

ANNUAL PROGRAM STATEMENT

Lebanon Agriculture and Rural Empowerment Activity Annual Program Statement (APS) No. 003

Modification #001

Modification #002

Issuance Date: July 5, 2023

Close Date: July 4, 2024

Modifications Date:

Modification #001: July 12, 2023 - modifications are highlighted in yellow throughout the proposal

Modification #002: August 11, 2023 - modifications are highlighted in green throughout the proposal

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 seeking grant applications for implementation of the *“Agri-Business Productivity Improvements to Strengthen Food Security in Lebanon - Optimizing In Factory Energy Use through Solar PhotoVoltaic (PV) Systems”* intervention designed to bolster agri-food production and processing facilities’ ability to invest in improving their agri-business margins that have a clear reduction in operational costs or improvements in sales.

ARE’s support includes but is not limited to: food processors, milk producers, chicken-egg producers, **small agro-touristic wineries (producing less than 20,000 bottles per year) providing agro-touristic services at the winery location,** among others. **Note: All irrigation related activities are EXCLUDED from this call**

The intervention will provide support to the above-mentioned agri-businesses seeking to lower their fuel consumption in their daily production process(es), by optimizing their in-factory energy use through the investment in solar photovoltaic systems.

Approximately 30 grants will be awarded under this intervention to assist with the installation of photovoltaic (PV) systems and their components. The total grant amount allocated for this intervention is \$500,000. ARE will cover a maximum of \$22,500 for **each agribusiness beneficiary**, to install **grid-tie or hybrid (with batteries) solar photovoltaic** systems as per the following table. These grants will be awarded and implemented in accordance with USAID and US Government regulations governing grants under contracts and ARE’s internal grant management policies.

Table 1. ARE Support Matrix

On grid PV systems with VFD	\$850 per KW and \$10,000 maximum support, up to 85% of system’s cost
Hybrid PV systems including battery storage	\$1,275 per KW and \$22,500 maximum support, up to 85% of system’s cost

ARE has shortlisted 13 renewable energy companies as **exclusive, pre-qualified suppliers** for this intervention’s design, implementation, and commissioning. Applicants are encouraged to contact **all** companies and select what system would be most appropriate for their agribusiness facilities. The details of the systems along with their specifications and kWh costs are outlined in Annex B. The grant application along with related Annexes are included in this APS.

The project will hold an online pre-application workshop on MS Teams as per the table below:

<i>Date</i>	<i>Time</i>	<i>Registration Deadline</i>
August 01, 2023	1:00 pm	July 27, 2023 by 5:00 pm
September 15 , 2023	3:00 pm	September 12, 2023 by 5:00 pm
November 30 , 2023	12:00 pm	November 24, 2023 by 5:00 pm

Note: Additional pre-application workshops will be scheduled as needed during the course of the APS.

This workshop will allow eligible and interested applicants 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 the workshop must confirm their attendance by sending the participant’s name and the organization’s name to grants@lebanonare.org **before the respective registration deadlines mentioned in the above table.** Up to two persons may attend from each organization and no reimbursement for costs of attendance will be met. Applicants may also submit questions to grants@lebanonare.org prior to the virtual workshop.

Applications will be accepted on a rolling basis and reviewed bi-monthly until the funds are exhausted and awards will be made on a first-come first-serve basis. Applicants are encouraged to submit their applications as soon as possible (ASAP).

ARE 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.

The following Annexes are included with this APS and should be requested by email:

Annex A.1 – Grant Application Form – Arabic Version

Annex A.2 – Grant Application Form – English Version

Annex B – Exclusive PV Supplier Information

Annex C – Required Certifications

Annex D – 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/about-us/agency-policy/series-300/references-chapter/303mat>
- <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/about-us/agency-policy/series-300/references-chapter/303mab>

SECTION I. PROGRAM DESCRIPTION

I.A. ARE ACTIVITY BACKGROUND

The Lebanon Agriculture and Rural Empowerment (ARE) activity, funded by USAID and implemented by Chemonics International, has a three-year base period, two Option Years, and One Increased Quantity Option. Both option years have been activated, bringing the activity implementation period to five years, and the IQO has been exercised in order to enable scale-up of interventions in support of both of ARE’s expected results (objectives).

ARE supports Lebanese rural and peri-urban communities to obtain technical and financial resources in order to facilitate increased productivity, sales, and exports, improved business income, while also ensuring livelihood sustainability. To support this purpose, ARE will 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 production through improved practices, technology, increased volume, and/or decreased cost. ARE supports two key expected results (objectives), each with their own intermediate result (IR):

1. Increased domestic and export sales at both firm and farm levels (Result 1)
 - 1.1. Increased enterprise competitiveness (IR 1.1)
2. Livelihoods improved, especially in rural areas and for women (Result 2)
 - 2.1. Improved productivity of MSMEs, including farmers (IR 2.1)

I.B. ARE ACTIVITY CONTEXT

The economic crisis and the subsequent Lebanese Pound devaluation have taken a drastic toll on the agricultural livelihoods in Lebanon, as well as the ability of businesses to invest in improving their assets, operations, and processes. As consumer income and agri production facilities have dried, many of these businesses can no longer afford basic equipment or services needed to maintain quality and competitiveness in the market. Many have resorted to laying off employees, cutting operating hours, using cheaper raw materials, or downgrading the quality of their product. This is especially the case for agribusinesses that are contending with dollarized fuel energy and imported raw material prices.

The urgency of addressing rising food prices, stagnant and/or falling incomes is more apparent now, as the government of Lebanon transitioned away from subsidizing fuel. Taken with increases in transportation costs, the result is a sharp rise in prices of agricultural products that are essential for everyday lives, such as dairy product, meat, eggs, jams, etc. Unfortunately, not only are agribusiness owner livelihoods and product marketability at risk, but the higher cost or decreased production puts a significant portion of the population at risk of food insecurity.

ARE designed a program based on the reality that food **affordability** due to Lira devaluation and stagnant salaries, as opposed to **availability** brought on by natural events and conflict, is the main driver of potential food insecurity in Lebanon. It is clear from visits to farms, wholesale markets, bakeries, restaurants, supermarkets and retail outlets that food is available in sufficient quantities. However, the problem many people are facing is the ability to afford buying what they need for their households.

To mitigate these imminent price increases, ARE's intervention objective is to raise agribusinesses owners' incomes and stabilize prices for locally produced food by decreasing the cost of production through supporting the adoption of on-farm renewable energy upgrades (Photo-Voltaic (PV) Systems) specifically for different food processors, milk producers, chicken-egg producers' facilities, **small agro-touristic wineries (producing less than 20,000 bottles per year) providing agro-touristic services at the winery location**, among others. The PV system upgrades intend to:

- Reduce energy bills: by producing clean and renewable electricity, the small to medium scale agribusinesses will have ongoing savings on production costs which will improve the overall business profitability.
- Produce clean ecofriendly energy: by adopting the solar energy production rather than diesel generator power supply to different equipment in the agri-food processes, the carbon footprint will significantly decrease, thus mitigating the climate change and reducing air pollution.

Note: support under this APS **does not include** PV systems for water pumping and/or for irrigation purposes. Any applications for such use cases will be automatically disqualified and will not be reviewed by ARE.

I.C. PROGRAM DESCRIPTION

This intervention is focused on agribusinesses who want to lower their fuel consumption and production costs, and contribute to the stabilization of market prices in their immediate local area by investing in a solar PV system, that generates cost-free electrical power and helps reduce grid electricity bills. This intervention targets food processors,

milk producers, chicken-egg producers' facilities, and small agro-touristic wineries (producing less than 20,000 bottles per year) providing agro-touristic services at the winery location selling their products into the local market, and have not received previous USAID support in an amount of \$25,000 or more during the past 3 years (dating back to July 1, 2020). As stated above, and

As part of this intervention, ARE has pre-qualified 13 renewable energy suppliers through a competitive expression of interest process for agribusinesses to engage with. The suppliers were short-listed based on their experience and organizational capacity, quality of offerings, specifications and proposed prices. These are the **exclusive** suppliers to this activity and ARE will not entertain offers from outside of these companies. (refer to Annex B for the list of pre-qualified suppliers)

As part of the grant application process, applicants shall review company information and contact the company/companies to provide the appropriate specifications and pricing for their proposed installation. ARE encourages applicants to contact all shortlisted companies in order to ensure that the applicant gets the best value/quality for their facilities.

Prior to contacting the companies, applicants should fill the grant application form which includes technical questions about their current food production and processing status. This will help companies to quickly determine the most appropriate system design for the applicant and propose a corresponding offer.

After selecting the preferred supplier, applicants shall submit their grant application to ARE, which will be reviewed and scored in one of the bi-monthly selection committees. If the application is approved, a site visit will be scheduled with ARE's Renewable Energy expert and the selected supplier to validate the specifications. Once the ARE grant is approved, the applicant will sign a contract with the selected supplier abiding by the agreed upon payment terms.

It's important to note that ARE will make the payment directly to the supplier AFTER the installation is completed and verified by ARE's renewable energy expert and technical team. Therefore, applicants should be prepared to make their portion of the payment as per the financing examples shown in Table 2 below, prior to the equipment installation, depending on the terms agreed with the supplier.

Note: support under this APS does not include PV systems for water pumping and for irrigation purposes.

Applications will be accepted on a rolling basis and reviewed bi-monthly until the funds are exhausted. Applicants are encouraged to submit their applications ASAP. Applicants are allowed to submit once, and resubmissions will not be accepted. Priority will be given to applicants who have not previously benefitted from USAID assistance and applications from companies that have received \$25,000 or more in USAID assistance during the past 3 years (since July 1, 2020) are not eligible.

ARE will target small-scale agribusinesses including food processors, milk producers, chicken and chicken egg producers, and small agro-touristic wineries (producing less than 20,000 bottles per year) providing agro-touristic services at the winery location with the Installation of PhotoVoltaic (PV) systems and their components.

Installation of PV systems and their components

ARE will support the installation of PV systems to help reduce energy costs for agribusinesses focused primarily on production and processing components of the value chain. ARE's support will be limited to:

- 1- **LOT 1:** \$850/KW for PV systems without batteries (on-grid) with a maximum of \$10,000. On-grid projects (No batteries) requiring solar power to run existing machinery that can be operated with a Variable Frequency Drive (VFD) that are currently using diesel generator/public electricity. ARE will cover up to 85% of the Lot 1 system cost with a ceiling of \$10,000.
- 2- **LOT 2:** \$1,275 /KW for PV systems with batteries, with maximum support at \$22,500. Hybrid systems projects with Battery Energy Storage System requiring solar power to run existing commercial/industrial electrical equipment that are currently functioning using diesel generator of power. ARE will cover up to 85% of the Lot 2 system cost with a ceiling of \$22,500.

Applicants must meet a minimum payback period of 5 years for both LOTs to be eligible for support.

Tables 1 and 2 below describe ARE’s maximum level of support as well as providing illustrative examples of the required beneficiary contribution based on the system design and size selected, respectively.

Table 2. ARE Support Matrix

For On grid PV systems with VFD	\$850 per KW and \$10,000 maximum support, up to 85% of system’s cost
For Hybrid PV systems including battery storage	\$1,275 per KW and \$22,500 maximum support of the total system cost, up to 85% of system’s cost

For example, if the requested total project cost is \$2,500, ARE’s grant support would equal \$2,125, which is 85% of the total project cost, and the beneficiary would be required to contribute the remaining \$375, which is 15% of the total project cost. Table 2 provides further examples of how the allocation of costs would be realized between ARE and the beneficiary given different system designs and sizes.

Applicants should be very mindful of the required beneficiary contribution amounts when asking ARE for support. Larger grant amounts are more competitive and require a more thorough explanation of the project and the results. Table 2 provides illustrative examples.

Table 2. Illustrative PV Financing Examples

Illustrative PV Financing Examples				
PV System Type	PV System Size in kWp	PV System Cost	Applicant Contribution	ARE Contribution
On-grid with VFD	5	\$5,000	\$750	\$4,250
On-grid with VFD	15	\$18,000	\$8,000	\$10,000
Hybrid system	10	\$15,000	\$2,250	\$12,750
Hybrid system	20	\$40,000	\$17,500	\$22,500

NOTE: Budget ceiling support for applicants that apply to APS 003 and APS 004 (insulation) is capped at \$25,000 if they are eligible and selected for both.

I.D. ARE EXPECTED RESULTS AND RELATIVE INDICATORS

ARE aims to equip the agribusiness sector 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.

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 list:

1. Value of new private sector investment leveraged by USG implementation
2. Number of full-time equivalent (FTE) jobs created with USG assistance
3. Percentage of jobs retained as a result of USG assistance
- 3.a Full-time equivalent (FTE) employment at firms assisted by USG programs
4. Percent of USG-assisted organizations with improved performance
5. Value of incremental sales (domestic and export) collected at firm level as a result of USG assistance
- 5.a Percentage of growth in value of exports of goods and services of USG-assisted firms
6. Value of incremental sales (domestic and export) collected at farm level as a result of USG assistance
7. Number of MSMEs, including farmers, that have applied improved technologies or management practices as a result of USG assistance

8. Number of MSMEs, including farmers, and other organizations benefiting from new horizontal & vertical linkages
9. Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources
10. Percentage of participants in USG-assisted programs designed to increase access to productive economic resources who are youth (15-29)
11. Number of people with improved incomes as a result of USG assistance
12. Number of individuals participating in USG food security programs
- 13.a Percentage change in volume of production attributed to USAID assistance at firm level
- 13.b Percentage change in volume of production attributed to USAID assistance at farm level
- 14.a Percentage change in cost of production as a result of USG assistance at firm level
- 14.b Percentage change in cost of production as a result of USG assistance at farm level
15. Number of technical assistance activities delivered to enhance marketing capacities as a result of USG assistance
16. Number of new market channels accessed by MSMEs
- 16.a Number of private-sector firms that accessed new markets as a result of USG assistance
17. Number of MSMEs, including farmers, receiving non-financial business development services
18. Number of MSMEs, including farmers, benefitting from alternative financial solutions

I.E. 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 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 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. 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 approximately **30 grants** that will be implemented in accordance with USAID and US government regulations governing grants under contracts and with ARE's internal grant management policies.

The total grant amount allocated for this intervention is \$500,000. It is anticipated that each grant award made under this APS may range between **\$10,000 and \$22,500**, but the final amount will be dependent upon grant interventions and final negotiation. The type of grants will be determined during the negotiation process. The duration of any grant award under this solicitation is expected to be no more than **12 months**. The estimated start date of grants awarded under this solicitation is August 1st, 2023.

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 must have legal permits from the relevant authorities for the use of the premises and/or production activities.
- Applicants must be engaged in agri-food processing to be eligible. Examples of eligible processing activities include, but are not limited to, the following: food processors, dairies/milk processors, chicken and egg producers (broilers and/or layers), **small agro-touristic wineries (producing less than 20,000 bottles per year) providing agro-touristic services at the winery location**, or other relevant agri-food processors.
- Applicants may only submit one grant application per prime organization under this APS
- 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 required certifications as part of their application package in response to this APS. The certifications are annexed to this solicitation (Annex C) and ARE will review them with applicants.
 - Representation by Organization Regarding A Delinquent Tax Liability or a Felony Criminal Conviction
 - 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, and has no anticipated subawards, grantees will be required to provide a Unique Entity Identifier (UEI) at the time of award. If the applicant already has a UEI number it should be included in their application. Otherwise, applicants will be expected to get a UEI number before an award is made. ARE will assist successful applicants with this process. More information on UEIs can be found [here](#).
- ARE 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.
- 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.

Priority will be given to applicants who have not previously benefitted from USAID assistance and applications from companies that have received \$25,000 or more in USAID assistance during the past 3 years (since July 1, 2020) are not eligible. This priority will guide outreach efforts but will not necessarily 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 to, and build upon, past support, how the proposed interventions create even greater additive value, and shall prove that any new intervention will not duplicate or repeat past USAID support.

SECTION IV. GRANT APPLICATION AND SUBMISSION INFORMATION

As mentioned previously, through this APS, ARE is soliciting Grant applications from small to medium agribusinesses for implementation of interventions that improve business productivity and sales.

IVA. GRANT APPLICATION

Applications will be reviewed on a rolling basis.

Templates to be utilized when developing the grant application are provided in **Annex A**. 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.

IVB. PRE-AWARD RISK ASSESSMENT

All applicants 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.

IVC. INELIGIBLE EXPENSES

ARE grant funds may not be utilized for the following:

- 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 – per the standard provision entitled “Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment”, grant funds including direct and indirect costs, cost share and program income may not be used to (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services (“CTES”) as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition covers certain telecommunications equipment and services, including, but not limited to, phones, internet, video surveillance, and cloud servers, produced or provided by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities) unless ARE has determined that there is no available alternate eligible source for the CTES. For fixed amount awards, this restriction is only applicable if any of the milestones are for telecommunication or video surveillance services or equipment.
- Solar projects that source from suppliers that are the subject of a withhold release order (Hoshine Silicon Industry), on the Commerce Entity List, or otherwise sanctioned for their use of forced labor. The PRC energy companies that were added to the Commerce Entity List for their ties to forced labor are found below.
 1. Hoshine Silicon Industry (metallurgical grade silicon and silicon products) - also subject to a WRO.
 2. Xinjiang Daqo New Energy (polysilicon, wafers).
 3. Xinjiang East Hope Nonferrous Metals (polysilicon, ingots, wafers).
 4. Xinjiang GCL-New Energy Material (polysilicon, ingots, wafers, cells, modules).
 5. Xinjiang Production and Construction Corps (state-owned paramilitary organization, electricity supplier).

This does not mean that all PRC-produced solar panels are immediately blocked. Currently, the restriction is just on any panels or products that are directly purchased using USG funds from any of the above companies.

IVD. SUBMISSION INFORMATION

As per **Annex A**, grant applications shall be submitted in **Arabic OR English**. The application must be signed by an authorized legal representative of the applicant.

Grant Applications 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 and should reference in the Subject Line: “APS No.003”. ARE will continue to accept applications through 18:00 local time, on July 4, 2024 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.

Applicants should submit the following attachments:

- Annex A: Application signed by the legal signatory.
- Offer received from one of the thirteen **exclusive** pre-qualified suppliers, signed by the supplier.
- Dated Required Certifications included in Annex C signed by the legal signatory.
- 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. 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.

SECTION V. APPLICATION MERIT REVIEW CRITERIA

All applicants are requested to fill the application form found in **Annex A**. All applications will be reviewed by an internal review panel comprised of ARE technical implementation staff and recommendations may be vetted by a larger group. Applications will be evaluated against the merit review criteria in the table below:

Merit Review Criteria	Points
A. Business Operations, Sales, and Infrastructure; Previous USAID Support <ul style="list-style-type: none"> - Business Activities including past support. - Agri-food Production and Infrastructure including products, types of furnishings, equipment, and business activity including environmental discharge. - Agro-Production Equipment and Energy-use - Detailed list of supported equipment with energy use, type of power supply, and consumption. 	80
B. Payback Period <ul style="list-style-type: none"> - The proposed system provides an acceptable payback period relative to ARE investment amount 	20
Overall Rating (out of 100 points)	100

Passing score for an applicant is 80 points.

The merit review criteria elements are described below:

A. Business Operations, Sales, and Infrastructure and Previous USAID Support (80 Points)

- **Business Activities including past support:** Applicant should provide accurate data in regards of their business information and previous support.

¹ **In the case that both English and Arabic versions of respective Annex A.1 and Annex A.2 are submitted, the English version shall take preference.**

Noting that **priority** will be given to applicants who have not previously benefitted from USAID assistance and applications from companies that have received \$25,000 or more in USAID assistance during the past 3 years (since July 1, 2020) are not eligible.

- **AgriFood Production and Infrastructure including products, types of furnishings, equipment, and business activity including environmental discharge:** Applicant should provide accurate data in regards of the type of lighting system used, the type of heating/cooling System, the estimated Load, the production / operating period per year and operating hours/week, and the waste discharge system.
- **Agro-Production Equipment and Energy-use - Detailed list of supported equipment with energy use, type of power supply, and consumption:** Applicant should provide accurate data regarding their yearly expenses for private genset bill used to run the supported equipment. In addition to a Detailed list of the facility equipment with their power rating in kiloWatts (kW).

B. Payback Period (20 Points). The grant application demonstrates good value on ARE's investment in terms of payback period. The number of years it will take for the investment to be recouped. Applications that have a payback period of less than 5 years will receive a higher score. On the other hand, applications with a payback period exceeding 6 years will receive a score of zero indicating that they will not be considered for further evaluation.

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. In any time throughout the life of the award, if USAID revokes the right to pay in USD, the grant agreement or remaining amount of the agreement will be paid in local currency per Lebanon's Central Bank official exchange rate.

All costs funded by the grant must be allowable, allocable, and reasonable.

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.

LIST ANNEXES

The following Annexes are included with this APS:

- Annex A1 – Grant Application Form – Arabic Version
- Annex A2 – Grant Application Form – English Version

- Annex B – Exclusive PV Supplier Information
- Annex C – Required Certifications

- Annex D – 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/about-us/agency-policy/series-300/references-chapter/303mat>
- <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/about-us/agency-policy/series-300/references-chapter/303mab>

Questions and Answers

ARE – Lebanon Agriculture and Rural Empowerment Activity Annual Program Statement (APS) No. 003: “Agri-Business Productivity Improvements to Strengthen Food Security in Lebanon – Optimizing in Factory Energy Use through Solar Photovoltaic (PV) Systems”

1. Can chicken farms apply to the APS knowing that they are not registered for animal production and work with companies through contracts?

Answer: In reference to APS003, **section 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 must have legal permits from the relevant authorities for the use of the premises and/or production activities.
 - Applicants must be engaged in agri-food processing to be eligible. Examples of eligible processing activities include, but are not limited to, the following: food processors, dairies/milk processors, chicken and egg producers (broilers and/or layers), small agro-touristic wineries (producing less than 20,000 bottles per year) providing agro-touristic services at the winery location, or other relevant agri-food processors.
- 2. Is a production company, owning a thresher, grain sorter and harvester for wheat, barley, beans and honey, and previously received small grant, eligible to apply to APS003?**

Answer: In reference to APS003, **section III.A. ELIGIBLE APPLICANTS:** “applications from companies that have received \$25,000 or more in USAID assistance during the past 3 years (since July 1, 2020) are not eligible”. Otherwise, they are eligible to apply.

3. If registered dairy producers apply to APS003; can they benefit from batteries to control night shifts noting that they already have a solar system (half system)?

Answer: Yes, interested applicants can apply for a half system. Noting that they need to reach out to the exclusive prequalified suppliers mentioned in “Annex B Exclusive PV Supplier Information” that is attached to APS003 and can be accessed on Daleel Madani, to receive designs and quotations. After that, the applicant can choose a suitable offer and send it via email with all required documents to ARE on grants@lebanonare.org.

4. What is the link to apply? How can inquiries be shared with ARE?

Answer: The applicant will need to access APS003 solicitation on Daleel Madani using this [link](#), to download application and annexes under Related Documents, accordingly the applicant will need to fill the application and share all required documents as mentioned in “Section IVD. SUBMISSION INFORMATION” of APS003 and submit them via email to grants@lebanonare.org.

All inquiries can be shared via email to grants@lebanonare.org.

5. Is the solicitation supporting individuals or companies? noting that most poultry farms are not licensed because the government was setting a license law that cannot be applied. If an interested applicant has a poultry and a production company, should they apply for the production company or the farm? Most of the farmers work with companies that have slaughterhouses. Can these farmers apply through these companies knowing that they have yearly contracts with them because these farmers are not registered but have licenses?

Answer: In reference to APS003, **section 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”.

Therefore, non-registered companies and individuals are not eligible to apply.

As for the license, in reference to APS003, **section III.A. ELIGIBLE APPLICANTS:** “Applicants must have legal permits from the relevant authorities for the use of the premises and/or production activities.”

ARE is aware of the license’s issues and challenges, however, unregistered and unlicensed institutions are not eligible to apply.

6. *If an interested applicant has an industrial certificate and a legal license renewed on a yearly basis, are they eligible to apply? If a company is legally registered, has a building license and an investment license for poultry farming can they apply knowing that it does not have a registration for commerce?*

Answer: In reference to APS003, **section IVD.SUBMISSION INFORMATION:** “Applicants should submit the following attachments:

- Annex A: Application signed by the legal signatory.
- Offer received from one of the thirteen **exclusive** pre-qualified suppliers, signed by the supplier.
- Dated Required Certifications included in Annex C signed by the legal signatory.
- 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).

Therefore, yes, the applicant is eligible to apply and should provide additional documents as per the above section.

7. *It is stated by the Lebanese Government that two licenses will need to be issued, investment license will need to be updated every 5 years. And if residential building took place next to the poultry business the ministry will refuse to issue an updated license, in this case what can be done?*

Answer: ARE encourages interested applicants that meet the eligibility requirements defined in **section III** of APS003 to apply. Specific scenarios will be considered by the merit review committee and accordingly a response will be shared with the applicant.

8. *If a company still does not have the license from the ministry of health noting that it is legally required registration document for the operation of the business, is it eligible to apply for the solar system under APS003? If the applicant is a small entity and can only submit ownership documents (legal rent contract) is it enough to attach along with the application and offer?*

Answer: In reference to APS003, **section IVD.SUBMISSION INFORMATION:** “Applicants should submit the following attachments:

- 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).

Therefore, it is not advisable to apply before getting the legal certificate since interested applicant can only apply once to the APS. It is recommended that an applicant would wait until they apply for the certificate and attach it to their application.

Ownership documents are not enough to submit, the registration documents are needed.

9. *Can applicants submit applications for APS003 and APS004 at the same time?*

Answer: Same applicants are allowed to apply to both solicitations currently available on Daleel Madani APS003 and APS004. However, Budget ceiling support for applicants that apply to APS 003 and APS 004 (insulation) is capped at \$25,000 if they are eligible and selected for both.

10. *Can a participant in the pre-application workshop for APS 003, apply for APS004?*

Answer: any interested applicant that fits the eligibility criteria under Section III. ELIGIBILITY of APS 004, is encouraged to apply. Attending any of the pre-application workshops related to APS003 or APS004 is not a requirement.

11. *Are applicants covering Honey value chains (packaging, distribution, and others) eligible to apply? Should offers from prequalified suppliers be provided prior to applying?*

Answer: if honey is used for facial products and cosmetics, then the company is not eligible. Otherwise, and in reference to APS003, **section III.A. ELIGIBLE APPLICANTS:** “Applicants must be engaged in agri-food processing to be eligible. Examples of eligible processing activities include, but are not limited to, the following: food processors, dairies/milk processors, chicken and egg producers (broilers and/or layers), small agro-touristic wineries (producing less than 20,000 bottles per year) providing agro-touristic services at the winery location, or other relevant agri-food processors.”

Food honey falls under agri-food products.

Regarding offers’ submission, in reference to APS003, **section IVD. SUBMISSION INFORMATION:** “Applicants should submit the following attachments:

- Annex A: Application signed by the legal signatory.
- Offer received from one of the thirteen **exclusive** pre-qualified suppliers, signed by the supplier.
- Dated Required Certifications included in Annex C signed by the legal signatory.
- 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).”

Therefore, offers need to be provided prior to submitting the application. Only one offer should be selected, attached to the application, and submitted with the application for evaluation.

12. Are Owners of cold storages for fruits, vegetables, and poultry packing, automized mill for Burghul production eligible to apply? How can the application be tracked after submission?

Answer: yes, all of the above fall under the processing value chain and are eligible to apply to APS003 and APS004. Confirmation email of applications receipt will be shared with all applicants. Acceptance and rejection emails will also be shared with all applicants. All inquiries can be shared via email to grants@lebanonare.org.

13. If a company received USAID support under RFA009_Tourism covered by ARE activity, is it eligible to apply? Is the \$25,000 considered the total of the ongoing grant in addition to the solar system?

Answer: As reflected in APS003, **section III.A. ELIGIBLE APPLICANTS,** “Applicants must be engaged in agri-food processing to be eligible. Examples of eligible processing activities include, but are not limited to, the following: food processors, dairies/milk processors, chicken and egg producers (broilers and/or layers), small agro-touristic wineries (producing less than 20,000 bottles per year) providing agro-touristic services at the winery location, or other relevant agri-food processors”.

In reference to APS003, **section III.A. ELIGIBLE APPLICANTS:** “applications from companies that have received \$25,000 or more in USAID assistance during the past 3 years (since July 1, 2020) are not eligible”. Therefore, the amount of \$25,000 is the total of the previous grant(s) received and does not include the anticipated amount under the APS003 application.

14. If the APS has been modified to include wineries, will ARE share an email to notify interested applicants?

Answer: ARE posts all modifications on Daleel Madani. It is highly recommended that all interested applicants keep checking Daleel Madani, where modifications are highlighted in a different color.

15. If an applicant had already started working with one of the prequalified suppliers for solar but had not finished the works, and in parallel the applicant was accepted under APS003; would they be eligible to receive the grant? And can the cost be covered, or they are not eligible to apply?

Answer: ARE grant funds may not be utilized to cover any purchase or activity which has already been made.

16. How long does it take for the solar panels to be installed after the application approval??

Answer: If the application is deemed accepted, the process might take between 2 to 6 months.

17. If the applicant received a grant below 20,000 USD prior to the year 2019, should it be mentioned in the application? Is \$25,000 the limit of the grant and is the 85% included in \$22,500?

Answer: In reference to APS003, **section III.A. ELIGIBLE APPLICANTS:** “applications from companies that have received \$25,000 or more in USAID assistance during the past 3 years (since July 1, 2020) are not eligible”. Otherwise, they are eligible to apply.

In reference to APS003, **section I.C. PROGRAM DESCRIPTION,** “ARE will support 85% of the PV system installation cost, up to a maximum award of \$22,500 for hybrid solar system with batteries, and \$10,000 for on-grid solar systems.”

However, Budget ceiling support for applicants that apply to APS 003 and APS 004 (insulation) is capped at \$25,000 if they are eligible and selected for both.

18. Is the price of the system considered one of the scoring criteria for the evaluation?

Answer: No, the system’s price is not a scoring criterion. The scoring is just on the technical requirements of the design and not its price.

19. How can we know the thirteen prequalified suppliers? Should we only apply through these suppliers?

Answer: In reference to APS003, **section I.C. PROGRAM DESCRIPTION:** “As part of this intervention, ARE has pre-qualified 13 renewable energy suppliers through a competitive expression of interest process for agribusinesses to engage with. The suppliers were short-listed based on their experience and organizational capacity, quality of offerings, specifications and proposed prices. These are the **exclusive** suppliers to this activity and ARE will not entertain offers from outside of these companies.”

Annex B - Exclusive PV Supplier Information, is accessible under APS003 solicitation on Daleel Madani through this [link](#), under Related Documents.

20. Are the annexes translated to Arabic? How can an applicant access the word version of the Application?

Answer: In reference to APS003-Mod002, **section IVD. SUBMISSION INFORMATION:** “grant applications shall be submitted in Arabic OR English”. In addition, a word version of the application can be found on Daleel Madani under APS003 using the following [link](#).

21. Will interested applicants have access to the workshop recording?

Answer: Workshop recordings are not shared with interested applicants. A Questions and Answers document will be soon uploaded on Daleel Madani, under APS003 accessible through this [link](#), documenting all the questions and answers discussed during this pre-application workshop. Therefore, we encourage you to keep on checking the updates for this solicitation continuously.

22. If a farm is located in Akkar, can exclusive suppliers design the offer without conducting the visits. Will they take fees to conduct the visits?

Answer: It is preferable to have the offers designed after conducting site visits to ensure that the proposed system matches the needs of the applicant. It is up to the agreement between the interested applicant and the exclusive supplier to take charges for site visits or not.

23. What is the process of applying to the APS?

Answer: Solicitation documents for APS003 are accessible on Daleel Madani through the following [link](#). Additional information on the award, pre-application workshops, eligibility, application submission are available there for your reference.

24. Should interested applicants contact three prequalified suppliers and choose one offer?

Answer: It is recommended to contact three or more pre-qualified suppliers to compare the prices and design and to choose the best option that suits you.

25. Are offers from a non-pre-qualified supplier acceptable?

Answer: In reference to APS003, **Section I.C. PROGRAM DESCRIPTION,** “As part of this intervention, ARE has pre-qualified 13 renewable energy suppliers through a competitive expression of interest process for agribusinesses

to engage with. The suppliers were short-listed based on their experience and organizational capacity, quality of offerings, specifications and proposed prices. These are the **exclusive** suppliers to this activity and **ARE will not entertain offers from outside of these companies.** (Refer to Annex B for the list of pre-qualified suppliers)”
Therefore, offers from non-pre-qualified suppliers will not be considered.

26. Annex C should only be signed? When is the deadline to apply?

Answer: In reference to APS003, Section **IVD. SUBMISSION INFORMATION:** “Applicants should submit the following attachments:

- Annex A: Application signed by the legal signatory.
- Offer received from one of the thirteen **exclusive** pre-qualified suppliers, signed by the supplier.
- Dated Required Certifications included in Annex C signed by the legal signatory.
- 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).

Therefore, the application and certifications should be signed by the applicant legal signatory and the offer should be signed by the supplier.

As for the application deadline in reference to APS003, section **IVD.SUBMISSION INFORMATION:** “ARE will continue to accept applications through 18:00 local time, on July 4, 2024 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.”

27. Is there a phone number through which we can ask questions for easier communication?

Answer: In reference to APS003-Mod002, **IVD. SUBMISSION INFORMATION:** “Please submit all questions concerning this solicitation to the attention of Nicole Tager, Senior Grants and Procurement Manager, via email to grants@lebanonare.org. Emails will be answered within 10 working days.”