until **30 October 2020**.
- We will post our answers to your questions and requests for clarification about this grant opportunity on Cities Alliance website and UNGM (United Nations General Market Place) on **14 and 28 of September, 5 October and 3 November 2020**.

**Format.** All proposals must be submitted using provided business plan proposal template.

**Language.** Applications must be submitted in English.

**Completeness.** Applications must provide all the requested information and support documentation: **(1) the comprehensive Business Plans; (2) Financial Statements** for the period January to December 2019. If the entity came into existence only in year 2020, then the statement shall cover the period of existence; and **(3) Legal Registration certificate** of the CBE or SME.

## Selection process

There are five fundamental steps in the approval process of a submitted proposal:

1. **Submission of applications following the Call for Business Plan Proposals.** Applicants submit Business Plan proposal and supporting documents to [ca-proposal@citiesalliance.org](mailto:ca-proposal@citiesalliance.org) in any of the following file formats (Microsoft word, excel, or pdf).
2. **Eligibility check.** The Cities Alliance screens the proposals to ensure that they meet the minimum criteria for eligibility. The Cities Alliance selection panel screens the proposals to ensure that they meet the minimum criteria for eligibility (as described on page 2 – Eligibility). Proposals that pass the eligibility check are assessed by a Technical Evaluation (Technical Working Group) based on a predefined set of selection criteria.
3. **Technical evaluation by a Technical Working Group (TWG).** The Technical Working Group comprised of key stakeholder representatives will evaluate all eligible proposals on a competitive basis using a predefined set of selection criteria. The TWG then makes recommendations to the Cities Alliance selection panel based on a ranked list of proposal assessments.
4. **Financial Assessment.** The Cities Alliance will conduct the financial assessment in twofold:
  - a. Assessment of the financial statement submitted for financial strength and soundness of the entity;
  - b. Assessment of the proposal submitted for return on investment and contribution towards repayment of loan.
5. **Final decision.** The Cities Alliance selection panel reviews the ranked list or recommendations from the Technical Working Group. In addition to the selection criteria, the panel may also take into consideration additional factors such as theme, geography or constituencies and knowledge needs to maintain the strategic balance of the overall objectives of the Micro-Finance Loan scheme. The panel then makes recommendations on which applications are eligible in principle for funding and qualified to proceed.
6. **Formal approval and loan processing:** Selected projects are formally approved by the Cities Alliance Director. Upon approval, ECOBANK Liberia will begin loan arrangement and processing:
  - a. ECOBANK Liberia will establish accounts for all CBE and SME beneficiaries of the facility at no cost and no initial deposit;
  - b. The bank will dedicate a focal person to provide banking and advisory services to CBEs and SMEs on behalf Cities Alliance; and
  - c. Disburse an agreed amount of loan through the CBE account, opened with the bank.

From the technical evaluation and the loan processing, different recommendations may arise which are to be taken into consideration for the disbursement and implementation phase of the project. The entire selection process may take approximately **one month** from the submission deadline date.

## Criteria for evaluation

Cities Alliance will evaluate the Business Plan proposals based on the questions provided in the template, aligned with the objectives of the Solid Waste Management scope of the Liberia Country Programme:

- **Business idea.** Showing how do you intend to use this loan by stating in measurable terms by how much expansion in house to house waste collection services.
- **Loan repayment strategy.** Clear proposed plan that shows how the applicant will repay the loan.

- **Financial statements.** Assessment of: (1) the submitted financial statement for financial strength and soundness of the entity; and (2) the proposal submitted for return on investment and contribution towards loan repayment.
- **Proposed loan budget.** A detailed and comprehensive list of all equipment, services, or materials the loan will be used for.

## Applicants (Loaners) responsibilities

If selected, successful Loaner must:

- Be responsible for the proper use of the Cities Alliance funds.
- Enter into a Loan Agreement with the Eco Bank Liberia Limited, on behalf of the UNOPS - Cities Alliance, which will stipulate the terms and conditions for receiving and utilising the funds.
- Comply with all provisions in the Loan Agreement.
- Be fully responsible for managing the loans in accordance with the Loan Agreement conditions and timelines.
- Be responsible for using the funds only for the outputs specified in the Loan Agreement.
- Provide timely update to the EcoBank on progress, and financial reporting on the uses of the funds as specified by the Loan Agreement.
- Provide communication material on project implementation (including pictures, quotes, videos, stories and other materials, where applicable).
- Communicate with the Cities Alliance on all significant matters relating to the solid waste management activities, such as changes in activities, loan revision and timeline.
- Concerning reporting requirements, the ECOBANK Liberia will submit quarterly reports to Cities Alliance on the status of the loan disbursement and repayment on behalf of the applicants.
- If opportunities arise, participate in knowledge-sharing activities so that other cities/countries might benefit from the project experiences.

## Contact information

- ➔ To apply for this loan, please submit your **business plan proposal to [ca-proposal@citiesalliance.org](mailto:ca-proposal@citiesalliance.org) with subject line “Microfinance Loan Proposal” before 10 November 2020 at 16:00 GMT (Liberian Time).**
- ✉ For any questions and clarification requests, contact **Cities Alliance at [ca-proposal@citiesalliance.org](mailto:ca-proposal@citiesalliance.org) with subject line “Microfinance Loan Questions”.** Questions and clarification requests are accepted until **30 October 2020.**
- 🔗 Please visit our website for more information on the [Cities Alliance Liberia Country Program](#).