

Call for EOI – eTrade Alliance West Bank & Gaza DFS Activities

Dear Interested Parties,

Palladium seeks expressions of interest from private sector firms operating in the West Bank and Gaza that are interested in co-investing in innovative digital financial services (DFS) and payment solutions to improve financial inclusion alongside the United States Agency for International Development (USAID)/West Bank and Gaza Digital Financial Services (DFS) Pilot Activity.

The DFS Activity is implemented under the auspices of USAID’s Alliance for eTrade Development II (hereafter the “eTrade Alliance”) with the objective of partnering with organizations designing and offering scalable, technology-driven solutions that can increase, improve, and/or streamline access to financial services and create sustainable, economic opportunities for underserved communities.

Solutions may be person-to-person (P2P), person-to-business (P2B), person-to-government (P2G), business-to-business (B2B), business-to-government (B2G), or government-to-person (G2P).

This is a Request for Expressions of Interest (REOI) issued solely for information and planning purposes. This is not a Request for Applications (RFA) and is not to be construed as a commitment by the eTrade Alliance to issue a solicitation or ultimately award a grant, or to pay for any information voluntarily submitted as a result of this REOI. The Draft Statement of Objectives (Annex A) is not a final document. It may change significantly before any solicitation is issued or may not result in a solicitation at all.

Submission instructions

Interested applicants are requested to respond by **January 12, 2025**. All responses must be submitted electronically, in English, to etrade.procurement@thepalladiumgroup.com with the subject line: ***DFS Expression of Interest – [organization name]***.

Responses should be limited to **five (5) pages total** and must be submitted using the template included as ***Annex B***.

Thank you,

The eTrade Alliance Secretariat

Annex A – Draft Statement of Objectives

Purpose

The eTrade Alliance seeks to understand private sector interest and potential co-funding initiatives aimed at driving uptake and usage of DFS and cash-alternatives, including for business-to-business (B2B) and/or business-to-consumer (B2C) transactions.

Project Background

USAID/West Bank and Gaza and the eTrade Alliance have partnered under the Digital Financial Services (DFS) Pilot Activity to accelerate the growth of ecommerce by promoting the use of digital payments, particularly amongst underserved segments including women, youth, rural Palestinians, and unbanked Palestinians. To date, the DFS Pilot activity has been implemented through two complementary workstreams: the Innovative Partnership Fund (IPF) and the Digital Payment Adoption Challenge (D-PAC).

Under the IPF, launched in 2023, the Alliance incubated three innovative private sector partnerships designed to drive uptake and usage of digital payments by rolling-out new payment products and incentivizing digital payments. Under D-PAC, launched in early 2024, the Alliance is partnering with six firms to drive usage of digital payments and DFS in Palestine, with a focus on underserved segments including women, youth, rural Palestinians, and low-income Palestinians.

Development Challenge

Momentum is building to transform the West Bank and Gaza into a digital economy. The Palestinian Authority (PA) has prioritized digitization and created pathways towards this goal by undertaking several substantial policy initiatives and building out the underlying infrastructure, including the launch of a rapid payments switch in 2023. Following the events of October 7, 2023, DFS and digital payments emerged as an important tool for distributing humanitarian aid to cash transfer recipients and facilitating person-to-person cash transfers, particularly given widespread mobility and cash constraints throughout the region.

Despite the forward progress, uptake and usage of digital financial services continues to lag, leaving considerable room for innovative private sector-driven solutions to digitize financial services, payments, and processes for businesses and consumers.

Program Objectives

The USAID/West Bank and Gaza DFS Activity seeks to accelerate and scale innovative solutions to drive uptake and usage of DFS amongst Palestinian micro-, small-, and medium-sized enterprises as well as amongst women, youth, rural Palestinians and low-income Palestinians. Specifically, the DFS Activity is seeking innovative strategies and approaches across the following illustrative focus areas:

- Digital payments and remittances.
- Mobile wallets and e-money solutions, including POS, SoftPOS, QR Codes, and payment gateways, among others.
- Microloans and savings tools.
- Digital business systems or processes to facilitate DFS provision, access, or use.
- Stable coins and digital currency.
- Any other promising or innovative private-sector led digital solutions

Expected Results & Illustrative Indicators

Co-funded activities are expected to contribute to one or more of the following key performance indicators (KPIs):

#	Indicator
1	Total # of clients benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors.
2	# of microenterprises supported by USG assistance.
3	# of small and medium enterprises supported by USG assistance.
4	# of unique users making digital transactions as a result of USG assistance
5	# of unique businesses accepting a digital transaction as a result of USG assistance
6	# of digital transactions as a result of USG assistance

Partner co-investment (leverage) requirement

As an activity under a global development alliance (GDA), the DFS activity requires all activities funded by USAID must be accompanied by partner co-investment (also referred to as “leverage”). Co-investment is defined as all non-USAID resources that are expected to be applied to a program, including from private sector third parties. Forgone profit does not qualify as co-investment. Under the Alliance, appropriate co-investment:

1. Consists of resources invested from private sector partners (i.e., companies, trade associations, and other non-public organizations) to conduct the specific activity;
2. Can be in-kind (i.e., cost of labor, supplies) or financial in nature;
3. Can be directly attributed the eTrade partnership being proposed and applied in a manner that is different that the partner would have without USAID engagement; and
4. Can be estimated up front and then reported on a quarterly basis (See Annex A for a sample reporting template).

Potential partners must commit and demonstrate co-funding of the activity on at least a 1:1 basis (i.e., 1 dollar of USAID funding must be matched by at least 1 dollar of partnership funding).

Annex B – EOI Response Template

1. Organizational Information	
Name of Organization:	Click or tap here to enter text.
Address:	Click or tap here to enter text.
Contact Name and Title:	Click or tap here to enter text.
Email:	Click or tap here to enter text.
Telephone:	Click or tap here to enter text.
Website:	Click or tap here to enter text.
Briefly describe your organization’s mission and purpose: Click or tap here to enter text.	
Provide your background and experience providing digital payment solutions and/or accepting payments in the West Bank and Gaza: Click or tap here to enter text.	
2. Expression of Interest	
Do you have a specific innovation or solution for which you would seek co-investment to pilot or scale? If so, briefly describe the activity: Click or tap here to enter text.	
What market segments or beneficiaries will you target with the proposed innovation/solution? Click or tap here to enter text.	
How will you know if your proposed innovation/solution is successful? Click or tap here to enter text.	
What length of time will you need to pilot your proposed innovation/solution?	<input type="checkbox"/> 6 months or less <input type="checkbox"/> 6 – 9 months <input type="checkbox"/> 9 – 12 months <input type="checkbox"/> More than 12 months
Which of the following objectives would your activity contribute to? Check as many as relevant:	<input type="checkbox"/> Promote use of digital tools to make payments amongst Palestinians. <input type="checkbox"/> Encourage Palestinian merchants and vendors to accept digital payments via a broad range of digital tools including POS, SoftPOS, QR Codes, and payment gateways, among others. <input type="checkbox"/> Transition existing customers from cash payments to digital payments. <input type="checkbox"/> Stable coins and digital currency. <input type="checkbox"/> Other
Which of the following indicators would your activity contribute to? Check as many as relevant:	<input type="checkbox"/> # of clients benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors. <input type="checkbox"/> # of microenterprises supported by USG assistance. <input type="checkbox"/> # of small and medium enterprises supported by USG assistance. <input type="checkbox"/> # of unique users making digital transactions as a result of USG assistance <input type="checkbox"/> # of unique businesses accepting a digital transaction as a result of USG assistance <input type="checkbox"/> # of digital transactions as a result of USG assistance

Will your organization be able to commit at least 1:1 co-investment (leverage) for activities funded by the eTrade Alliance? If yes, what private sector resources do you plan to leverage for these activities (financial or in-kind)?

Click or tap here to enter text.