

**Agriculture and Rural Empowerment (ARE) Activity**  
**Modification #002**  
**To**  
**Request for Applications (RFA) No. 003**

Issuance Date: 06 April 2021

**Modification Date:** May 5, 2021 – modifications are highlighted in yellow throughout the RFA document.

Dear Applicant:

The USAID-funded Agriculture and Rural Empowerment (ARE) Activity, implemented by Chemonics International, is seeking grant applications for implementation of **Piloting “Forage Intercropping Production Systems” Intervention**.

ARE intends to award one or more grants that will be implemented in accordance with USAID and US Government regulations governing grants under contracts and ARE’s internal grant management policies. The total financing available for this intervention is estimated at a maximum of \$110,000, to be delivered via one or more grants to one or more eligible partner organizations.

The activity will hold a pre-application workshop on **26 April 2021** on MS Team from **2PM to 4PM**. This workshop will allow eligible and interested applicants the chance to ask questions about the RFA and receive guidance on how to complete the application form. Interested applicants that meet the eligibility requirements defined in Section III below and would like to attend this workshop must confirm their attendance by sending the participant’s name and the organization’s name to [grants@lebanonare.org](mailto:grants@lebanonare.org). Up to two persons may attend from each organization. No reimbursement for costs of attendance will be met. Applicants may also submit questions to [grants@lebanonare.org](mailto:grants@lebanonare.org) prior to the virtual workshop. The deadline for confirming attendance of the pre-application workshop and submission of clarification questions is **20 April, 2021 at 5PM**.

***Applications are due not later than 12:00 pm Beirut time on 10 May, 2021. Only electronic submissions to [grants@lebanonare.org](mailto:grants@lebanonare.org) will be accepted. No hard copy applications will be accepted.***

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

Annexes included with this Request for Applications:

- **Annex A** - Grant Application Form
- **Annex B** – Grant Application Budget Form
- **Annex C** – Implementation Timeline
- **Annex D** – Required Certifications and Applicant Self-Assessment Form
- **Annex E** – Mandatory and Required As Applicable Standard Provisions

- Standard Provisions for U.S. and Non-U.S. Nongovernmental organizations receiving a fixed amount award can be accessed through the following URL: <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: <http://www.usaid.gov/sites/default/files/documents/1868/303mab.pdf>

- **Annex F** – Vetting Information Form.

## **SECTION I. PROGRAM DESCRIPTION**

### **IA. OBJECTIVE**

ARE is awarding grants to local partners from the private sector, cooperatives or other effective and legally registered organizations that provide agricultural services to increase farmers income through increased local sales and import substitution of forages (*ARE Objective 1: Increased Domestic and Export Sales*). The intervention, through the introduction of new crops using intercropping production and improved postproduction practices, will also lead to increased land productivity due to increased yield and revenues (*ARE Objective 3: Increase the Productivity of Micro, Small and Medium Enterprises*).

Also, the secondary benefits of forage intercropping include an improved land fertility thanks to nitrogen fixation, weed suppression, water conservation, better attraction of bees and other pollinating insects to fruit trees and the reduction in other harmful insects.

### **IB. BACKGROUND**

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

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

### **IC. DETAILED PROGRAM DESCRIPTION**

#### *Overview:*

The period of implementation of the intervention is expected to extend over 24 months. ARE intends to award multiple grants for this intervention. The total funding allocated for this intervention is a maximum of \$110,000, which may be distributed via one or more grants issued through this RFA.

According to the Ministry of Agriculture data, there are around 450,000 dunums of Stone and Pome fruits orchards in Lebanon, mostly spread across the North, Mount Lebanon, Bekaa, and Kaa valley. While the orchards of Bekaa and Kaa are grown on flat lands with a tree-spacing of 4 by 4 meters or 4.5 by 4.5 meters, most orchards in North and Mount Lebanon are grown on terraces of different spacing. Also, sunlight angle on terraces is wider than on flat lands in some areas, and this offers farmers additional production space

that is generally not being used due to the lack of expertise and investment in intercropping systems (ARE-KII).

The above also applies to olive orchards that are widely distributed across the country and are found at a wide range of altitude from 100m to 1200m. According to the Ministry of Agriculture data, olive orchards are concentrated between the North of the country (Koura and Zgharta districts) and in the South (Hasbayya district). Olive trees are generally grown on flat lands or considerably wide flat terraces with around 4m-6m distance between trees, which provides for wider usable space between tree rows. Accordingly, intercropping in olive orchards holds strong potential.

As the economic situation in Lebanon deteriorates and in light of the severe currency devaluation, farmers are exploring ways to increase and maximize the productivity of their land and rely less on imported inputs/supplies. Furthermore, imported forages have become very expensive due to the currency devaluation. As highlighted in ARE's Value Chain Prioritization and Selection Report Lebanon's (found on this [link](#)) dairy industry currently faces a shortage of animal feed, which over the long term, may also contribute to a food security challenge in Lebanon. Accordingly, intercropping forages has become an increasingly interesting proposition, more so given that farmers in rural areas are increasingly raising small ruminants and cows as part of emerging livelihood resilience strategies. Moreover, farmers in the region are traveling long distances to get their forages, which are bulky in size and also entail high transportation costs. Last but not least, the investment in forage production is relatively easier and is less expensive than other field or greenhouse crops, ARE published an alfalfa investment and production guide that specifies the requirements and market opportunities for this crop and a corresponding financial model. The alfalfa investment and production guide can be found on this [link](#).

Therefore, USAID-ARE support aims to demonstrate to farmers that adopting forage intercropping systems can increase farmer incomes, improve land productivity and milk quality/quantity, and are worth investing in, especially at the rural level.

***Problem statement:***

Lebanese rural communities are increasingly acquiring small ruminants as an investment as well as to increase household food security and livelihoods resilience. The sharp increase in the cost of imported forages due to the devaluation of the lira is hindering access to high quality feed. This is negatively impacting the quantity and quality of the milk produced and, in other cases, is pushing herders to sell part of their herds to sustain their livelihoods. Moreover, apple farmers and other orchard owners that are not able to sell their production for exporters have decreased revenues due to the currency devaluation and increased cost of production.

While there is a clear advantage in adopting forage intercropping systems that would secure local production of animal feed while increasing land productivity of orchard owners, farmers lack the technical know-how, equipment, production and post-harvesting experience to effectively engage in such schemes.

***Intervention approach and guidelines:***

ARE's proposed intervention budget is a maximum of \$110,000 and the period of implementation of the intervention will extend up to 24 months.

The point of entry for this intervention will be via one or more local partners from the private sector, cooperatives or other effective and legally registered organizations that provide agricultural services. ARE solicits applications from interested and eligible organizations to partner with ARE on this intervention.

Selected partner(s) are expected to identify and support farmers, assess lands, coordinate with farmers on land management and post harvesting practices, provide agricultural services, conduct sales and business linkages with herders, collect data and conduct the necessary outreach and communication around achieved results. ARE grant(s) may cover technical assistance costs, equipment/materials (if necessary/non-restricted goods) and **partner co-investment, at a minimum, should cover the costs of inputs, specifically fertilizers, seeds and pesticides.**

Working closely with its partner(s), ARE will implement pilot modules with the primary goal of maximizing land productivity and increasing the competitiveness of milk production in rural areas by tangibly showing farmers the agricultural financial benefits of adopting intercropping modules of forage crops. The intervention will also include a sales linkage component to local herders and/or forage distributors and will also attempt to capture the impact on the quality and sales of milk and dairy products as a result of this improved feeding.

This ARE intervention will work with local partners to establish at least ten pilots focusing on forage intercropping in fruit tree and olive orchards across Lebanon. The intervention will include support and technical assistance at the primary production level and at the post harvesting level. Also, linkages between growers and herders will be established to market the produced forages. Finally, the intervention will include an outreach and communication component to share the outcome of the intervention and entice other stakeholders to adopt a similar model.

Depending on the capacity and proposal of the selected RFA applicant(s), ARE's support may include technical or material assistance in order to ensure the sound implementation of the abovementioned plan. An illustrative scheme could consist of an agricultural service provider as the lead partner/subgrantee, that will identify farmers, source inputs and provide farm management and agricultural service support to a number of pilot plots within a geographical area. Partner(s) will also be in charge of mapping local herders and milk processing facilities that would benefit from the harvested forages and conduct the necessary outreach to enroll additional farmers in upcoming seasons. Partners are encouraged to offer paid services to the local farmers if and when possible, or suggest other complementary approaches in order to ensure the sustainability of the approach beyond ARE support.

The secondary benefits of forage intercropping include an improved land fertility thanks to nitrogen fixation, weed suppression, water conservation, attraction of bees and other pollinating insects and the reduction in other harmful insects.

### **Expected Roles (ARE and Applicant)**

At a minimum the applicant is expected to:

- Provide land and water access and mainline irrigation infrastructure (directly or via supported farmers).
- Provide agricultural inputs including seeds, fertilizers, and pesticides.
- Recruit and train farmers on production, harvest, and post-harvest practices.
- Provide training curriculum and materials.

- Oversee the production, harvesting and delivery of crops to facilities (herders or warehouses).
- Map milk processing facilities in their area of intervention and contribute to its supply chain.
- Provide linkages between producers and buyers if and when needed.

Depending on the specific type of pilot activity, ARE may support in:

- On-farm infrastructure including irrigation systems and other.
- Specialized production equipment and machinery.
- Specialized post-harvesting equipment and machinery.
- Specialized technical assistance and certifications.

### ***Anticipated Results***

According to the expected impact noted above, successful applicants will be required to capture, and report results from this intervention. At a minimum, ARE expects the following cumulative results from this intervention:

- Within the first year, establish at least 10 forage intercropping pilot sites totalling a minimum area of at least 100 dunums.
- Establish at least one operational forage sustainable service center that provides a full range of agricultural extension and service support from production to market.
- Establish at least one local sustainable feed store that (competitively) services rural herders from locally grown intercropping production systems.
- Achieve an aggregated production value of \$20,000 throughout the ten pilot plots during the first year, to be increased to \$40,000 during the second year of implementation.
- Accelerate forage intercropping production system adoption by 10 additional farmers as a result of pilot farm initiative after the first year.

The Intervention will directly feed into ARE's below indicators:

- Value of new private sector investment leveraged by USG implementation.
- 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.
- Number of MSMEs, including farmers, and other organizations benefiting from new horizontal & vertical linkage.
- Value of incremental sales (domestic and export) collected at firm level as a result of USG assistance [contractual].
- Value of incremental sales (domestic and export) collected at the farm level for small holders as a result of USG assistance [contractual].
- Increase in volume of production attributed to USAID assistance.
- Number of people with improved incomes as a result of USG assistance.
- Improved productivity of MSMEs.
- Number of farmers and microenterprises who have applied improved technologies or management practices with USG assistance [contractual].
- Percentage change in volume of production at the farm level attained as a result of USG assistance [contractual].
- Number of smallholders and SME beneficiaries receiving improved extension services.

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

## **ID. AUTHORITY/GOVERNING REGULATIONS**

*ARE* grant awards are made under the authority of the U.S. Foreign Affairs Act and USAID's Advanced Directive System (ADS) 302.3.5.6, "Grants Under Contracts." Awards made to non-U.S. organizations will adhere to guidance provided under [ADS Chapter 303](#), "Grants and Cooperative Agreements to Non-Governmental Organizations" and will be within the terms of the USAID Standard Provisions as linked in the annexes, as well as the *ARE* 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). *ARE* is required to ensure that all organizations receiving USAID grant funds comply with the guidance found in the regulations referenced above, as applicable to the respective terms and conditions of their grant awards.

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

## **SECTION II. AWARD INFORMATION**

The final number of awards made, and their value will be dependent upon grant interventions proposed and final negotiation with the successful applicant(s). *ARE* anticipates awarding up to \$110,000 cumulative for the entire activity. The duration of any grant award under this solicitation is expected to be 24 months. The estimated start date of grants awarded under this solicitation is end of May 2021.

The detailed implementation plan, final budget and grant type will be determined during the negotiation process based on assessment of the capacity of the selected applicant(s), the proposed interventions, and the needs and requirements of *ARE*. *ARE* will be awarding and managing grants in adherence with ADS 302.3.4.13 Grants Under Contract (GUCs), ADS 303 and 2 CFR 200, Subpart E for non-U.S. grantees as well as Chemonics' policies and procedures.

## **SECTION III. ELIGIBILITY**

### **IIIA. ELIGIBLE RECIPIENTS**

- Applicants must be a registered Lebanese non-government or private organization formally constituted, recognized by and in good standing with appropriate Lebanese authorities, and

compliant with all applicable civil and fiscal regulations that provide agricultural services. Private companies must be majority Lebanese owned and operated (minimum 51% Lebanese ownership).

- Applicants may only submit one application per prime organization under this RFA.
- Applicants must be able to demonstrate successful past performance in implementation of integrated development programs related to ARE's priority areas.
- Applicants must have established outreach capabilities with linkages to the beneficiary group(s) identified in the program description. This should be reflected by the incorporation of the beneficiary perspective in the application.
- Applicants must display sound management in the form of financial, administrative, and technical policies and procedures and present a system of internal controls that safeguard assets; protect against fraud, waste, and abuse; and support the achievement of program goals and objectives. ARE will assess this capability prior to awarding a grant.
- The following are required to be submitted as part of the application package in response to an RFA found in Annex D.
  - Certification of "Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction (AAPD 14-03, August 2014)"
  - Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation (April 2015)
- Additionally, applicants must sign the following required certifications prior to receiving a grant. The certifications are attached to this solicitation (Annex D) and ARE will review them with applicants.
  - Certification Regarding Lobbying (if award exceeds \$100,000)
  - Certification Regarding Terrorist Financing
  - Certification of Recipient
  - FFATA Subaward Reporting Questionnaire and Certification
- 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. The 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 which will be annexed to the grant agreement.
- Faith-based and community groups will receive equal opportunity for funding in accordance with the mandated guidelines laid out in ADS 303.3.28 except for faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objective of the grant is of a religious nature.
- Grantees are subject to and must pass U.S. government partner vetting requirements per Executive Order 13224

## **SECTION IV – APPLICATION AND SUBMISSION INFORMATION**

### **IVA. INSTRUCTIONS TO APPLICANTS**

Applicants must highlight their experiences and resources available for the implementation of the program description described above, introducing innovations that are appropriate to their organizational strengths.

#### **IVA1. APPLICANT SELF-ASSESSMENT**

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

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

#### **IVA2. GRANT APPLICATION**

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

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

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

#### **IVA3. INELIGIBLE EXPENSES**

ARE grant funds may not be utilized for the following:

- Construction or infrastructure activities of any kind.
- Ceremonies, parties, celebrations, or “representation” expenses.
- Purchases of restricted goods, such as: restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, used equipment; without the previous approval of ARE, or prohibited goods, prohibited goods under USAID regulations, including but not limited to the following: abortion equipment and services, luxury goods, etc.
- Alcoholic beverages.
- Purchases of goods or services restricted or prohibited under the prevailing USAID source/nationality (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.



## IVB. APPLICATION AND SUBMISSION INFORMATION

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

Applications (Technical and budget proposals and supporting documentation) should be submitted in electronic copy to the ARE grant email address: [grants@lebanonare.org](mailto:grants@lebanonare.org) and should reference RFA No.003. Applications must be submitted no later than **12:00 PM Beirut local time, on 10 May, 2021**. Late or unresponsive applications will not be considered.

Applicants to be considered for evaluation should submit the following documents to ARE:

- Application Form (Technical, timeline, and budget proposals and supporting documentation)
- Signed and dated Required Certifications listed under section III.A
- Applicant Self-Assessment form
- A completed Vetting Information Form, referred to as Partner Information Form (PIF) (Annex F)
- 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)
- A copy of their latest audited financial statements.

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

## SECTION V. APPLICATION MERIT REVIEW CRITERIA

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

<b>Merit Review Category</b>	<b>Rating (Points)</b>
Applicant technical resources including technical and servicing capacity, staff capacity, equipment and other related to the scope of work of this RFA	25
Organizational Experience including farmer network and herders/milk processing plants relationships	20
Management & Programmatic Capacity (including sustainability and additionality of intervention)	20
Delivery time/ speed of implementation	5
Cost Effectiveness including resource contribution	15
Past Performance	10
Gender and Youth Awareness and inclusion	5
<b>Overall Rating (out of 100 points)</b>	<b>100</b>

These merit review criteria elements are described more fully below.

**A. Applicant Technical Resources including land, infrastructure, technical employees, supplier and buyer resources.** The physical and technical resources that the offeror has to put toward the project. This

includes number of sites, geographic locations, staff skill set and type of agricultural equipments available for the intervention. The offeror should clearly show and explain any contributions/resources (technical, financial, network) that come from existing supplier or buyer relationships. **25 points**

**B. Organizational Experience including farmer network and herders/milk processing plant relationships.**

Applicant should demonstrate organizational experience carrying out similar types of interventions including but not limited to farmer outreach and training, agricultural production, post-harvest, marketing, and sales. The Applicant should highlight any existing buyer relationships that can be leveraged for this program. **20 points**

**C. Management and Programmatic Capacity, including sustainability and additionality of intervention.** The application should demonstrate the organization’s effectiveness in terms of internal structure, technical capacity, and key personnel, in meeting economic development goals and help support the challenge. In addition, the organization must demonstrate adequate financial management capability. The evaluation will be based principally on the background, qualifications, reputation, appropriateness, and skills of its key personnel; and the “track record,” reputation, and achievements (including development of self-sufficient, sustainable activities) of the organization. **20 Points**

**D. Delivery time, speed of implementation.** The extent to which the applicant can mobilize quickly and deliver the suggested project taking into consideration the urgency of this intervention and need to leverage the opportunity as fast as possible considering the type of crop proposed. **5 points**

**E. Cost Effectiveness.** The degree to which budgeting is clear and reasonable, the level of resource contribution and reflects best use of organizational and grant resources. **15 points**

**F. Past Performance.** Previous or ongoing experience implementing donor-funded interventions similar interventions in farmer outreach and training. This examines an Applicant’s references and experience, which is a critical factor in assessing the capacity of the organization to implement the activity. **10 points**

**G. Gender and Youth Awareness.** The extent to which the proposed activity includes a gender and youth component or represents a strong commitment to women and youth as beneficiaries. **5 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. In any time throughout the life of the award, if USAID revokes the right to pay in USD, the contract or remaining amount of the contract 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. Grant applications must be supported by a detailed and realistic budget as described in Section IV.

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

## **LIST ANNEXES**

- **Annex A** – Grant Application Form
- **Annex B** – Grant Application Budget Form.
- **Annex C** – Implementation Timeline
- **Annex D** – Required Certifications and Applicant Self-Assessment Form
- **Annex E** – Mandatory and Required As Applicable Standard Provisions
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- **Annex F** – Vetting Information Form