

Agriculture and Rural Empowerment (ARE) Activity

Request for Applications (RFA) No. 008

Issuance Date: October 12, 2021

Dear Applicant:

The USAID-funded Agriculture and Rural Empowerment (ARE) Activity, implemented by Chemonics International, is seeking grant applications for implementation of “Establishment of a local nursery for certified grapes seedlings” 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 \$150,000, to be delivered via one or more grants to one or more eligible partner organizations.

The activity will hold a non-mandatory pre-application workshop on **November 2, 2021**, on MS Teams from **IIAM to IPM**. This workshop will allow eligible and interested applicants to ask questions about the RFA and receive guidance on how to complete the application form. Interested applicants that meet the eligibility requirements defined in Section III below and would like to attend this workshop must confirm their attendance by sending the participant’s name and the organization’s name to grants@lebanonare.org. Up to two persons may attend from each organization. No reimbursement for costs of attendance will be met. Applicants may also submit questions to grants@lebanonare.org prior to the virtual workshop. The deadline for confirming attendance of the pre-application workshop and submission of clarification questions is **November 1, 2021, at 5PM**.

Applications are due not later than 05:00 pm Beirut time on November 19, 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 an 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** – Applicant Self-Assessment Form
- **Annex F** – Mandatory and Required as Applicable Standard Provisions.

SECTION I. PROGRAM DESCRIPTION

IA. OBJECTIVE

ARE intends to award one or more grants to local partners from the private sector, cooperatives or other effective and legally registered organizations that work in the field of nursery and seedling production in order to produce indigenous grape varieties mainly for wine and arak production. Such intervention will increase sales at the firm level (nursery/ies), and on the longer term will also increase sales on the farm level (farmers) (*ARE Objective 1: Increased Domestic and Export Sales*). In addition, this model will also increase production for both nurseries (seedlings/year) and farmers (tons grapes/year) (*ARE Objective 3: Increase the Productivity of Micro, Small and Medium Enterprises*).

The secondary benefits of indigenous seedling production include better supply for the indigenous varieties that run in both Arak and Wine production, better quality of locally produced seedlings, and increased sustainability for both wine and arak exports due to increasing demand for production made from indigenous varieties.

The period of implementation for the intervention is expected to last for 24 months. ARE intends to award one or more grants for this intervention. The total funding allocated for this intervention is a maximum of \$150,000, which may be distributed via one or more grants issued as a result of this RFA.

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:

According to research done by ARE, there are around 20,000 dunums in Lebanon producing grapes for wine and arak in mature stage, with additional 10,000 dunums are either newly planted or consisting of young vines.

During the past few years there has been an increase in local production of Lebanese wines and arak from indigenous grapes due to the increased demand and sales for such production, especially at the export level. Based on ARE's key informant interviews and meetings with multiple wineries and distilleries, production is expected to continue to increase over the coming years though indications are that the existing supply of indigenous grapes, both mature and newly planted vineyards, will not be enough to meet projected production needs over the medium and long term without additional establishment of more new vineyard plantations.

Most of the newly grown seedlings in Lebanon are imported, internationally certified varieties. There is a clear gap in local production of certified indigenous grape seedlings. This fact was validated by ARE's research, and it was also raised by different wineries and distilleries as a concern for the industry over the medium and long term.

Problem statement:

Most of the Lebanese wineries and distilleries do not produce their own grapes and rely more on purchasing the bulk of their raw materials from farmers. As the demand for indigenous variety wine (example Merwah, Obeidy, Mekssasi, Zawtarani, etc...) and Arak (traditionally from Obeidy) has relevantly increased, wineries and distilleries are now facing a challenge to secure the supply that they need from farmers due to the limited planted lands and a lack of long-term farm agreements (farmers supply for more than one winery or distillery which negatively impacts supply chain and production planning).

Accordingly, there is a clear need for establishing nurseries that produce locally certified seedlings of indigenous grapes that would sustain local production of indigenous grapes. Such a nursery will increase the productivity and sales of both nurseries and farmers. However, existing plant nurseries lack the infrastructure, equipment, production, and certification protocol to effectively engage in such model.

Intervention approach and guidelines:

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 produce seedlings. ARE therefore is soliciting applications from interested and eligible organizations to partner with ARE on this intervention. Selected partner(s) are expected to:

- 1) Identify national demand for varieties and quantities mainly through wineries and distilleries, assess the needed rootstock and scion geographical locations and availability,
- 2) Select farmers that will benefit from the first batch of seedlings,
- 3) Provide a list of needed protocols/terms to certify the produced seedlings,
- 4) Collect data and conduct the necessary outreach and communication around achieved results.

ARE grant(s) may cover technical assistance and expenses for equipment and/or planting material (only with USAID approval), whereas the **partner's contribution, at a minimum, should cover most of the management costs and all required chemical inputs, specifically fertilizers and pesticides.**

Working closely with its partner(s), ARE will establish one or more pilot nurseries with the primary goal of producing certified indigenous grape seedlings for wine and arak, showing wineries and farmers that such models with adopted needed protocols can produce locally certified seedlings. The intervention could also include a sales linkage component between farmers producing indigenous grapes and wineries producing arak and wine with indigenous grapes.

This ARE intervention will work with local partners to establish minimum of one nursery with modified greenhouse, tempering greenhouse, and open field plot to produce seedlings within a maximum period of 18 months. The intervention will include support and technical assistance at the primary production level and validation of seedling success and growth at the final post planting level (close to the end of the intervention). Also, linkages between the nursery on one side and farmers and wineries on the other side

will be established to possibly make long term agreement on the newly planted indigenous plots. 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.

Based on the above, we anticipate this intervention to be split in four phases:

- Phase 1: Mapping of planting material and design of nursery
- Phase 2: Establishment and set up of nursery premises
- Phase 3: Seedlings production (grafting, tempering)
- Phase 4: Sales and marketing of produced seedlings

Below is a representative table of the abovementioned timeline:

Month	Year	Description
December	Year 1	Source rootstocks and scions
January	Year 2	
February	Year 2	Graft and wax scions on rootstocks in climate controlled atmosphere room of the nursery
March	Year 2	
April	Year 2	Transfer grafted seedlings to greenhouse adjacent tempering room
May	Year 2	Transfer grafted seedlings to outdoor nursery plot
June	Year 2	
July	Year 2	
August	Year 2	
September	Year 2	
October	Year 2	
November	Year 2	Grafted seedlings get dormant
December	Year 2	
January	Year 3	
February	Year 3	Farmers prepare plots for transplanting seedlings and transplant seedlings
March	Year 3	
April	Year 3	Transplanted seedlings' buds break
May	Year 3	Transplanted seedlings growth
June	Year 3	Transplanted seedlings development validation
		Repeat above cycle in subsequent years

The above phases and timetable are illustrative and indicative of ARE's vision. Accordingly, applicants are not bound by them and can suggest other structures and timelines as they see fit.

Expected Roles (ARE and Applicant)

At a minimum the applicant is expected to:

- Suggest a sourcing plan (local vs imported) for rootstocks based on anticipated seedlings production plan
- Suggest a sourcing plan for scions based on anticipated seedlings production plan
- Map competent vines for scion selection over Lebanon (This to be done annually).
- Provide land for both new greenhouse and open field plot with water access.
- Provide agricultural inputs including fertilizers, and pesticides.
- Recruit and train (if needed) Workers on scion/rootstock selection, grafting, transplanting, and general nursery practices.
- Provide training and management curriculum and materials.
- Oversee the whole preparation/selection, grafting and transplanting of seedlings at selected farmers plots.
- Provide linkages between farmers and wineries if and when needed.

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

- Nursery infrastructure including greenhouse construction, irrigation systems and others.
- Nursery plots including upgrade of open field plot/s.
- Planting material for mother block? (Special USAID Approval Required)
- Specialized seedling production equipment and machinery.
- Specialized seedling transplanting 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 the greenhouse/s (150-300 sqm) and open field plot (2500-5000 sqm) depending on target number of seedlings.
- Graft up to 350 seedlings per each square meter of greenhouse granted
- Prepare up to 10 seedlings per each square meter of open field plot upgraded
- Achieve a profitable sales price per seedling at \$2
- Succeed in implementing an annual recurring production model on the greenhouse/s and plots provided

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

- Value of new private sector investment leveraged by USG implementation.
- Number of full-time equivalent (FTE) jobs created with USG assistance (contractual)
- Proportion of female participants in USG -assisted programs designed to increase access to productive economic resources
- Youth percentage of participants in USG -assisted programs designed to increase access to productive economic resources who are youth (15-29)
- Percent of USG -assisted organizations with improved performance

- Number of MSMEs, including farmers, and other organizations benefiting from new horizontal & vertical linkages
- Value of incremental sales (domestic and export) collected at firm level 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
- 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 as a result of USG assistance (contractual)
- Percentage change in cost of production at the farm level 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 \$150,000 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 in December 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 (**NOTE: ARE intends to request special USAID approval for the purchase of planting material under this

grant)** 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 and should reference RFA No.008. Applications must be submitted no later than 05:00 PM Beirut local time, on **November 19, 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 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, supplier and buyer resources technical and servicing capacity, staff capacity, equipment and other related to the scope of work of this RFA	25
Organizational experience including seedling production, seedling sales to key farmers and wineries.	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
Overall Rating (out of 100 points)	100

These merit review criteria elements are described more fully below.

A. Applicant technical resources including land, infrastructure, supplier and buyer resources technical and servicing capacity, staff capacity, equipment and other related to the scope of work of this RFA.

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 equipment's 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 seedling production, seedling sales to key farmers and wineries.

Applicant should demonstrate organizational experience carrying out similar types of interventions including but not limited to farmer outreach and training, nursery management, seedling production, transplanting, 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 seedling 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.
- **Annex E** – Applicant Self-Assessment Form
- **Annex F** – Mandatory and Required as Applicable Standard Provisions: