Mercy Corps Ethiopia seeks to partner for Strengthening Dairy Processors for Value Addition and Marketing in Mekelle City

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- Location:Mekelle
- Bid Document Price:
- Bid Opening Date: Monday 14th, September 2026 10:30 am
- Category: Poultry, Bee & Animal Husbandry/

CALL FOR APPLICATIONS (CFA) (RE-ADVERTIZED)

Economic recovery for Conflict affected Population (ER-CAP) Programme

Purpose: Partnership for Strengthening Dairy Processors for Value Addition and Marketing in Mekelle City

1. Introduction

Mercy Corps Ethiopia, through the Economic Recovery for Conflict-Affected Population (ER-CAP) Programme, has been implementing a market-based intervention in Mekelle City aimed at strengthening dairy processing enterprises to improve value addition, product diversification, and market resilience. The intervention seeks to enhance the competitiveness and commercial sustainability of dairy processors by improving their technical and business capacity, expanding access to appropriate processing technologies, and strengthening market linkages across the dairy value chain. The dairy sector in Mekelle continues to face significant challenges resulting from conflict-related disruptions and structural market constraints. Dairy processors operate below capacity due to limited processing technologies, inadequate quality management systems, weak business planning, and insufficient product diversification. In addition, seasonal fluctuations in milk demand particularly during extended fasting periods lead to reduced sales, income losses, and underutilization of processing facilities. Limited access to reliable markets and weak linkages with dairy producers, technology providers, and buyers further constrain the sector's growth.

To address these challenges, ER-CAP seeks to partner with qualified dairy processors that are committed to improving processing efficiency, diversifying dairy products, strengthening market linkages, and expanding market opportunities through commercially sustainable business models. Through a cost-shared market facilitation approach, the intervention will support technology upgrading, business development, product innovation, retail market expansion, and capacity building to improve the resilience and competitiveness of the dairy processing sector.

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This Call for Application invites licensed dairy processing enterprises to partner with Mercy Corps in strengthening dairy value addition and developing a more diversified, resilient, and market-driven dairy processing system in Mekelle City.

2. Background

Mercy Corps has been present in Ethiopia since 2004, working to drive bold and transformative solutions in collaboration with government institutions, the private sector, and civil society organizations. Our mission is to build resilient communities by expanding economic opportunities, strengthening food systems, and improving access to essential services for vulnerable populations.

Mercy Corps strategy in Ethiopia focuses on four core outcomes:

1. Improving and diversifying livelihoods for economically marginalized populations.

2. Strengthening food systems to ensure access to safe and nutritious food.

3. Building social cohesion and inclusive governance in crisis-affected communities.

4. Ensuring equitable and sustained access to clean water and sanitation for domestic and productive use.

The Economic Recovery for Conflict-Affected Population (ER-CAP) Project

ER-CAP is a five-year initiative implemented by Mercy Corps in partnership with the Danish Refugee Council (DRC) and First Consult, with funding from the Government of Sweden. The programme aims to enhance the economic recovery, adaptation, and protection of conflict-affected populations, including internally displaced persons (IDPs). returnees, women, youth, and other vulnerable groups. The programme applies to a conflict-sensitive, climate-smart, and Market Systems Development (MSD) approach to facilitate sustainable and inclusive market recovery

ER-CAP targets 43.540 conflict-affected individuals across Afar. Amhara, and Tigray Regions In Mekelle City, the programme works with government institutions, private sector actors, producer organizations, and financial service providers to rebuild market systems that create sustainable livelihood opportunities and improve household resilience.

Core Programme Pillars: ER-CAP's strategy is built around three interconnected pillars

1. Sustainable Livelihoods and MSMEs: Strengthening agricultural and livestock value chains by improving access to markets, quality inputs, business development services, and skills development.

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2. Inclusive Financial Services: Expanding access to appropriate financial products and digital financial services for conflict-affected households and businesses

3. Protection and Social Cohesion (GESI): Promoting gender equality, social inclusion, and protection while strengthening community resilience.

ER-CAP facilitates systemic market change through strategic partnerships with private sector actors and government institutions to ensure sustainability beyond project support.

3. Objective of the Call for Applications

The purpose of this Call for Application is to partner with qualified dairy processors that can contribute to strengthening dairy value addition and market resilience in Mekelle City by.

• Improving dairy processing efficiency and product quality.

• Expanding production of diversified and higher-value dairy products.

• Strengthening business management and marketing capacity.

• Improving market linkages between dairy processors, dairy smallholders, retailers, and institutional buyers. Enhancing resilience against seasonal market fluctuations through product diversification and expanded market access.

This partnership aims to:

1. Improve processing efficiency and operational performance of dairy enterprises.

2. Increase production and marketing of diversified dairy products with longer shelf life.

3. Strengthening sustainable commercial relationships between dairy processors and dairy smallholders

4. Improve access to processing technologies

5. Enhance the long-term competitiveness and commercial sustainability of dairy processing enterprises.

Mercy Corps invites applications from legally registered dairy processing enterprises with demonstrated experience in dairy processing and a commitment to expanding value-added dairy production in Mekelle City.

4. Scope of Partnership and Processor Responsibilities

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Selected dairy processors will be expected to contribute to strengthening the dairy processing market system through the following activities:

• Improve milk processing efficiency through adoption of improved technologies and better production management practices.

• Expand production of value-added dairy products, including pasteurized milk, yoghurt, cheese, butter and other commercially viable dairy products.

• Strengthen product quality assurance systems, food safety standards, hygiene practices, and quality control procedures.

• Improve production planning and inventory management to reduce losses and improve operational efficiency.

• Strengthen relationships with dairy smallholders, milk collection centers, cooperatives, and input suppliers to ensure reliable raw milk supply.

• Develop new marketing strategies and branding approaches to increase consumer demand and market competitiveness.

• Establish or expand milk and dairy product retail outlets to improve access to processed dairy products. Strengthen business linkages with wholesalers, retailers, hotels, restaurants, supermarkets, institutions, and other commercial buyers.

• Participate in business networking events, trade promotions, and market linkage forums facilitated by ER- CAP.Provide training for technical and management staff on:

o Milk processing technologies

o Product diversification and innovation

o Food safety and quality assurance

o Packaging, branding, and labeling

O Marketing and customer relationship management Business planning and financial management Production costing and pricing

o Record keeping and inventory management

• Maintain compliance with national food safety regulations, business licensing requirements, and quality standards.

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• Ensure transparent business practices and reliable product supply.

• Contribute about 40% of the total partnership cost, demonstrating ownership and commitment to sustaining investments beyond project support.

5. Benefits of Partnering with Mercy Corps ER-CAP

Selected dairy processors will receive:

• Technology Improvement Support: Cost-shared investment to improve processing equipment and production systems.

• Capacity Building: Training in processing technologies, quality assurance, product development, branding. and food safety.

• Market Linkages: Improved relationships with dairy producers, input suppliers, technology providers. retailers, wholesalers, and institutional buyers.

• Business Visibility: Recognition as an ER-CAP-supported dairy processor contributing to post-conflict

• Market Expansion: Increased access to diversified markets and improved customer confidence through quality products and stronger branding.

6. Eligibility and Application Requirements

• Be a legally registered dairy processing enterprise or commercially operating dairy processing cooperative. Hold a valid and renewed business license relevant to dairy processing and valid TIN and business registration documents.

• Have an established dairy processing operation in Mekelle City. Demonstrate relevant experience in dairy processing, product development, and marketing.

• Demonstrate existing or potential commercial linkages with milk suppliers, dairy producers, retailers. institutional buyers, or other relevant market actors.

• Demonstrate the technical, operational, and financial capacity to diversify dairy products and improve market competitiveness.

• Be willing to provide the required cost-share contribution and invest in the proposed business improvement activities.

• Commit to sustaining processing operations, market linkages, and commercial

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investments beyond the partnership period.

• Maintain good legal standing and professional reputation.

6.2 Application Requirements

Applicants must submit:

• Completed application form using the official template, with a maximum length of six pages.

• Valid business license, TIN certificate, and business registration documents, Company/business profile and organizational structure.

• Evidence of previous dairy processing and marketing experience.

• Description of existing processing capacity and current product portfolio and description of existing market linkages and market coverage.

• Business improvement and market expansion plan and Implementation work plan and Budget and cost- share proposal as well as References demonstrating previous business performance.

Applications should be prepared in English and submitted together with all required supporting documents. Applications will be assessed based on the completeness and quality of the submission, understanding of dairy processing market constraints, alignment with ER-CAP objectives, technical and business capacity, sustainability and scalability of the proposed model, potential for increased value addition and market resilience, and the proposed cost-share contribution.

7. Partnership Duration and Application Process

7.1 Partnership Duration: The implementation period for the partnership is: August 2026 - July 2027

7.2 Application Timeline

Deadline for Application:

14 September 2026

Time: 8:00-10:00 AM

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8. Conditions

Issuance of this solicitation does not constitute a commitment by Mercy Corps to enter into any partnership agreement or to reimburse any costs incurred by applicants during the preparation or submission of applications. Mercy Corps reserves the right to accept or reject any application, negotiate with successful applicants, or cancel the solicitation process at any stage without prior notice. All information submitted by applicants will be treated confidentially and used solely for the evaluation and selection process under this partnership opportunity.

N.B

то collect Application form Please contact through 0914746576 (Tuesday - Thursday) or September 8-10, 2026 in the of office hours

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