

# ANNUAL PROGRAM STATEMENT

## ***Lebanon Agriculture and Rural Empowerment Activity*** **Modification #003** **to** **Annual Program Statement (APS) No. 001**

**Issuance Date:** November 19, 2020

**Modification #1 Date:** December 23, 2020 – modifications are highlighted in yellow throughout the proposal and annexes.

**Modification #2 Date:** April 7, 2021- modifications are highlighted in green throughout the proposal.

**Modification #3 Date:** August 24, 2021- modifications are highlighted in blue throughout the proposal.

**Close Date:** November 18, 2021

Dear Applicant;

The Lebanon Agriculture and Rural Empowerment (ARE) Activity, funded by USAID and implemented by Chemonics International through its local branch, Chemonics Beirut S.A.R.L, is designed to increase the self-reliance of Lebanese firms, entrepreneurs, and households by increasing private sector competitiveness and improving rural livelihoods especially for women. More specifically, ARE will address the development of agribusiness sector and other rural economic sectors, through technical and financial support to industry firms and other stakeholders that are active in the following agriculture and non-agriculture value chains (VCs) which have been prioritized in the value chain and sub-sector prioritization analysis conducted by ARE team:

VC Type	VC
Agricultural	Produce, Fresh & Processed (Vegetables, Legumes, Herbs, & Processed plant-based foods and ready-to-eat meals)
Agricultural	Dairy and Fodder/Forage (Small Ruminant Focus)
Agricultural	Stone Fruits (inc. Avocado)
Agricultural	Table Grapes
Agricultural	Wine and Arak
Non-Agricultural	Tourism (Gastronomy & Wine Tourism, Agro/Eco-Tourism Focus)

This APS seeks to solicit industry firms and other stakeholders, so called “Champion Firms”, active in the above listed value chains to submit concept notes for implementation of interventions within or targeting

the above stated value chains. Eligible activities shall conform to the technical approach detailed in the program description of this APS.

Champion Firms will serve as focal point for ARE's partnership and shall address identified leverage opportunities within the prioritized VCs/sub-sectors. The partnerships with Champion Firms will result from a co-creation process between ARE and the respective Champion Firm that will culminate in a Partnership Framework Agreement (PFA) that will ultimately ensure that implementation of the joint interventions are rooted in market realities, and opportunities to improve the functioning of supply chains.

The co-creation process means that ARE does not compel or lead Champion Firms to design interventions according to a pre-defined ARE strategy for VC/sub-sector development, but rather reacts and adapts to the market opportunities and sectorial constraints identified by the Champion Firms themselves. This creates incentives for ARE's private sector partners to address their actual needs, and those of their markets, in a way that increases their own future self-reliance rather than reacting to circumstances that may not necessarily reflect the reality of their own business environment and real market opportunities. Furthermore, Champion Firms shall set an example for their broader sector and catalyze positive change in both upstream and downstream stakeholders. As a result, ARE investments and interventions with Champion Firms will encourage replication and serve to foster increased self-reliance of the respective sector, sub-sector, and/or value chain as a whole.

**ARE's Partnership Fund**, specifically the **Champion Firm Value Chain Development sub-fund**, will be the primary avenue through which ARE's financial support (grants under contract) will be delivered in support of all interventions. Through this mechanism, grant-making will be solely defined by the PFAs concluded with each Champion Firm. Each PFA will clearly define one or more interventions that will be supported by one or more grants from the Partnership Fund. Grants made under PFAs may be to directly support the development of the Champion Firms through equipment and/or technical assistance or they may be utilized to build the capacity and competitiveness of other firms or stakeholders working in the VC alongside the Champion Firms (i.e. supply chain partners). Support to farmers will also be actualized in partnership with the Champion Firms and implemented together with pre-qualified Farmer Outreach Partners that ARE will competitively select.

Applicants are encouraged to propose a co-investment related to the proposed interventions, either directly in cash or in-kind, or through the participation of third parties. If presented, the final decision on the amount of Champion Firm co-investment will be part of the co-creation process for the PFA development. Proposed Champion Firm co-investment will be evaluated as part of the evaluation criteria.

All grants will be awarded and implemented in accordance with USAID and U.S. Government regulations governing grants under contracts and ARE's internal grant management policies.

The project will hold workshops as per the below table:

<i>Session Title</i>	<i>Caza</i>	<i>Date</i>	<i>Location</i>	<i>Time</i>	<i>Registration Deadline</i>
<i>Information Session</i>	<i>Across Lebanon</i>	<i>November 24<sup>th</sup>, 2020</i>	<i>Online Information Session (details will be shared upon registration)</i>	<i>5:00 pm</i>	<i>November 23rd, 2020 by 5:00 pm</i>

Information/ Q&A Session	Bekaa	December 8 <sup>th</sup> , 2020	<b>**Physical Session (details will be shared upon registration)</b>	11:00 am	December 4 <sup>th</sup> , 2020 by 5:00 pm
Information/ Q&A Session	North Lebanon	December 10 <sup>th</sup> , 2020	<b>**Physical Session (details will be shared upon registration)</b>	11:00 am	December 7 <sup>th</sup> , 2020 by 5:00 pm
Information/ Q&A Session	South Lebanon	December 15 <sup>th</sup> , 2020	<b>**Physical Session (details will be shared upon registration)</b>	11:00 am	December 11 <sup>th</sup> , 2020 by 5:00 pm
Information/ Q&A Session	Beirut and Mount Lebanon	December 17 <sup>th</sup> , 2020	<b>**Physical Session (details will be shared upon registration)</b>	11:00 am	December 14 <sup>th</sup> , 2020 by 5:00 pm

***\*\* Physical sessions will be held while respecting COVID-19 precautionary measures. In case the health situation does not allow for physical gatherings, then, the above scheduled sessions will be done remotely through online platforms; details will be shared as needed. The physical information sessions will be simultaneously streamed via Microsoft Teams for those interested parties who may prefer not to attend in person due to the current pandemic situation. Links to the sessions will be provided upon request via the registration process.***

***Note:*** Additional sessions will be scheduled as needed during the course of the APS.

These workshops will allow interested applicants the chance to ask questions about the APS 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 the Lebanon ARE Grants email address: [grants@lebanonare.org](mailto:grants@lebanonare.org). Only two persons may attend from each interested applicants.

In addition to the above information sessions, ARE will hold optional group coaching sessions and/or one-on-one coaching sessions for interested applicants to provide a detailed walkthrough of the concept note application process and principles behind ARE's programming. Interested applicants are requested to fill in the questionnaire found on this link ([APS#001 Questionnaire \(office.com\)](#)). The ARE team will reach out to applicants that filled out the questionnaire and are interested in attending the coaching session, to schedule the dates and times for the sessions.

Activity 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 an activity employee should be reported to the chief of party or [BusinessConduct@chemonics.com](mailto:BusinessConduct@chemonics.com).

The following Annexes are included with this APS:

- Annex A – MODIFIED VERSION** Concept Note Application (including budget and timeline)
- Annex B –** Required Certifications

## **Annex C – Mandatory and Required As Applicable Standard Provisions (please refer to the links below)**

- Standard Provisions for U.S. and Non-U.S. Nongovernmental organizations receiving a fixed amount award can be accessed through the following URL: <https://www.usaid.gov/sites/default/files/documents/303mat.pdf>
- Standard Provisions for Non-U.S., Nongovernmental recipients receiving all other types of grants can be accessed through the following URL: <https://www.usaid.gov/sites/default/files/documents/303maa.pdf>

## **SECTION I. PROGRAM DESCRIPTION**

### **I.A. ARE ACTIVITY CONTEXT**

The Lebanese economy and agro-food sector face unique challenges during the current crisis period. Given the critical need for Lebanese Micro, Small and Medium Enterprises (MSMEs) and farmers to take advantage of new and emerging opportunities to increase their potential to grow sales both internationally and domestically and generate export earnings in light of the currency crisis, ARE relies on the following “theory of change” that states:

- **IF** high potential agribusinesses and rural value chain stakeholders have the capacity to access new markets,
- **AND** producers have the capacity to improve the quality of their products to meet this new demand,
- **THEN** rural and peri-urban communities will benefit from new economic opportunities at the farm, processing, packaging, and sales levels,
- **RESULTING IN** sustainable growth in sector competitiveness and reducing the need for further USG assistance in supported areas.

### **I.B. ARE ACTIVITY BACKGROUND**

The Lebanon Agriculture and Rural Empowerment (ARE) Activity is a multi-year activity (4 years base-period with possibility of one year extension) funded by USAID and implemented by Chemonics International through its local branch Chemonics Beirut S.A.R.L, that aims to develop rural economies in Lebanon by equipping agribusiness sector and rural communities (non-agriculture value chains) with the technical and financial resources/support, to unlock local and export sales potential while also creating/preserving jobs and increasing farmers’ and worker’s incomes. ARE will preserve/increase jobs; improve incomes; improve female participation and employment opportunities; increase domestic and export sales; increase private sector investment; improve access to finance; link value chain actors to domestic and international markets; and improve farm production through improved practices, technology, increased volume, and/or decreased cost.

Specifically, ARE intends to achieve the following three objectives:

**Objective 1:** Increased Domestic and Export Sales;

**Objective 2:** Increase Access to Financial Resources; and

**Objective 3:** Improve the Productivity of Micro, Small, and Medium Enterprises (MSMEs)

The overall analytical framework of ARE will emphasize on the use of both buyer-led and Market Systems Development (MSD) approaches.

- **The buyer-led approach** means understanding and assessing the market demand for the products and services at both the domestic and export levels. Only by understanding the market demand for the products and/or services produced in the respective value chain can we effectively understand where return on ARE investments can best be realized so that the

supply meets the demand. Given the current constraints facing the Lebanese economy, and the critical need to generate foreign exchange to mitigate the currency crisis, market demand will play a critical role in guiding the ARE interventions which will be designed to link upstream VC actors into higher value-added markets that generate more revenue and retain or create higher-value jobs at every level of the VC, from production to processing to marketing and access to markets.

- **The MSD approach** aims to catalyze systemic change within a VC (or more holistically a market system) that will improve the lives and livelihoods of stakeholders throughout the VC at three levels:
  - Micro-level: VC operator level
  - Meso-level: Supporting functions including industry information, labor, etc.
  - Macro-level: Public policy enabling sustainable development

Within this framework, ARE's approach will focus on continuous analysis of markets and VCs selected. It will employ an adaptive management process, as dynamic as the market itself, that will vary with each identified opportunity, to be seized as it arises. It will also allow interventions to be amended or discarded in favor of more promising ideas, interventions and assistance. These interventions should be designed to ensure that production, processing, and marketing efforts are oriented first and foremost to the end-market and to improve access to new and higher value markets. No investment in production, harvesting, or processing can be self-reliant and sustainable without looking at the sales channels and actual market opportunity first.

ARE will generate success stories based on the identification of needs, capacities, and incentives of existing stakeholders who are ready to behave differently and can in turn incentivize others to behave similarly. ARE will partner with **Champion Firms** (engaged in the value chains selected) and other relevant stakeholders using a market-led approach, to co-create targeted interventions through the **Partnership Framework Agreement (PFA)**.

The goal of ARE's partnerships with Champion Firms is to "grow the pie" so that both the Champion Firm and their value chain stakeholders all benefit by improving both firm-level and sector-level competitiveness. While respecting the needs and impetus of firms to effectively compete with one another for new and growing markets both domestically and internationally, ARE will facilitate a process that harnesses the desire of Champion Firms to be more competitive at the firm level to engage them with targeted incentives that will promote increased coordination, linkages, and investment between value chain stakeholders both horizontally as well as vertically. These new and strengthened relationships between upstream and downstream value chain stakeholders will lead to greater resilience within the sector while also increasing opportunities for greater coordination leading to greater profitability at all levels of the value chain. ARE's assistance will be financed through **the Champion Firm Value Chain Development Sub-Fund**.

Below are some key definitions:

- **Champion Firms** are (but not limited to) agri-food and other non-agricultural SMEs, suppliers, cooperatives, associations, and other stakeholders that currently enjoy or have the potential to enjoy, national scale distribution of their portfolio of agricultural and non-agricultural products/services, and have the motivation and capability to influence development of their respective value chain(s) and the sector they operate in. The Champion Firm should believe that with the right assistance provided by ARE, the constraints it is facing will be addressed and will take advantage of untapped opportunities both up and downstream within the value chain. The Champion Firms could be:

- **Established Firm (SMEs & Large Business):** established agribusiness or supporting function business; progressive business attitude and willingness to invest; opportunity to reach many farmers and MSMEs/suppliers; opportunity to increase gross profit throughout the VC; already exporting/potential to export/substitute imports.
- **Start-Ups/Disrupter (SME):** Interested/willing to participate in accelerator programs; Company/product/prototype must resolve an acute agribusiness need; Strong/promising Management team. Must be willing to work upstream and/or downstream within the VC to ensure assistance creates value for multiple VC stakeholders at multiple levels of the VC.
- **Growth-Focused (MSME):** Interested/willing to participate in clusters to test innovations and technologies; currently producing, or able to produce, market-oriented products; willing to explore pre-farm-gate value addition; Interest in improving farming techniques and management skills.
- **Supply Chain Partners/Farmers:** Pass-through assistance from Champion Firms to build the capacity of supply chain actors and farmers. Farmers or supply chain partners must be willing to cooperate and/or coordinate production in line with the Champion Firm's PFA.

ARE will prioritize Champion Firms that have not received extensive support from other past or current USAID-funded activities. This priority will guide outreach efforts but will not mean that previously funded firms or partners shall be excluded from participation in the APS process for selection. For firms that have been previously supported by USAID, they will need to fully demonstrate how the new proposed interventions will be complementary and build upon past support, how the proposed interventions create even greater additive value within the larger VC, and shall prove that any new intervention will not duplicate or repeat past USAID support.

- **Partnership Framework Agreement (PFA)** is the main mechanism through which ARE will engage with Champion Firms. PFAs are developed together by both ARE and the Champion Firm through a process of co-creation.
- **Champion Firm Value Chain Development Sub-Fund** is the primary fund through which ARE shall work upstream and downstream within the prioritized value chains. Grants, issued under this Sub-Fund, shall be actualized via the PFA with selected Champion Firms. Champion Firms and/or their value chain partners, such as suppliers, marketing/sales partners, and other stakeholders, will be able to access one or more grants to enable implementation of the interventions detailed in the respective PFA. Grants will support a range of interventions in line with the approved PFA, including the following (but not limited to):
  - In-kind Technical Assistance (TA) grants (Market Access, Marketing and branding, (Pre) Certification, Feasibility Studies, Product Development, Export Promotion, etc.)
  - In-kind Equipment grants (processing lines, packing lines, refrigeration, logistics equipment, primary production equipment, waste water treatment and recycling systems etc.)
  - In-kind Software and/or E-Commerce Solutions (ERP, Inventory Management, Supply Chain Management, CRM, Websites, Mobile Applications, Payment Systems, etc.,)
  - Contract Farming System Development;
  - Farmer training and capacity building (supply chain development);
  - Reverse Study Tours;
  - International Trade Fair Participation (excluding any travel costs);
  - Other assistance to be determined.

To assist in the implementation of the PFA interventions, ARE shall identify, pre-qualify and recruit:

- **Farmer Outreach Partners (FOPs):** a pool of specialized organizations, whether NGOs or private sector firms, which will have as a specific focus the training and capacity building of farmers in accordance with the goals and objectives of the PFAs entered into with Champion Firms. FOPs will provide complementary assistance linked to the needs of the PFA and will ensure success and sustainability of interventions with farmers and other microenterprises working in the value chain. While the use of FOPs will be dictated by the needs of a given PFA with Champion Firms (and included therein), FOPs grants will be competed and awarded to partners who best meet the needs of the intervention designed within the PFA.
- Technology vendors for small scale equipment and technology upgrades at the farm level for supply chain capacity building activities. ARE will issue specific work orders, service agreements or fixed amount awards with the relevant implementing partner or vendor.

Gender and Youth engagement and inclusion will be a focus across all planned interventions. Youth engagement in agriculture and selected non-agriculture interventions will be critical to ensure that ARE contributes to the prevention of a potential lost generation that may result from the current economic, financial and public health crisis facing Lebanon today. ARE will promote internships both within ARE as well as require an internship component within each PFA with Champion Firms.

#### **I.C. ARE VALUE CHAIN AND SUB-SECTORS PRIORITIZED**

ARE has conducted a value chain and sub-sector prioritization analysis which has considered both stand-alone (product-specific) agricultural VCs and a limited number of high potential, non-agriculture VCs that are relevant for rural communities. The analysis has applied four critical sustainability dimensions (economic, social, environmental, and institutional) and yielded a ranked list, based on clear quantitative and qualitative scoring criteria.

The methodology underpinning this prioritization analysis included two phases.

- **Phase 1** consisted of a rapid screening of approximately 75 agricultural and non-agricultural VCs currently existing in Lebanon, considering their respective (1) export potential, (2) import substitution potential, (3) innovation potential or potential to implement new technologies, (4) job retention or creation potential, and (5) value additional potential. 15 potential long-listed VCs have been selected for in-depth analysis in Phase 2.
- **Phase 2** assessed the relative potential of the 15 long-listed VCs by examining the “quadruple bottom line” of sustainability (economic, social, environmental, and institutional), applying criteria with set indicators and corresponding weighting.

Based on the outcome of the value chain and sub-sector prioritization analysis approved by USAID, and in order to best achieve the desired activity objectives, ARE shall focus interventions and partnerships that support the following value chains, and/or sub-sectors:

VC Type	VC	Exclusions
Agricultural	Produce, Fresh & Processed (Vegetables, Legumes, Herbs, & Processed plant-based foods and ready-to-eat meals)	Potatoes and potato-based products, alliums, honey and citrus
Agricultural	Dairy and Fodder/Forage (Small Ruminant Focus)	



Agricultural	Stone Fruits (inc. Avocado)	Berries
Agricultural	Table Grapes	
Agricultural	Wine and Arak	
Non-Agricultural	Tourism (Gastronomy & Wine Tourism, Agro/Eco-Tourism Focus)	MICE (Meetings, International Conferences, Events)

ARE acquired USAID's approval and the necessary waiver to intervene in the wine and arak value chains.

ARE will support the wine and arak value chain prioritizing activities that replace imported inputs and input supplies, eg. Anis seed for Arak or; improve access to markets and marketing support for wine producers (including bottling and labeling); or incorporate touristic activities and opportunities into established wineries. Support to vineyard and/or nursery establishment/expansion for Lebanese indigenous wine grape varieties (only) are considered as eligible for support. **Equipment and software used for the production of wine and/or arak are eligible for ARE financing under this APS. ARE financing cannot be used to purchase alcohol or alcoholic beverages.**

The following agriculture and non-agriculture value chains; potatoes, potato-based products, honey, citrus, berries and packaging, will not be supported under this specific APS. **A subsequent APS will be published at a later time that will target interventions in the aforementioned value chains.** ARE will focus its support to these value chains on the following cross-cutting themes: water management and use, post-harvest, packaging materials and access to finance.

#### **I.D. ARE EXPECTED RESULTS AND RELATIVE INDICATORS**

ARE aims to equip the agribusiness sector and rural economies (non-agricultural) with the technical and financial resources to increase private sector competitiveness, improve livelihoods (especially for women), and generate increased productivity, sales and exports, and producer income.

Specifically, ARE intends to achieve the following three objectives:

1. Increased Domestic and Export Sales;
2. Increase Access to Financial Resources; and
3. Improve the Productivity of Micro, Small, and Medium Enterprises (MSMEs)

ARE's goal and objectives are divided into sub-purposes and sub-results each linked to a set of indicators to adequately capture intervention's progress towards results. These are tracked in the below table:



Indicator No./ Reference	Indicator
<b>USAID Lebanon CDCS Goal: Economic Opportunity Increased</b>	
<b>Activity goal: Equip agribusiness sector and rural communities with the technical and financial resources to generate increased productivity, sales, and exports, improving producer income</b>	
A.1 [PSD a]	Value of new private sector investment leveraged by USG implementation [contractual]
A.2. [PSD b]	Number of full-time equivalent (FTE) jobs created with USG assistance [contractual]
A.3. [DO2 c/PDS c] Gender 2	Proportion of female participants in USG assisted programs designed to increase access to productive employment resources
A.4. [crosscutting] Youth 3	Percentage of participants in USG-assisted programs designed to increase access to productive economic resources who are youth (15-29) [IM-level]
<b>A.5. [crosscutting] CBLD-9</b>	<b>Percent of USG-assisted organizations with improved performance [IM-level]</b>
<b>Activity or Project Sub Purpose: Increase private sector competitiveness and improve livelihoods</b>	
1. [PSD IR1.a]	Number of for-profit enterprises, producer organizations, water users' associations, women's groups, trade and business associations, and community-based organizations that applied improved organization-level technologies or management practices as a result of USG assistance
2. [PSD IR1.b (Sub IR 2.1.2)]	Number of MSMEs, including farmers, and other organizations benefiting from new horizontal & vertical linkage
3. [PDS IR 2.b.]	Number of people with improved access to financial services as a result of USG assistance [contractual]
<b>Objective 1</b>	<b>Increased domestic and export sales</b>
4. [PSD IR 1.1.a (IR 2.1 d)]	Value of incremental sales (domestic and export) collected at firm level as a result of USG assistance [contractual]
5. [PSD IR 2.2.b (IR 2.1.d)]	Value of incremental sales (domestic and export) collected at the farm level for small holders as a result of USG assistance [contractual]
6. [PSD IR 2.2.b (IR 2.1.d)]	Increase in volume of production attributed to USAID assistance
<b>Objective 2</b>	<b>Increased Access to Financial Resources</b>
7. [PSD 2a]	Number of people with improved incomes as a result of USG assistance
8. [PSD IR 2.1.a (Sub IR 2.2.b)]	Total value of commercial loans accessed as result of USG assistance [contractual]
9. [custom]	Number of firms accessing loans with USG assistance
<b>Objective 3</b>	<b>Improve productivity of MSMEs</b>
10. PSD IR 2.2.a (IR 2.1a)	Number of farmers and microenterprises who have applied improved technologies or management practices with USG assistance [contractual]
11. [custom]	Percentage change in volume of production at the farm level attained as a result of USG assistance [contractual]
12. [custom]	Percent change in cost of production at the farm level attained as a result of USG assistance [contractual]
13. [custom]	Number of smallholders and SME beneficiaries receiving improved extension services

A detailed indicator tracking table for all relevant indicators will be included in the PFA to be signed with potential champion firms. PFA's may track some or all of the indicators listed above as defined by the nature of the interventions included within the PFA.

## **I.E. CHAMPION FIRM ENGAGEMENT PROCESS**

ARE will use a five-step selection process to engage, select, and partner with prospective Champion Firms:

**Step 1:** Publication of one or more Annual Program Statements (APS), soliciting concept notes from potential Champion Firms. APS(s) will be open for twelve months with the potential to extend deadlines at ARE discretion.

**Step 2:** Ongoing review and evaluation of concept notes submitted by prospective Champion Firms. Concept notes will be evaluated on a rolling basis as received by an internal review panel comprised of ARE technical implementation staff, and recommendations may be vetted by a larger group. Concept notes will be evaluated against the set of criteria detailed in SECTION V. CONCEPT NOTE MERIT REVIEW CRITERIA. ARE will accept only two (2) re-submissions in addition to the original Concept Note.

**Step 3: Partnership Planning Process:** Co-creation process between ARE and the prospective Champion Firm of the Partnership Framework Agreement (PFA). PFAs will

- Be for up to 24 months from (and including) the month of execution of the PFA,
- Will be prepared and developed together by ARE and the prospective Champion Firm with the participation, review and technical concurrence from USAID,
- Detail out the rights roles and responsibilities of both ARE and the Champion Firm, including investment planning for different grant interventions with relevant milestones to be financed under the PFA,
- Commit the parties to use their best efforts and resources (human and financial),
- Develop governance models, core interventions, division of roles, responsibilities and risks, timeframe and budget,
- Identify the significant new/complementary resource to mobilize in order to tackle technical and business interventions,
- Seek how to create added value to the proposition through the partnership,
- Review, assess and determine where and how ARE could be mobilized with supportive instruments/tools, equipment provision, supply chain, capacity building, reverse study tours,
- Be reviewed on regular basis to assess the economic feasibility of the interventions, the ROI of its interventions and adjust accordingly,
- Highlight Monitoring, Evaluation and Learning (MEL) and communication planning,
- Include gender awareness and inclusion,
- Other needs as identified by the parties.

Simultaneously with the PFA co-creation process, ARE will undertake due diligence and pre-award assessment procedures, including submission of vetting information.

**Step 4:** Execution and implementation of the PFA, inclusive of technical assistance and grants provision to the Champion Firm and/or other relevant value chain stakeholders as agreed-upon in the PFA. Stand-alone grant applications will be required for all grant interventions that will be included in the PFA. USAID approval will be required for each separate grant to be implemented under the PFA.

During this step ARE and the Champion Firm will monitor/review the progress / implementation of the PFA interventions, assess it and adapt accordingly (scale, modify or discontinue ineffective interventions and partnerships)

**Step 5:** Communication of results and ARE decisions to exit or re-engage will be made at regular intervals during the course of PFA implementation, in accordance with pre-established metrics to be agreed-upon by both ARE and the Champion Firm. The regular assessment of progress will provide ARE with clear “off ramps” that can be exercised at pre-determined points in the PFA action plan, thereby allowing for both

risk limitation as well as flexibility to adjust approaches in accordance with the principles of adaptive management.

## **I.F. ARE POTENTIAL INTERVENTIONS UNDER PFA**

The range of different types of interventions that may be developed together with the Champion Firms as part of the PFA process are listed below

### **Market knowledge and management support:**

- VC stakeholder Data/GAP analysis and needs assessment
- Market studies and analysis
- Knowledge transfer
- Market Data and forecasting

### **Technical support**

- Crop yield supply and productivity
- Season extension
- GAP/GMP
- Product development
- Establishment of contract farming systems/schemes
- Quality management
- Equipment and infrastructure
- Innovation
- Clustering

### **Business and management support**

- Procurement
- Finance, cost management, sales strategies(price/product positioning)
- Market requirements
- Business management
- HR management

### **Marketing and Communication support**

- Branding and packaging
- Communications tools, techniques and platforms
- Fairs and events

### **Financial support**

- Facilitating access to financial resources
- Improve financial knowledge and requirements
- VC knowledge sharing with financial institutions to change perceptions

## **I.G. AUTHORITY/GOVERNING REGULATIONS**

ARE grant awards are made under the authority of the U.S. Foreign Affairs Act and USAID's Automated 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 grants procedures.

ADS 303 references two 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](#) (U.S. applicants are subject to 2 CFR 200 in its entirety)

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](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl) and 2 CFR 700 at <http://www.ecfr.gov/cgi-bin/text-idx?SID=531ffcc47b660d86ca8bbc5a64eed128&mc=true&node=pt2.1.700&rgn=div5>. ARE is required to ensure that all organizations receiving USAID grant funds comply with the guidance found in these circulars, 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 up to **\$2,800,000 USD** to firms and/or other value chain stakeholders through multiple grants in accordance with the Partnership Framework Agreements (PFAs) negotiated with successful Champion Firms. Funding will be disbursed as grants through one or more anticipated grant awards to be made within the context of the PFA entered into with the selected Champion Firm(s). The PFA shall provide the roadmap for the development of one or more grants that will be issued to support the goals and objective of the PFA. It is anticipated that a single grant award made under a PFA may range from between **\$10,000 USD and \$150,000 USD**, but the final amount will be dependent upon grant interventions and final negotiation and may be lower or higher than that range. The total amount of eligible funding that shall be allocated for one or more grants under a PFA shall be negotiated within the PFA co-creation process. The type of grants will be determined during the negotiation process. The duration of any grant award made in accordance with the respective PFA resulting from this solicitation is expected to be no more than **24 months**. The estimated start date of grants awarded under this solicitation is January 1, 2021.

## SECTION III. ELIGIBILITY

### III.A. ELIGIBLE APPLICANTS

- Applicants must be a registered *Lebanese company/organization/association/cooperative/shop* (or other legal entity) formally constituted, recognized by and in good standing with appropriate Lebanese authorities, and compliant with all applicable civil and fiscal regulations.
- Applicants may only submit one concept note per prime organization under this APS.
- Applicants must be able to demonstrate successful past performance in implementation of integrated development programs similar to ARE.
- 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.
- Applicants must sign the following certification as part of their application package in response to this APS.
  - **Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation (April 2015)**

- Additionally, applicants must sign the following required certifications prior to receiving a grant. The certifications are attached to this solicitation (Annex B) and ARE will review them with applicants.
- 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 activity will work with the successful grantee to draft a marking and branding plan and MEL plan which will be annexed to the PFA agreement.
- Successful grantees are subject to and must pass U.S. government partner vetting requirements per Executive Order 13224.

ARE encourages applications from new organizations who meet the above eligibility criteria.

ARE will prioritize applicants who have not received extensive support from other past or current USAID-funded activities. This priority will guide outreach efforts but will not mean necessarily that previously funded firms or partners shall be excluded from participation in the APS process for selection. For firms that have been previously supported by USAID, they will need to fully demonstrate how the new proposed interventions will be complementary to, and build upon, past support, how the proposed interventions create even greater additive value within the larger VC, and shall prove that any new intervention will not duplicate or repeat past USAID support.

#### **SECTION IV. CONCEPT NOTE AND SUBMISSION INFORMATION**

As mentioned previously, through this APS, ARE is soliciting concept notes from prospective Champion Firms and other stakeholders for implementation of interventions within or targeting the above stated value chains. These interventions, should exclude the below ineligible expenses:

- Construction or infrastructure activities of any kind is not eligible for reimbursement under grants resulting from this solicitation. Construction also includes improvements, renovation, alteration, and refurbishment.
- Ceremonies, parties, celebrations, or “representation” expenses.
- Purchases of restricted goods, such as: restricted agricultural commodities, fertilizers, 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 (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 the ARE activity.
- 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.

As per Annex A, concept notes shall be submitted in English, may not be more than **10 pages** and must be signed by an authorized agent of the applicant.

Concept notes and relative supporting documents specified in the Annexes should be submitted in **electronic format ONLY** to the ARE grants team email address: [grants@lebanonare.org](mailto:grants@lebanonare.org) and should reference in the Subject Line: “**APS No.001**”. ARE will continue to accept concept notes through 18:00 local time, on **18<sup>th</sup> November 2021** or until funds are no longer available. Late or unresponsive applications will not be considered. ARE reserves the right to extend or curtail the application period at its own discretion.

In addition to the application forms, applicants should submit the following attachments to the submitted concept note:

- Signed and dated Required Certifications listed under section III.A
- A copy of the Applicant’s valid legal registration (Commercial Circular, Commercial Register, and Ministry of Finance Registration **OR** equivalent from other ministries based on nature of legal entity).

Please submit all questions concerning this solicitation to the attention of [Nicole Tager](#), Senior Grants and Procurement Manager, via email to [grants@lebanonare.org](mailto:grants@lebanonare.org). Emails will be answered within 10 working days.

ARE will assist applicants in understanding the application process, and can provide coaching in application development at the request of applicants.

All applicants selected for award are subject to due diligence and pre-award risk assessment including submission of vetting information, conducted by ARE, simultaneously with the PFA co-creation process, to ascertain whether the organization has the minimum management capabilities required to handle US government funds.

## SECTION V. CONCEPT NOTE MERIT REVIEW CRITERIA

All concept notes will be reviewed by an internal review panel comprised of ARE technical implementation staff, and recommendations may be vetted by a larger group. Concept notes will be evaluated and rated against the criteria below.

Merit Review Category	Rating (Points)
A. Relevance of the constraint(s) identified	10
B. Feasibility of designed interventions and technical approach and alignment with ARE objectives and expected results	30
C. Impact on target groups (evidence of impact, cost effectiveness, additionality, sustainability, scalability and accountability)	25
D. Gender awareness and youth inclusion	10
E. Environmental sustainability	5
F. Applicant’s Management and programmatic capacity (background, expertise, experience in the field of the mission and previously supported/or not by USAID)	10
G. Budget and timeline	10
<b>Overall Rating (out of 100 points)</b>	<b>100</b>



These merit review criteria elements are described below:

**A. Relevance of the constraint(s) identified:** Applicants should highlight how the constraints they are mentioning in their concept are relevant and impacting their business in particular and sector in general and how solving these problems would lead to improvement. **(10 points)**

**B. Feasibility of designed interventions and technical approach and alignment with ARE objectives and expected results:** The quality and feasibility of the application in terms of the viability of the proposed interventions and 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. The technical approach must directly contribute to the achievement of ARE expected objectives and results. **(30 points)**

**C. Impact on target groups (evidence of impact, cost effectiveness, additionality, sustainability, scalability and accountability).** The extent to which the proposed interventions correspond to the needs of target group(s) and will directly benefit them. The extent to which the proposed interventions would not have taken place in the absence of USAID support. Also, the degree to which it will directly or indirectly stimulate other organizations and resources to replicate, develop, or implement interventions supporting ARE objectives. **(25 points)**

More specifically the applicant must demonstrate

- how the suggested interventions can achieve better results at lower cost or be more effective at solving the problem than the status quo or alternatives,
- evidence of consumer demand or evidence that the interventions fill an identifiable need in the market,
- that the interventions have the potential to benefit beneficiaries' lives sustainably,
- how the intervention(s) 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 organization.

**D. Gender awareness and youth inclusion.** The extent to which the proposed activity includes a gender component or represents a strong commitment to women and youth as beneficiaries. **(10 points)**

That being said, ARE will prioritize interventions that

- Support female entrepreneurship by consciously seeking out and encouraging the participation of female entrepreneurs in ARE interventions
- Engage both women and men to participate equally and without segregation in ARE interventions
- Have large wage employment potential and impacts for women
- Promote farming as a legitimate and professional entrepreneurship opportunity for young people across the country.

**E. Environmental sustainability.** ARE will prioritize interventions with opportunities to take advantage of emerging green technologies, interventions that have a neutral impact on the environment or to which it is possible to mitigate potential adverse environmental impacts (soils, water, air, biodiversity, human health) easily by implementing good agricultural and best environmental practices, both at the production and post-production levels. **(5 points)**

**F. Applicant's management and programmatic capacity (background, expertise, experience in the field of the mission and previously supported/or not by USAID).** The applicant should have the capability to undertake and accomplish the proposed interventions. The applicant should demonstrate the organization's effectiveness in terms of internal structure, technical capacity, and key personnel. The

evaluation will be based principally on the background, skills of its key personnel; previous and ongoing experience implementing in similar projects and achievements of the organization. **(10 points)**

**G. Budget and timeline.** The degree to which budgeting is clear, reasonable and reflects best use of time, organizational and grant resources. **Up to three points out of the total 10 points will be awarded based on the applicant's financial contributions and leveraging of private or third party funds (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 USD.

All costs funded by the grant must be allowable, allocable and reasonable. Grant applications must be supported by a simple summary budget that will be developed further if/when the application moves to Step 3- Partnership Planning step.

Issuance of this APS 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. Concept Notes that are accepted by ARE shall move forward into the PFA co-creation phase, which shall provide further details on the interventions that shall be eligible for grant financing. Individual grants to be awarded in concurrence with the final PFA shall require their own separate application, budget and approval process, however the grant opportunity shall not be subject to further competition.

## **LIST ANNEXES**

The following Annexes are included with this APS:

- **Annex A – MODIFIED VERSION** Concept Note Application (including budget and timeline)
- **Annex B –** Required Certifications
- **Annex C –** Mandatory and Required As Applicable Standard Provisions (please refer to the links below)
  - Standard Provisions for U.S. and Non-U.S. Nongovernmental organizations receiving a fixed amount award can be accessed through the following URL: <https://www.usaid.gov/sites/default/files/documents/303mat.pdf>
  - Standard Provisions for Non-U.S., Nongovernmental recipients receiving all other types of grants can be accessed through the following URL: <https://www.usaid.gov/sites/default/files/documents/303maa.pdf>