

Agriculture and Rural Empowerment (ARE) program Request for Applications (RFA) No. 001

Issuance Date: August 24, 2020

Dear Applicant:

The USAID-funded Agriculture and Rural Empowerment (ARE) Activity, implemented by Chemonics International, is seeking grant applications for implementation of the “Beirut Blast Business and Food Security Recovery” activity. ARE intends to award one or more grants that will be implemented in accordance with USAID and US Government regulations governing grants under contracts and ARE’s internal grant management policies.

The project will hold a pre-application virtual workshop on *Friday, August 28, 2020* on MS Teams from *12.30 PM to 2.30 PM*. This workshop will allow eligible and interested applicants the chance to ask questions about the RFA and receive guidance on how to complete the application form. Interested applicants that meet the eligibility requirements defined in Section III below and would like to attend this workshop must confirm their attendance by sending the participant’s name and the organization’s name to grants@lebanonare.org. Up to two persons may attend from each organization. No reimbursement for costs of attendance will be met. Applicants may also submit questions to grants@lebanonare.org prior to the virtual workshop. The deadline for confirming attendance of the pre-application workshop and submission of clarification questions is *Thursday, August 27 at 5PM*.

Applications are due not later than 17:00 pm Beirut time on Friday, September 7, 2020. Only electronic submissions to grants@lebanonare.org will be accepted. No hard copy applications will be accepted.

ARE Project and Chemonics employees may not ask for, and applicants are prohibited from offering, any money, fee, commission, credit, gift, gratuity, thing of value, or compensation to obtain or reward improper favorable treatment regarding this solicitation. Any improper request from a project employee should be reported to the chief of party or BusinessConduct@chemonics.com.

Annexes included with this Request for Applications:

- **Annex A** - Grant Application Form
- **Annex B** – Grant Application Budget Form.
- **Annex C** – Implementation Timeline
- **Annex D** – Applicant Self-Assessment Form
- **Annex E** – Required Certifications.
- **Annex F** – Mandatory and Required As Applicable Standard Provisions:
 - Standard Provisions for U.S. and Non-U.S. Nongovernmental organizations receiving a fixed amount award can be accessed through the following URL: <http://www.usaid.gov/sites/default/files/documents/1868/303mat.pdf>
 - Standard Provisions for Non-U.S., Nongovernmental recipients receiving all other types of grants can be accessed through the following URL: <http://www.usaid.gov/sites/default/files/documents/1868/303mab.pdf>
- **Annex G** – Vetting Information Form

SECTION I. PROGRAM DESCRIPTION

IA. OBJECTIVE

ARE intends to award one or more grants to *Lebanese NGOs or other qualified Lebanese private sector entities* to assist with the rapid recovery of business activity and, subsequently, improvement of food security and livelihoods of business owners and residents operating and living in areas impacted by the Beirut Blast.

The objective of the activity is kickstart economic and livelihoods recovery in blast-affected neighborhoods by assisting local business owners to re-establish their fruit, vegetable and agri-food product businesses that provide vital local food markets for these communities. The activity shall seek to re-establish shop operations and maintain or increase the value of disrupted sales of agri/agro products, improve relationships and linkages between buyers and producers, and create or maintain new short-term employment opportunities in these communities. The proposed activity shall support rehabilitation works and/or supply new working capital to selected businesses, support job retention and increase productivity of shops by introducing new technology and management practices so that these businesses restart with greater capacities than prior to the blast.

IB. BACKGROUND

The USAID-funded Lebanon Agriculture and Rural Empowerment (ARE) Activity, implemented by Chemonics International, aims to develop rural economies in Lebanon through support to the agri-food sector and other industries to unlock local and export sales potential while also creating jobs and increasing farmers' and worker's incomes. ARE has three main objectives:

- Objective 1: Increase Domestic and Export Sales
- Objective 2: Increase Access to Financial Resources
- Objective 3: Improve Productivity of MSMEs

IC. DETAILED PROGRAM DESCRIPTION

Overview:

A massive and tragic explosion in the port of Beirut on August 04, 2020 led to more than 150 casualties, 5,000 wounded and 300,000 displaced people. The blast destroyed some the port's infrastructure and assets and is now only partially operational at the level of import and export activities. The devastating impact of this blast is expected to have dire consequences on Lebanon's food security and the agricultural sector writ large as 120,000 tons of grain silos, cold storage facilities and large stocks of imported agricultural and agri-food inputs and products were all decimated. Moreover, hundreds of businesses and MSMEs were destroyed and will struggle to recover and resume business operations. This disaster only compounds the ongoing negative effects of Lebanon's economic crisis.

Problem statement:

Neighborhood fruits and vegetables (F&V) shops, super-markets, mini-markets, groceries and F&V distributors were not spared from the damage and blast. Such businesses represent the main source of livelihoods, employment and income for many families in the area and are considered as main stakeholders within the F&V value chains as final retail agent of such products. The disruption in the last link of the F&V value chain has a direct, adverse effect on the entire F&V value chain as significant volumes of

agri/agro products were sold to consumers and businesses in the area, therefore threatening not only the livelihoods of a number of families, but also hundreds of agricultural producers, agro processors and distributors. The partial or total destruction and dysfunction of these businesses negatively affects the sales of agri/agro products in the area, leads to heavy losses in stock, equipment and infrastructure - a result that may prevent or severely inhibit them from restoring business operations and has disrupted revenues for dozens of shop owners and distributors. Furthermore, such F&V shops serve as key access points in affected communities for families and households to purchase foodstuffs. Re-establishing such business will help with immediate local market recovery and increase food availability in the affected communities.

The blast occurred concurrently with Lebanon's ongoing and deepening economic and financial crises. The devaluation of the LBP, current bank restrictions on international transfers and US cash withdrawal heavily affect the purchasing power of Lebanese citizens/farmers. Such factors also negatively impact MSMEs sales activities, as well as the activities related to the import of agro-food items – both as primary food stuffs but also as raw material for agro-processing.

Suggested intervention:

Within the framework of ARE Objective 1, and in order to help alleviate the devastating impact of the disrupted sales channels on the fruits and vegetables sector in the Beirut quarters affected by the blast - including, but not limited to Marfaa, Medawar, Achrafieh, Saifi, Rmeil, Zqaq el Blat and others¹ - ARE proposes an adaptive intervention that relies on three inter-linked activity components:

1. Business and Recovery Survey and Needs Assessment:

- Surveying and assessing the infrastructure damage and working capital losses incurred by fruits and vegetables shops, super-markets, mini-markets and F&V distributors, primarily in the designated areas. Surveys shall be designed to assess the level of damage per business including business owner opinions of support required for rehabilitation and/or restoring of working capital;
- Surveying other aid program's support on rehabilitation/restoration (construction supplies and materials-glass, aluminum, wood frames, cement, etc...) of damaged fruits and vegetables shops, super-markets, mini-markets and F&V distributors primarily in the designated areas;

2. Rehabilitation and Restocking Campaign:

- Based on the above findings and extent of damage to the shops and markets' infrastructure, ARE intends to support a rehabilitation/refurbishment and restocking campaign for affected businesses that need light rehabilitation and/or supplies of construction materials (glass, aluminum, wood frames, cement, shelves, cooling equipment, automated invoicing system, etc..) for rehabilitation purposes. Such assistance will help business owners rapidly restore their affected business locations and allow them to resume business operations. Assistance may also include the provision of other startup needs such as working capital (inventory, stock – not cash) or other required support as deemed practical and feasible in accordance with the survey results. Applicants should propose the methodology for provision of the proposed assistance packages.
- As part of the proposed implementation methodology, applicants should propose beneficiary selection criteria, based on a rapid needs assessment of each supported business that is informed by the survey. Selection of businesses for support should prioritize those businesses that can rapidly

¹ Applicants are encouraged to suggest communities for inclusion in the program with supporting justification.

deploy the resources provided to restart operations as quickly as possible. Accordingly, grant funds shall not be utilized for repair, rehabilitation, or reconstruction of locations that have suffered significant structural damages that may represent a severe risk for the safety of the business owner, their customers' safety, and/or for the intervention's sustainability. Such beneficiaries might be eligible for other type of support such as the inclusion in the alternative sales channel component (pop-up market, e-commerce platforms, or other).

- Applicants should include technical assistance and capacity building support within this component to improve shops' management practices including accounting, inventory/stock management, and/or other topics as proposed by the applicant as necessary to improve management practices.

3. Solutions for Temporary Sales Channels to Ensure Improved Food Availability in affected communities:

- Assessing the need and feasibility of establishing one or more temporary pop-up public food markets that will include stalls that may be run and operated by a number of stakeholders, including the shop owners that are rehabilitating their shops, both those supported under component 2 or others per approved selection criteria. The aim of this component is to ensure short term employment and income generation opportunities for affected business owners, while also providing local residents with local access to food supplies, including fresh F&V; the temporary nature of this market will ensure steady income for the affected business owners that are expected to maintain purchasing channels and agreements with their usual suppliers. Accordingly, we do not anticipate that this intervention will distort existing markets though applicants should take into consideration the need to limit market distortion when designing their methodology for implementation of this component.
- Support shops that will take part in this initiative to participate in targeted marketing campaigns to ensure outreach to existing and new customers, including the potential inclusion of supported market vendors/F&V shops on e-commerce platforms to increase visibility and sales of F&V in the the affected communities as well as the rest of Beirut.
- Facilitating linkages between shop owners, farmers and distributors in order to create more resilient networks of food distribution that could have multiple potential failure points. Furthermore, applicants should promote linkages with local (Lebanese) producers and agro-food companies, especially those utilizing good agricultural practices (GAP) in their production.

By re-establishing these markets – whether through rehabilitating existing shops, supporting with startup needs or through a pop-up setup – ARE aims to assist the local business community in the affected areas to re-establish and strengthen the market linkages that were severed due to the blast, to create and retain jobs in the retail F&V sector, increase food availability in the targeted communities, and improve incomes and sales of local business owners.

Anticipated Impacts (ARE Results Framework):

- Re-establish and/or increase value of disrupted sales of agri/agro products (*Result 1.1. Increase Value of Incremental Sales (Domestic and Export) Collected at Firm Level for Enterprises as a Result of U.S. Government Assistance*). We propose that the businesses supported through this

intervention be treated as de facto start-up enterprises given that without our assistance, it is highly likely that they would go out of business completely. Therefore, we shall assume that 100% of the incremental sales generated by these businesses shall be attributable to the intervention.

- Improve relationships and linkages between buyers and producers to decrease reliance on wholesale markets (*Result 1.2: Increase Value of Incremental Sales (Domestic and Export) Collected at Farm Level for Smallholder Producers as a Result of U.S. Government Assistance*);
- New short-term employment opportunities will be generated to run the pop-up market(s) and to support rehabilitation works. Also, the support to F&V shops will help with job retention over the medium term as shops can re-open and preserve the jobs associated with the business (*Result 1: Number of FTE jobs created*).
- Increase productivity of shops by introducing new technology and management practices (*Result 3.1: Increase Number of Farmers or Microenterprises Applying New Technologies or Management Practices as a Result of U.S. Government Assistance*)

According to the expected impact noted above, successful applicants will be required to capture and report results from this activity in accordance with the following mandatory indicators. Additional indicators may be proposed by applicants and ARE reserves the right to require that additional indicators be tracked during negotiation of award(s).

Activity Results Indicators (Mandatory)	Applicant Proposed Target
1.0 Number of full-time equivalent (FTE) jobs created as a result of U.S. Government assistance	
2.0 Number of people with improved incomes as a result of U.S. Government assistance	
3.0 Private sector investment leveraged by U.S. Government assistance	
4.0 Incremental sales collected at the firm level	
5.0 Number of farmers and MSMEs who have applied new technologies or management practices	

ARE recognizes that some grantees may need technical assistance to more effectively carry out the activity. Consequently, applicants are encouraged to specify their needs for technical assistance and/or training in their application.

NOTE: The above suggested intervention, components, and illustrative action plan and activities are not exhaustive or restrictive. When, and if applicable, applicants are encouraged to suggest additional interventions and activities that support ARE’s objectives and address the problem statement listed above.

ID. AUTHORITY/GOVERNING REGULATIONS

ARE grant awards are made under the authority of the U.S. Foreign Affairs Act and USAID’s Advanced Directive System (ADS) 302.3.5.6, “Grants Under Contracts.” Awards made to non-U.S. organizations will adhere to guidance provided under [ADS Chapter 303](#), “Grants and Cooperative Agreements to Non-Governmental Organizations” and will be within the terms of the USAID Standard Provisions as linked in the annexes, as well as the ARE Project grants procedures.

ADS 303 references additional regulatory documents issued by the U.S. Government's Office of Management and Budget (OMB) and the U.S. Agency for International Development:

- 2 CFR 200 [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E](#)

Full text of 2 CFR 200 can be found at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl. ARE is required to ensure that all organizations receiving USAID grant funds comply with the guidance found in the regulations referenced above, as applicable to the respective terms and conditions of their grant awards.

Under the ARE grant program, USAID retains the right at all times to terminate, in whole or in part, ARE grant-making authorities.

SECTION II. AWARD INFORMATION

ARE anticipates awarding a **maximum of \$250,000** for implementation of activities under this RFA through **one or more anticipated awards** with each individual grant award ranging from \$50,000 to \$250,000. The final number of awards made, and their value will be dependent upon grant activities proposed and final negotiation with the successful applicant(s) and may be lower or higher than that range. The duration of any grant award under this solicitation is expected to be no more than twelve months, with the understanding that the shops' operations should be restored within three (3) months of award given the rapid and urgent nature of this activity. The estimated start date for grants awarded under this solicitation will be on/about October 1, 2020, though every effort will be made to make award(s) more quickly given the urgent nature of the emergency situation in Beirut. The grant type will be determined during the negotiation process based on assessment of the capacity of the selected applicant(s), the proposed activities, and the needs and requirements of ARE.

SECTION III. ELIGIBILITY

IIIA. ELIGIBLE RECIPIENTS

- Applicants must be a registered Lebanese non-government or private organization formally constituted, recognized by and in good standing with appropriate Lebanese authorities, and compliant with all applicable civil and fiscal regulations. Private companies must be majority Lebanese owned and operated (minimum 51% Lebanese ownership).
- Applicants may only submit one application per prime organization under this RFA.
- Applicants must be able to demonstrate successful past performance in implementation of integrated development programs related to ARE's priority areas.
- Applicants must have established outreach capabilities with linkages to the beneficiary group(s) identified in the program description. This should be reflected by the incorporation of the beneficiary perspective in the application.
- Applicants must display sound management in the form of financial, administrative, and technical policies and procedures and present a system of internal controls that safeguard assets; protect against fraud, waste, and abuse; and support the achievement of program goals and objectives. ARE will assess this capability prior to awarding a grant.

- The following are required to be submitted as part of the application package in response to an RFA found in Annex E.
 - Certification of “Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction (AAPD 14-03, August 2014)”
 - Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation (May 2017)
- Additionally, applicants must sign the following required certifications prior to receiving a grant. The certifications are attached to this solicitation (Annex E) and ARE will review them with applicants.
 - Certification Regarding Lobbying (if award exceeds \$100,000)
 - Certification Regarding Terrorist Financing
 - Certification of Recipient
- For any grant award(s) resulting from this solicitation that is other than in-kind and equivalent to \$25,000 USD or more, grantees will be required to provide a Data Universal Numbering System (DUNS) number at the time of award. If the applicant already has a DUNS number it should be included in their application. Otherwise, applicants will be expected to get a DUNS number before an award is made. ARE will assist successful applicants with this process. DUNS numbers can be obtained online at <http://fedgov.dnb.com/webform/pages/CCRSearch.jsp>
- The project will work with the successful grantee to draft a marking and branding plan which will be annexed to the grant agreement.
- Faith-based and community groups will receive equal opportunity for funding in accordance with the mandated guidelines laid out in ADS 303.3.28 except for faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objective of the grant is of a religious nature.
- Grantees are subject to and must pass U.S. government partner vetting requirements per Executive Order 13224.

SECTION IV – APPLICATION AND SUBMISSION INFORMATION

IVA. INSTRUCTIONS TO APPLICANTS

Applicants must propose strategies for the implementation of the program description described above, introducing innovations that are appropriate to their organizational strengths.

IVA1. APPLICANT SELF-ASSESSMENT

All organizations selected for award are subject to a pre-award risk assessment conducted by ARE, to ascertain whether the organization has the minimum management capabilities required to handle US government funds. The applicant self-assessment is the first step in the pre-award risk assessment process. The Applicant Self-Assessment Form is contained in Annex D.

Instructions and a template for the full application are in Annex A. Applicants that submit full applications that meet or exceed the merit review criteria will be notified of next steps in the application process.

IVA2. GRANT APPLICATION

Templates to be utilized when developing the application are provided in Annex A-C. Applicants shall present their technical application and budget in the formats provided and shall follow the instructions and guidelines listed in these annexes.

All grant activity costs must be within the normal operating practices of the Applicant and in accordance with its written policies and procedures. For applicants without an audited indirect cost rate, the budget may include direct costs that will be incurred by the Applicant to provide identifiable administrative and management costs that can be directly attributable to supporting the grant objective.

The application must be signed by an authorized agent of the Applicant.

IVA3. INELIGIBLE EXPENSES

ARE grant funds may not be utilized for the following:

- Construction or infrastructure activities of any kind.
- Ceremonies, parties, celebrations, or “representation” expenses.
- Purchases of restricted goods, such as: restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, used equipment; without the previous approval of ARE, or prohibited goods, prohibited goods under USAID regulations, including but not limited to the following: abortion equipment and services, luxury goods, etc.
- Alcoholic beverages.
- Purchases of goods or services restricted or prohibited under the prevailing USAID source/nationality (Burma (Myanmar), Cuba, Iran, North Korea, and Syria).
- Any purchase or activity, which has already been made.
- Purchases or activities unnecessary to accomplish grant purposes as determined by ARE.
- Prior obligations of and/or, debts, fines, and penalties imposed on the Grantee.
- Creation of endowments.
- Covered telecommunication and video surveillance equipment or services produced by or provided by the companies listed in ADS 303.3.35.2.

IVB. APPLICATION AND SUBMISSION INFORMATION

Applications shall be submitted in English and may not be more than 20 pages.

Applications (Technical and budget proposals and supporting documentation) should be submitted in electronic copy to the ARE grant email address: grants@lebanonare.org and should reference RFA No.001. Applications must be submitted no later than 04:00 PM Beirut local time, on ***Friday, September 4, 2020***. Late or unresponsive applications will not be considered.

In addition to the application forms and budget, applicants should submit the following to ARE:

- Implementation Plan
- Signed and dated Required Certifications listed under section III.A
- Applicant Self-Assessment form
- A completed Vetting Information Form
- A copy of the Applicant’s valid legal registration,
- A copy of their latest audited financial statements.

- List of portfolio and similarly previously achieved projects

Please submit all questions concerning this solicitation to the the Grants email address: grants@lebanonare.org. ARE will assist applicants in understanding the application process, and can provide coaching in application development at the request of applicants.

SECTION V. APPLICATION MERIT REVIEW CRITERIA

Full applications will be evaluated against the merit review criteria in the table below.

Merit Review Category	Rating (Points)
Feasibility of Design & Technical Approach	25
Impact on Target Group	15
Management & Programmatic Capacity (including sustainability of intervention)	15
Delivery time/ speed of implementation	15
Cost Effectiveness	10
Past Performance	10
Gender Awareness and inclusion	10
Overall Rating (out of 100 points)	100

These merit review criteria elements are described more fully below.

A. Feasibility of Design & Technical Approach. The quality and feasibility of the application in terms of the viability of the proposed technical approach, (i.e., the proposed technical approach can reasonably be expected to produce the intended outcomes), appropriateness of the proposed methodology, innovativeness, and the work plan for achieving project objectives to offer the impact listed in the detailed program description section. The technical approach must directly contribute to the achievement of the ARE Program’s expected results and performance under the activity and must be measurable under one or more of the ARE Program’s indicators as indicated in the RFA (see page 5). Evaluation of approaches may include either approaches proven to be effective or new untried approaches with promise. Proposed mechanisms for monitoring and evaluation with objectively measurable indicators will also be appraised. **25 points**

B. Impact on Target Group. The extent to which the proposed activity corresponds to the needs of target group(s) and will directly benefit them. Indicator targets proposed by applicants will be evaluated herein. Also, the degree to which it will directly or indirectly stimulate other organizations and resources to replicate, develop, or implement activities supporting the objectives of ARE. **15 points**

C. Management and Programmatic Capacity, including sustainability of intervention. Evidence of the capability to undertake and accomplish the proposed activities and positively restore and strengthen targeted MSMEs in the Beirut blast area.. The application should demonstrate the organization’s effectiveness in terms of internal structure, technical capacity, and key personnel, in meeting economic development goals. In addition, the organization must demonstrate adequate financial management capability. The evaluation will be based principally on the background, qualifications, reputation, appropriateness and skills of its key personnel; and the “track record,” reputation, and achievements (including development of self-sufficient, sustainable activities) of the organization.

This category will also review the extent to which the funded activity will result in building and strengthening the capacity of the community and local organizations, and whether the activity itself is sustainable or will promote sustainability of the MSMEs supported through the intervention **15 points**

D. *Delivery time, speed of implementation.* The extent to which the applicant is able to mobilize quickly and deliver the suggested project taking into consideration the urgency of this activity and need to restore MSMEs to operation as fast as possible. **15 points**

E. *Cost Effectiveness.* The degree to which budgeting is clear and reasonable and reflects best use of organizational and grant resources. **10 points**

F. *Past Performance.* Previous or ongoing experience implementing similar activities. This examines an Applicant's references and experience, which is a critical factor in assessing the capacity of the organization to implement the activity. **10 points**

G. *Gender Awareness.* The extent to which the proposed activity includes a gender component or represents a strong commitment to women as beneficiaries. **10 points**

Additionally, ARE will ensure environmental soundness and compliance in design and implementation as required by 22 CFR 216.

SECTION VI. AWARD AND ADMINISTRATION INFORMATION

All grants will be negotiated, denominated, and funded in either USD or Lebanese Pounds.

All costs funded by the grant must be allowable, allocable and reasonable. Grant applications must be supported by a detailed and realistic budget as described in Section IV.

Issuance of this RFA and assistance with application development do not constitute an award or commitment on the part of ARE, nor does it commit ARE to pay for costs incurred in the preparation and submission of an application. Further, ARE reserves the right to accept or reject any or all applications received and reserves the right to ask further clarifications from the offerors. Applicants will be informed in writing of the decision made regarding their application.

LIST ANNEXES –

- **Annex A** – Grant Application Form
- **Annex B** – Grant Application Budget Form
- **Annex C** – Implementation Timeline
- **Annex D** – Applicant Self-Assessment Form
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- **Annex G** – Vetting Information Form