

Agriculture and Rural Empowerment (ARE) Activity
Modification #001
To
Request for Applications (RFA) No. 004

Issuance Date: 12 April 2021

Modification Date: May 10, 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 the implementation of an intervention entitled “**Piloting value chain (VC) upgrades to promote exports of new vegetable varieties**”.

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 grant amount is **\$88,000** for this intervention.

The activity will hold a pre-application workshop on **04 May 2021** on MS Team from **2 PM till 4 PM**. This workshop will allow eligible and interested applicants the chance to ask questions about the RFA and receive guidance on how to complete the application form. Interested applicants that meet the eligibility requirements defined in Section III below and would like to attend this workshop must confirm their attendance by sending the participant’s name and the organization’s name to grants@lebanonare.org. Up to two persons may attend from each organization. When confirming attendance, please note if the person has any special needs to access the workshop facilities. No reimbursement for costs of attendance will be met. Applicants may also submit questions to grants@lebanonare.org prior to the virtual workshop. The deadline for confirming attendance of the pre-application workshop and submission of clarification questions is **26 April 2021 at 5 PM**.

Applications are due not later than 05:00 pm Beirut time on 21 May 2021. Only electronic submissions to 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.

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

The objective of this ARE intervention is to raise farmer incomes by spurring the investment into new varieties of commonly grown crops with high export market demand. Implementing this intervention will demonstrate how partnerships between several value chain stakeholders will be able to increase their income through higher sales (*ARE Objective 1: Increased Domestic and Export Sales*), help farmers and input supplier access needed working capital (*ARE Objective 2: Increase Access to Financial Resources*) and apply new practices at farm and firm levels (*ARE Objective 3: Improved productivity of MSMEs*).

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 grant ceiling is \$88,000 for the entire intervention.

With the exception of potatoes, vegetables makeup a small share of total agricultural exports (IDAL). As the Lira devaluation makes Lebanese production more price competitive in export markets, increasing vegetable exports presents a clear opportunity for raising rural incomes. Furthermore, as COVID-19 pandemic strains supply-chains, processors, as well as both international and local retailers are looking to strengthen and lock-in their supply of agriculture products. They are asking for specific varieties of commonly grown vegetables that include, but are not limited to, tomatoes, pearl onions, leafy greens, cucumber and colored peppers.

ARE's Value Chain Assessment (that can be accessed through this [link](#)) showed that the fresh and processed vegetables VC tends to rely on conventional sources of finance, though this is less pronounced within the processing components of the VC than in the primary production segments. Fresh vegetables production has traditionally relied on informal credit arrangements between input suppliers, producers, and wholesale

markets; these credit arrangements have shifted to cash-based operations due to Lebanon's economic crisis. The current economic crisis, the lack of liquidity, and total unavailability of credit have severely limited value chain actors' willingness to invest in new ideas and opportunities. Farmers are not willing to venture into a new variety without risk reducing measures that will guarantee their incomes, enable enough cash flow to continue planting in upcoming seasons, and not result in losses. At the same time, input suppliers and local retailers currently do not have the available cashflow to finance initiatives with growers. This has resulted in farmers' diminished purchasing power and their resulting substitution of traditional products with cheaper options has led to lower income and inability to invest in higher yielding crops and productive infrastructure. This has been demonstrated in ARE financial mapping report that can be found on this [link](#).

Therefore, USAID-ARE support is needed to demonstrate to farmers that introducing new varieties and production techniques can be profitable and worth investing in, while partnering with additional value chain stakeholders such as post-harvest facilities, retailers, and exporters together to leverage the export opportunity and access markets with a high-quality, standardized product.

Problem statement:

The lack of vegetable exports can be attributed to many reasons, but mainly is due to the lack of the necessary volume, poor aesthetic quality, and use of inappropriate packaging of in-demand, exportable varieties of tomatoes, cucumbers, leafy greens and colored peppers. In addition, it is important to note that there are also problems around pesticide residues that impacted other exported crops like grapes and potatoes.

While this is a clear opportunity for the sector due to the improved price-competitiveness of the agriculture sector, the scale of the economic downturn and, most importantly, the lack of access to finance has constrained the agriculture sector's ability to capitalize on this market opportunity.

Intervention approach and guidelines:

ARE's point of entry for the design of this activity was with exporters. ARE worked on identifying these as a first step to determine the existing and potential export markets and the products needed that will define what is to be grown. Through interviews with exporters ARE determined the below crop varieties shall be prioritized for the pilot sites. However, additional varieties will be considered if the applicant provides a strong justification including a clear and sustainable end-market buyer. In addition, the applicant has the option of selecting one, multiple, or all crops to grow on their proposed pilot sites.

The prioritized crop varieties include:

- Spring onions (short stalk)
- Tomato on Vine (TOV)
- Cherry Tomatoes (Black, Yellow, Red)
- Colored Peppers
- Grape Leaves
- Other crops may be suggested by applicants along with a detailed market analysis that clearly demonstrates the market demand for the proposed crop(s).

In close partnership with ARE, the applicant will implement pilot production modules with the primary goal of raising farm-level incomes by tangibly showing farmers the financial benefits of adopting new, export-oriented varieties of commonly grown crops. ARE envisions establishing up to three pilot farms, two focused on greenhouse production in the North, South or Mount Lebanon, and one on open field in the

Bekaa. With a focus on the end-market, ARE and applicant will establish Memoranda of Understanding (MOUs) with exporters, processors, and retailers to ensure the marketability of the crops grown.

Minimum requirements per pilot site should be sized to ensure the equivalent of 4 to 6 tons total yield for green-house vegetables or at least 2 mid-tech double span or tunnel greenhouses (depending on crop), or 5 dunums of open field production. The applicants involved in this module should be established, full-time, commercial growers or input suppliers with a good understanding of agricultural practices with a strong farmers network (to recruit trainees from) and market channels. Applicants with existing post-harvest facilities and/or sustainable end-market channels will be prioritized in the selection.

ARE may couple on-farm support with improvements to complimentary post-harvest practices and/or facilities - if needed - in order to ensure a standardized product that conforms to both local and export market specifications, e.g. USDA fresh market tomato standards. ARE may support with short-term de-risking initiatives, like marketing support to end-buyers that will accelerate adoption of new varieties by retailers and distributors.

To help secure farmers access to finance and enable input purchases for upcoming seasons, a contract farming model, with integrated value chain financing for working capital, will be designed with the applicant and value chain partners and implemented with any realized profits distributed back through the value chain to cover partner costs and for the purchase of additional seeds and fertilizers for expansion of the pilot program. Farmers will receive payment based on a previously negotiated farm-gate price, as per a contract farming agreement, enabling the farmer to finance the cost of seeds for the next season. Applicants may propose the integration of external financial service partners, such as micro-finance organizations, into the proposed model to support the financing scheme. Such integration should be justified, and the role of the external financial services partner clearly explained in the application. If applicants require ARE provided technical assistance to facilitate such a partnership, the request must be included in the application. Ideally (though not required), potential financial services partners should be identified and named in the application.

Expected Roles (ARE and Applicant)

At a minimum the applicant is expected to:

- Provide land and water access and mainline irrigation infrastructure
- Provide agricultural inputs including seeds/ seedlings, fertilizers, and pesticides
- Recruit and train farmers on production, harvest, and post-harvest practices
- Provide training curriculum and materials
- Oversee the harvesting and delivery of crops to post-harvest facility/exporter

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

- Market linkages with exporters and retailers including MOU development
- On-farm infrastructure including drip irrigation and greenhouses
- Specialized production implements
- Grants to farmers for scaling pilot initiatives
- Support for packaging improvements and product marketing
- Specialized technical assistance and certifications
- Minor upgrades to post-harvest facilities to accommodate any export specifications

Applicants with readily available infrastructure or services listed above will be prioritized in the selection process.

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 6 months, implement at least three crop production pilot sites, minimum of two greenhouse and one open-field, and at least three post-harvest facility upgrades to increase and improve production and post-harvest quality standards of new, export-oriented commercially available crop varieties.
- Accelerate new crop variety adoption by 25 farmers as a result of pilot farm initiative in two years.
- Initiate \$100,000 in new agriculture investment as a result of pilot farm initiative in 2 years.
- Develop two new export-market or national market channels created resulting in a 25% increase in production value relative to similar crops and farm sizes within two years.
- Test integrating value chain financing for working capital needs through a contract farming model and vertical financing linkages (input supply to off-taker) within two years.

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. *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 \$88,000 cumulative for the entire activity. The duration of any grant award under this solicitation is expected to be no more than two years. 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. 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 propose strategies for the implementation of the program description described above, introducing innovations that are appropriate to their organizational strengths.

IVA1. APPLICANT SELF-ASSESSMENT

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

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

IVA2. GRANT APPLICATION

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

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

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

IVA3. INELIGIBLE EXPENSES

ARE grant funds may not be utilized for the following:

- Construction or infrastructure activities of any kind.
- Ceremonies, parties, celebrations, or “representation” expenses.
- Purchases of restricted goods, such as: restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, used equipment; without the previous approval of ARE, or prohibited goods, prohibited goods under USAID regulations, including but not limited to the following: abortion equipment and services, luxury goods, etc.
- Alcoholic beverages.
- Purchases of goods or services restricted or prohibited under the prevailing USAID source/nationality (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 10 pages.

Applications (Technical and budget proposals and supporting documentation) should be submitted in electronic copy to the ARE grant email address: grants@lebanonare.org and should reference RFA No.004. Applications must be submitted no later than **05:00 PM Beirut local time, on 21 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. ARE will assist applicants in understanding the application process and can provide coaching in application development at the request of applicants.

SECTION V. APPLICATION MERIT REVIEW CRITERIA

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

Merit Review Category	Rating (Points)
Applicant Technical Resources including land, infrastructure, technical employees, supplier and buyer technical resources	25
Organizational Experience including farmer network and exporter/retailers relationships	20
Management & Programmatic Capacity (including sustainability and additionality of intervention)	20
Delivery time/ speed of implementation	5
Cost Effectiveness including resource contribution	10
Past Performance	10
Gender and Youth Awareness and inclusion	10
Overall Rating (out of 100 points)	100

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 infrastructure available for the activity. 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 exporter/retailers relationships.

Applicant should demonstrate organizational experience carrying out similar types of activities including but not limited to farmer outreach and training, agricultural production, post-harvest, marketing, exports 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. Evidence of the capability to link applicants to further (Non-USAID) financing and investment opportunities. 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. **10 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. **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. 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