

Supporting Agricultural Value Chains through Cash Grants (Matching Grants) to Private Sector Small and Medium Enterprises (SMEs) engaging in the target crops (Sorghum, Millet and Horticultural) value chains.



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Reference: GRD/SERV/PR150235

Tender Notice

Mercy Corps is a leading global organization powered by the belief that a better world is possible.

In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions

into action — helping people triumph over adversity and build stronger communities from within.

Now, and for the future.

Project Background and objectives

The Sudan SOMOUD Enhancing Community Resilience Project, funded by the Sudan Transition and Recovery Support (STARS) Multi-Donor Trust Fund, administered by the World Bank and implemented by Mercy Corps under Additional Financing (AF-1), seeks to address the acute needs of conflict-affected populations, particularly in Gedaref, Sudan. The project targets the seven localities: 1) Al Galabat Al Gharbyah – Kassab, 2) Basundah, 3) Al Fashaga, 4) Galabat Ash-Shargiah, 5) Al Fao, 6) Al Mafaza, and 7) Ar Rahad.

It aims to enhance access to basic services and improve food security through community-led processes and multi-sectoral interventions. The project's two core components focus on: (1) Community-Driven Basic Service Delivery, which includes health, WASH, education, and GBV services, and (2) Food Systems Resilience, which supports agricultural production, value chain enhancement, and the scaling of community consumer cooperatives. Gedaref's strategic location and agricultural potential make it pivotal for implementing innovative solutions like climate-smart agricultural practices, and community engagement models. Emphasizing sustainability, capacity building, and inclusivity, the initiative incorporates extensive planning, stakeholder collaboration, and targeted support mechanisms to bolster resilience and social cohesion among IDPs and vulnerable communities. The project is guided by detailed institutional arrangements, stringent monitoring, and a commitment to environmental and social safeguards.

2. Purpose of the Matching Grants

The purpose of the Matching Grants is to leverage and reengage Small and Medium Enterprises (SMEs) in the Sorghum, and vegetables or horticultural agricultural supply chain, specifically in the midstream segment. These Matching Grants aim to enhance the efficiency and effectiveness of SMEs, enabling them to actively contribute to adding value and maintaining the value throughout the agricultural value chain. This will ensure the increased availability of high-quality food, facilitating its delivery from farmer cooperatives (FCs) to consumer cooperatives (CCs) and other market agents, ultimately improving food supply in key market areas.

This activity will be achieved through two major ways –

- 1) Direct support to SMEs through a Matching Grant; and
- 2) Facilitation of sustainable linkages between the SMEs, FCs, and CCs supported by the Project.

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The Matching Grant will inject capital to strengthen the cash flow position of SMEs, enabling them to reengage in the agricultural supply and value chains. The grants will be up to a total of 80,000 (Per SME) – 300,000 (Consortium) USD targeting 20-25 SMEs. This funding is aimed at enhancing their operational resilience, ensuring they can adapt to and maintain business continuity during periods of disruption, such as those caused by conflict-related shocks to critical value chain functions.

3. Eligibility and Selection Criteria

A competitive process has been established to solicit, evaluate, and award matching grants, as detailed in the sections below. Each Request for Application (RFA) will define specific selection criteria, based on programmatic needs. The criteria will focus on projected benefits for vulnerable households, including IDP households; value for money; social accountability; potential for systemic change; innovation and new business models; the potential for widespread adoption and growth; and the potential to support resilience and social cohesion.

- I. Eligible SMEs¹ must be legally registered in accordance with Sudan law and operate in value-added services, such as transport, logistics (including storage and packaging), small-scale processing, and harvesting and post-harvest activities, specifically in the sorghum, millet, or horticultural value chains. These businesses must have been active for at least 24 months (about 2 years) before applying for a Matching Grant. SMEs less than 2 years old are encouraged to partner with firms at least 3 years old to be eligible. Even those with 2 years or more can also apply as a consortium in cases where services complement each other. SMEs must have a constitution outlining the entity's name, location, contact details, lead positions, purpose, vision, and relevant regulations, as well as an operational bank account in the registered entity's name.
- II. The grant support requested by SMEs must demonstrate a clear impact on enhancing the food supply chain linking farm gates to market points.
- III. The Matching Grants, designed with a cycle of up to 18 months, offer funding up to \$80,000 per SME and \$300,000 (Consortium). These grants aim to support value-adding activities within the food production chain (excluding direct production). Mercy Corps will conduct thorough due diligence to ensure SMEs meet the eligibility requirements, can comply with the terms of the Matching Grant agreement, and have no conflicts of interest.
- IV. SMEs will be screened according to Mercy Corps' Ineligibility and Compliance policy², ensuring they are not involved with prohibited parties such as combatants, terrorist organizations', or entities involved in money laundering or sanctions violations. Furthermore, SMEs must not be involved in partisan politics or aligned with warring parties in Sudan. Additionally, SMEs must have a clean record concerning environmental impact, employee treatment, and the management of donor or public funds. Mercy Corps will verify compliance through background checks (whether undertaken by Mercy Corps directly or a third-party subcontractors).
- V. To qualify for a matching grant, SMEs must submit an initial Expression of Interest and meet the following criteria:
 - Be classified as either a "Small" enterprise with a capital size between \$10,000 and \$50,000, or a "Medium" enterprise with capital between \$50,000 and \$1 million.
 - Be incorporated and registered as a for-profit entity under Sudanese law and operate within the agricultural produce value-adding activities in selected value chains within project areas.

- Comply with all relevant tax, legal, and business regulations under Sudanese law, with documented proof of tax compliance and have an established track record of at least two years of uninterrupted business operations.
- Demonstrate financial and managerial capacity to co-support project activities (though no specific financial contribution is required), and ensure no current debt diverts resources from the project and exhibit sound financial management and a viable business model within the Project's value chains.
- Show evidence of working with smallholder farmers through cooperatives or other SMEs in the selected value chains and demonstrate clear market demand for agribusiness products and services in Sudan, especially within project areas.

Definition of an SME, Grant Size, and Cycle.

In Sudan, there is no standardized definition for SMEs. Typically, SMEs are categorized based on either their capital size or the number of employees. For this project, SMEs will be classified according to their company's capital size. A "Small" enterprise will be defined as a company with a capital size ranging from US\$ 10,000 to US\$ 50,000, while a "Medium" enterprise will encompass companies with a capital size between US\$ 50,000 and US\$1 million.

The Matching Grant design cycle spans a duration of up to 12 months, during which qualifying SMEs will have the opportunity to access Matching Grants of up to US \$80,000 (Per SME) and \$300,000 (consortium). These Matching Grants are designed to provide financial support and incentivize SMEs to undertake activities that contribute to agricultural value chains demonstrated as services or goods provisions.

1.2 SME Grant Management, Disbursement and Targeted Participants:

Mercy Corps will develop a Matching Grant tracking system that will streamline the Matching Grant management processes, to ensure transparency and accountability. Some of the features of the tracking system will include a centralized database where all grant-related information, including applications, agreements, budgets, ESS commitments and reports, are stored, and accessed securely. Extracts of this stored grants data will be analysed regarding defined KPIs, and outputs presented on the Project dashboard to facilitate easy public access to Matching Grant activities' performance and pipeline status.

SMEs offering value additional services in the selected value chains (wheat, sorghum, and horticultural crops), that are targeted by the project will be potential participants in the Matching Grant component of the project, if they satisfy the eligibility criteria. SMEs involved in the supply of agricultural production inputs, production machinery, and production services like land preparation, planting, and weeding will not participate in the Matching Grants, as such inputs and services are catered for under the major activity 2.1, which is supporting production. However, those SMEs that provide production related services, but are as well engaged in value addition activities like packaging, storage, transport, processing, etc. will be eligible for Matching Grants for these value addition activities, if these SMEs meet the criteria to obtain Matching Grants, even though these could be beneficiaries of the project under activities 2.1 and 2.3.

1. Link FCs to value addition, agro-processors, and other off-farm SMEs.

Under this activity, through its networks, Mercy Corps will build and enhance linkages of supported SMEs to other value chain actors including supported FCs and consumer cooperatives to enhance the functionality of the selected value chains. Mercy Corps will build and nurture several new productive relationships between SME agribusinesses, small holder farmers and larger buyers. The project will leverage existing FCs, Consumer Cooperatives, and SME agribusiness relationships with different key private sector actors to facilitate new alliances.

The SoW will deliver against the following outcomes and outputs in the SOMOUD AF Log-frame;

Project Outcome	Indicators	Unit	Target Sept 2026	Means of Verification Data
Program Objective	Selected crop production increase in select areas	%	15	Production data collected from FCs
	Share of selected community members self-reporting improved food security	%	60	Household Survey using the use a Food Insecurity Experience Scale.
Intermediate Result	Farmers receiving production inputs and/or services	Number	4,000	Review of progress reports on supported FCs
	SMEs providing project-funded agricultural value-addition services	Number	25	Review of progress reports on supported SMEs
	Consumer cooperatives established or supported	Number	10	Review of progress reports on supported CCs
	- IDPs enrolled in established/supported Consumer cooperatives (%)	%	40	
Outputs				
Supporting Agricultural Value addition (AVA) through cash grants to SMEs	SMEs given cash grants to provide AVA services	Value in US\$	2,000,000	Progress reports from supported SMEs
	SMEs given cash grants & technical training (BDS)	Number	25	Progress reports from supported SMEs
	Supported SMEs with business links to supported FCs and CCs	Number	25	Progress reports from supported SMEs
Supporting Consumer Cooperatives	Members in Consumer cooperatives supported with agriculture value addition (AVA) services	Number	4,000	Review of progress reports on supported CCs
	CCs given technical training (BDS)	Number	10	Progress reports from supported CCs
	Supported CCs with business links to supported FCs & SMEs	Number	10	Progress reports from supported SMEs

Target audience

SMEs engaged in value addition of the targeted crop enterprises in the seven target localities of;

- Al Galabat Al Gharbyah - Kassab
- Basundah
- Al Fashaga
- Galabat Ash-Shargiah
- Al Fao
- Al Mafaza and
- Ar Rahad.

If you are interested in submitting a bid, you will need to complete an Intent to Bid Form and submit it according to the guidelines below.

1. The suppliers can download the Intent to Bid Form on sudanbid.com /OR
[Mercy corps website](#)

Intent to Bid Form can be picked at Mercy Corps office [[Aldanagla District, Block #1, House #50, Gedaref, Sudan](#)]

Completed Intent to Bid Forms must be submitted to Mercy Corps by [31-05-2025](#) using one of the below methods.

1. Email completed Intent to Bid Form to sd-tenders@mercycorps.org

with the Bidding **Reference: GRD/SERV/PR150235** in the email subject line.

Return completed Intent to Bid Form in person and put in the Tender Box placed at Mercy Corps office at [[Aldanagla District, Block #1, House #50, Gedaref, Sudan](#)]

The Bid **Reference: GRD/SERV/PR150235** should be written on the envelope.

After the closing date of this Tender Notice, the Request for Bid / Proposal will be sent to the suppliers who submitted Intent to Bid Forms. The Request for Bid / Request for Proposal will be sent according to the preference you have mentioned in the Intent to Bid Form.