Issuance Date: 06/14/2021

Closing Date: 07/30//2021

Closing Time: 11:59 PM

**Subject:**  Request for Applications (RFA) Number RFA-ERA-003

Increase engagement of businesses and CSOs practicing social entrepreneurship in the Donetsk and Luhansk Oblasts and the Sea of Azov region

**Reference:**  Issued Under USAID Economic Resilience Activity USAID Contract No. 72012118С00004

DAI Global LLC implements the USAID Economic Resilience Activity (ERA), a six-year program (2018-2024) that supports the development of a resilient, inclusive, growth-oriented economy in eastern Ukraine by strengthening both market systems and social networks. Interventions funded by ERA are implemented in partnership with local civil society organization (CSO), government, and private sector actors. Interventions under the Activity contribute to the economic stabilization of the region by supporting vulnerable populations’ participation in the economy, and by providing relevant resources and training to improve human capital. ERA also facilitates co-investments with small and medium enterprises (MSMEs) to build technical skills, reach new markets, and grow through sustainable and inclusive business models.

In recent years social entrepreneurship has become an effective tool for solving social problems, both for civil society and for small and medium-sized enterprises. Social entrepreneurship contributes to democratization and stabilization of Ukraine and ensuring its sustainable development, and largely requires consolidated support from Ukrainian government and international donors. Social enterprise (SE) is, first of all, a business that has clearly defined social goals described in its vision and mission and spelled out in the charter or in other official documents of the organization. The most important difference is that income of the social enterprise is reinvested in expansion of activities and / or directed to achieve social goals. Another important criterion of social enterprise is democratic governance that emphasizes the difference between social entrepreneurship and corporate social responsibility of businesses. Only under democratic governance is it possible to set clear social goals and, most importantly, to reconcile distribution of income between reinvestment and social goals. Social impact is a significant positive change in society, which is achieved through the activities of SE. In fact, social impact is a result of achieving the set vision and mission. It is important that social impact of the social enterprise be measurable by quantitative and qualitative indicators.

In order to increase the engagement of businesses and CSOs practicing social entrepreneurship, this RFA aims at soliciting applications from civil society organizations including business associations that plan to launch social entrepreneurship, and private entrepreneurs, small and medium-sized businesses that already have experience in doing social business.

As a result of grants implemented under this RFA, the following goals will be met:

* Civil society organizations (CSOs) increase their sustainability by establishing their own social enterprises, by adding economic activities to support implementation of their main objectives, or by developing partnerships with businesses;
* Micro, small and medium enterprises (MSMEs) increase their social commitments through employment of vulnerable and hard-to-reach populations, better services provision that correspond to the needs of vulnerable and hard-to-reach populations and reinvesting income to achieving social goals;
* Social goals are addressed in hosting communities affected by the armed conflict in the east of Ukraine and thus social cohesion is increased and tensions in communities reduced.

ERA works to mitigate disruption from the conflict by empowering eastern Ukrainians to rebuild and grow promising enterprises, especially those in targeted sectors, and integrate them into value chains across Ukraine, the European Union, and other international markets. ERA supports the resilience of residents of eastern Ukraine as they look toward a more stable and prosperous future. The Activity provides additional support to internally displaced persons, women, young adults and other under-represented groups to ensure that they also share in the economic success of the region.

Apart from meeting all eligibility criteria and other mandatory requirements, applicants should include into their applications the following:

1. Description of vulnerable population groups that will benefit from the project activity, specifically the following groups: people with disabilities (PWD), IDPs, returnees, women, ATO and JFO veterans; laid-off workers who lost their jobs since the conflict beginning in 2014; parents of families with many children and/or children with disabilities, ethnic minority groups, people living within 5-20 km buffer zone along conflict line (GCA), hosting communities, survivors of gender-based violence;
2. The minimum grant value awarded under this RFA will be the UAH equivalent of 20,000 USD, and the maximum will be the UAH equivalent of 200,000 USD;

3) Formulated vision and mission of social business, and

4) Description of the social value/impact of proposed social enterprise, its measurability and how social value/impact will be measured.

Please refer to Section A - Grant Application Instructions, Section С – Selection Process.

Pursuant to 2 CFR 700.13, it is USAID policy not to award profit under assistance instruments such as grant awards. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the project program and are in accordance with applicable cost standards (2 CFR 200 Subpart E all for non-US based non-profit organizations, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations), may be paid under the grant.

For non-US organizations, the Standard Provisions for Non-US Nongovernmental Recipients will apply. See Annex 9 for Standard Provisions.

The expected duration of DAI support or the period of performance of the grant can be up to 12 months. Longer durations may be considered on a case-by-case basis. The total amount of funding available for the RFA is the Ukrainian Hryvnia equivalent of approximately USD 200,000. DAI may choose to incrementally or fully fund the selected application(s) under this RFA. The number of awards and amount of available funding is subject to change, and DAI reserves the right to (1) fully fund a grant; (2) partially fund a grant or (3) decline to award a grant at any stage of the RFA process for programmatic, environmental, or compliance reasons.

For the purposes of this program, this RFA is being issued and consists of this cover letter and the following:

Section A – Grant Application Instructions

Section B – Special Grant Requirements

Section C – Selection Process

Section D – Project description

Annexes:

Annex 1 – Application Form

Annex 2 – Workplan

Annex 3 – Business plan

Annex 4 – Project Budget and Budget Notes

Annex 5 – Financial Capability Questionnaire and attachments

Annex 6 – CV Form

Annex 7 – Application Checklist

Annex 8 – Mandatory Standard Provisions and Certifications, Assurances, Other Statements of the Recipient

Applications must be submitted to DAI, implementer of the USAID Economic Resilience Activity via e-mail to grants\_era@dai.com not later than 11:59 pm on July 30, 2021. Applications and Annexes thereof shall be submitted in pdf (preferred) or other electronic format in Ukrainian or English. It is required to write the name of institution, name of the project and number of RFA in the subject of the e-mail (application without indicated information will not be considered under the evaluation process).

Issuance of this RFA does not constitute an award commitment on the part of DAI, nor does it commit DAI to pay for costs incurred in the preparation and submission of an application. Further, DAI reserves the right to reject any or all applications received. Applications are submitted at the risk of the applicant. All preparation and submission costs are at the applicant's expense.

Any questions concerning this RFA should be submitted in writing not later than 5 days prior to the closing date shown above to the ERA grants department, email address [grants\_era@dai.com](mailto:grants_era@dai.com) (subject: question on RFA-ERA-003)..

On July 07, 2021, at 11 am USAID ERA staff will hold an online presentation regarding RFA ‘Increase engagement of businesses and CSOs practicing social entrepreneurship in the Donetsk and Luhansk Oblasts and the Sea of Azov region’ where potential applicants may ask questions and obtain detailed information about this RFA. Please register using this [link](https://docs.google.com/forms/d/e/1FAIpQLSff4U95HvFc_eVs0tw0n1EumpbZ_boBJj-_eqvxFARZzoSpQA/viewform).

Thank you for your interest in the USAID Economic Resilience Activity.

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Michael Pillsbury, Chief of Party

**Increase engagement of businesses and CSOs practicing social entrepreneurship in the Donetsk and Luhansk Oblasts and the Sea of Azov region.**

**Table of content**

[Section A – Grant Application Instructions 5](#_Toc63778916)

[1. Application Procedure 5](#_Toc63778917)

[A. Completion and submission of applications 5](#_Toc63778918)

[B. Preparation Instructions – Technical 7](#_Toc63778919)

[C. Preparation Instructions – Financial and Administrative Documentation 9](#_Toc63778920)

[Section B - Special Grant Requirements 10](#_Toc63778921)

[Section C - Selection Process 13](#_Toc63778922)

[Section D – Project Description 14](#_Toc63778923)

[Annex 1: Application Form 17](#_Toc63778924)

[Annex 2: Workplan 22](#_Toc63778925)

[Annex 3: Business Plan 23](#_Toc63778926)

[Annex 4: Project Budget and Budget Notes 25](#_Toc63778927)

[Annex 5. Financial Capability Questionnaire and attachments 27](#_Toc63778928)

[Annex 6. CV Form 33](#_Toc63778929)

[Annex 7: Application Checklist 34](#_Toc63778930)

[Annex 8: Mandatory Standard Provisions and Certifications, Assurances, Other Statements of the Recipient 35](#_Toc63778931)

# Section A – Grant Application Instructions

## 1. Application Procedure

### A. Completion and submission of applications

**Eligibility Requirements**

This RFA is issued as a public notice to ensure that all interested and qualified applicants have a fair opportunity to submit applications for funding. All applicants must be legally registered in the Donetsk and Luhansk Oblasts as well as certain communities in the Sea of Azov region, i.e. Berdiansk and Melitopol in Zaporizhzhia oblast, and Henichesk in Kherson oblasts (hereinafter referred to as “target region”) and have their premises and assets located in the aforementioned oblasts. All project activities by the applicants that are financed by ERA shall be implemented within the target region.

Exceptions may be made for applicants that due to the conflict in eastern Ukraine (i.e. military actions or threat thereof, as well as previous registration within currently non-government controlled area) changed their legal registration address within the territory of Ukraine, other than Donetsk and Luhansk Oblasts, however are actually physically based in the Donetsk and Luhansk Oblast (for more than a one year period prior to application submission).

Grants may be awarded to:

**A. Micro, small and medium enterprises (MSMEs)** **that have already demonstrated their commitments to achieve social goals by:**

1. officially employing representatives of ERA vulnerable and hard-to-reach populations\*, provided that the majority (50% and more) of all official employees, hired by the applicants, represent aforementioned populations (the applicant should specify the number of such employees in their applications), **or**
2. providing goods and/or render services to the representatives of vulnerable and hard-to-reach populations\*, whereas provision of such goods and/or services constitutes a main business activity of the applicant, **or**
3. allocating not less than 30% of their income\*\* to the practical resolution of an identified social problem which vulnerable and hard-to-reach populations are currently facing in their communities.

\* For the purposes of this RFA, the following groups and categories are considered as vulnerable and hard-to-reach populations (hereinafter referred to as **‘ERA vulnerable and hard-to-reach populations’**):

1) People with disabilities (PWD);

2) Single headed household women;

3) ATO and JFO veterans;

4) Elderly women of 55+ years old;

5) Elderly men of 60+ years old;

6) Disadvantaged ethnic minority groups including Roma people, Greek, and others as self-identified;

7) Gender-based violence survivors and people at risk of GBV;

8) IDPs, including both officially registered (ones who have certificate (“dovidka”) and non-registered;

9) Returnees;

10) Non-educated youth (youth with incomplete secondary and secondary education);

11) Women;

12) LGBTI community (for safety and security we will not openly query this disaggregation, but if people would like to self-identify confidentially, they will be welcome to and information security protocols will be strict);

13) Laid-off workers who lost their jobs since the conflict beginning in 2014;

14) Youth from NGCAs enrolled in the educational institutions located at GCAs of target regions;

15) Graduates (youth) of educational institutions located at GCAs, who lived at NGCA before study;

16) Parents of families with many children and/or children with disabilities;

17) People living within 5 km buffer zone along conflict line (GCA);

18) People living within 5-20 km buffer zone along conflict line (GCA);

19) IDP hosting communities.

\*\* Applicants are expected to provide excerpts from their officially registered charters or drafts of amendments thereto (for example, a general meeting protocol or other similar document) which contain the applicants` commitments to lawfully allocate not less than 30% of their income (in percent or fixed amount) to further spending on practical resolution of an identified social problem. The applicants may (1) directly spend an allocated share of their income on actions, purchases, donations, etc. which will have a direct traceable positive impact on the representatives of vulnerable and hard-to-reach populations, e.g. solve one or more problems which they might encounter in their daily lives, or (2) donate an allocated share of their income to another non-governmental organization registered and operating in the target region that target representatives of vulnerable and hard-to-reach populations as their main beneficiaries and have been officially registered as a non-governmental organization for not less than one year prior to submission of MSMEs’ applications.

**B. Local Ukrainian civil society organizations (CSOs)** that target representatives of vulnerable and hard-to-reach populations as their main beneficiaries and have been officially registered as non-governmental organizations for not less than one year prior to submission of their applications. The organizations should have a reasonable portfolio of implemented grants from other donor organizations (supplemented with donor references for at least two of them), **and**

1. proved to be sustainable as an organization and demonstrated sustainability approaches regarding existing or proposed grant interventions, **and**
2. have a clear and properly documented staff structure with the indicted positions, appointed employees, duration of employment within these positions, as well as form of such employment (labor agreement or civil law contract), **and**
3. presented a well-developed technical approach to existing or proposed grant interventions on social entrepreneurship (referred to as “business model”).

\* The presented/proposed business model may include several modalities of social entrepreneurship. The CSOs may directly implement planned interventions, as they are entitled by law to conduct non-commercial business in order to finance their statutory activities. The CSOs may also be founders of the commercial entities, such as limited liability companies, which are established solely for the purposes of conducting business in order to finance their statutory activities directly aimed at the representatives of vulnerable and hard-to-reach populations.

Organizations excluded from participating in this RFA are as follows:

* Any entity that has been found to have misused the USAID funds in the past;
* Political parties, groupings, or institutions or their subsidiaries and affiliates;
* Organizations that advocate or promote anti-democratic policies or illegal activities;
* Faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objective for the grant is of a religious nature;
* Any entity included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID;
* Any entity whose name appears in the System of Award Management (SAM) with an active exclusion; appears on the Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control, sometimes referred to as the “OFAC List” (online at: http://www.treasury.gov/resource-center/sanctions/SDNList/Pages/default.aspx); listed in the United Nations Security designation list (online at: https://www.un.org/securitycouncil/content/un-sc-consolidated-list);
* An organization that refuses to sign all required certifications and assurances;
* Any “Public International Organization” (PIO); and
* Any entity affiliated with DAI Global LLC or any of its directors, officers, or employees.

Grantee Contribution **is not required** for eligibility purposes.

Grantee Contribution represents the portion of a funded project that the grantee must contribute in order to share the costs of meeting the objectives of the intervention outlined in the grant agreement. This contribution may be in cash, goods, or services. For instance, the contribution may be in the form of funds from other (non-US Government) donors; it may be the labor of grantee employees or volunteers; or it may be the use of a grantee’s meeting room to hold a workshop for the grant project. Contribution can also include the use of the applicant’s existing facilities or vehicles.

**Application Submission Requirements**

* Applications may be submitted only by e-mail to [grants\_era@dai.com](mailto:grants_era@dai.com). The official name of the applicant, name of the project and number of RFA should be included in the subject line of the e-mail (application without indicated information will not be considered under the evaluation process).
* Applications must include:

1. Completed Application Form (Annex 1).
2. Statement of liability (part of the Application Form, Annex 1)
3. Completed Workplan (Annex 2).
4. Business Plan (Annex 3)
5. Projected Budget, Budget Notes (Annex 4).
6. Completed Financial Capability Questionnaire and attachments (Annex 5).
7. CVs forms of required project team members (Annex 7).
8. Signed copies of Certifications, Assurances, Other Statements of the Recipient (Annex 9).

**Late Applications**

All applications received by the deadline will be reviewed for responsiveness and programmatic merit according to the specifications outlined in these guidelines and the application format. Section C addresses the evaluation procedures for the applications. Applications which are submitted late or are incomplete run the risk of not being considered in the review process.

### B. Preparation Instructions – Technical

**Page Limitation**: Applications should be specific, complete, presented concisely and shall not exceed 15 pages (exclusive of annexes).

Applications submitted in response to this RFA must include the following information:

* 1. **Information about the applicant.** The applicant must provide the following general information:
     1. Full title of the applicant according to official registration documents and date of establishment;
     2. Indicate the name, position and contact details (e-mail, telephone number) of the person responsible for the project;
     3. Description and photo of the premises where the project activities will be implemented (if applicable).

1. **The application structure and required information**: The applicant must provide a detailed description of the project, specifying its goal, activities and results.
2. **Formulated vision and mission of a social business**

**Vision** is the strategic goals that a social enterprise sets for itself, the future of the social business and its stakeholders. It is a statement by the social business about its medium- or long-term goals. The vision of a social business must take into account experience, communication, values and ambitions of the business. It reflects transformational changes that the social enterprise can create in the future.

The next step, after defining the social enterprise’s vision, is to formulate a mission.

**Mission** of social businesses combines social and economic characteristics. One of the main differences between social enterprises and classic businesses is that if it is possible to choose between consistency in fulfilling its mission or maximizing income, the social entrepreneur will choose the first option. The mission of a social business includes defining the scope of work of the social enterprise, reasons for its existence, description of social business functions, market and competitive advantages and a brief written statement of business objectives and philosophy. In general, the mission is actually an answer to the question of how to achieve the vision. The mission also has to indicate what kind of social values the social enterprise creates and how they can be measured. The mission is a clear description of what the social business is doing and how.

The mission of the social business must answer the following questions:

*1. What does the company do?* The mission is specific, so it is necessary to write clearly and openly about what the social enterprise is doing.

*2. How is the company different from others?* The classic thesis about the uniqueness of business is relevant for both classic and social entrepreneurship. Social entrepreneurs work in the same market as the classic ones. There is competition in it, and without a declaration of competitive advantages, the mission is difficult to name as completed.

1. **Social value/ social impact created by social enterprise activities.** Social businesses focus on solving social problems rather than on making income, that is why the effectiveness of their activities should be measured differently than classic businesses. In addition to existing business models, every social business is based on the creation of *social value* or *social impact.*The most important characteristic is measurability, which allows the business to assess both effectiveness of the social enterprise and positive impact on society.

*What social value / social impact does the company create and how to measure it?*

1. This part must include a detailed description of how the applicant’s business activity benefits the representatives of ERA’s vulnerable and hard-to-reach populations through the provision of goods and/or rendering services. Speaking about social value / social impact we also have to think about its main criterion – measurability - and describe how social value / social impact will be measured. MSMEs have to provide documental proof of plainly defined mechanisms for the distribution of income, which will show the share allocated or planned to be allocated to resolution of the identified social problem represented in the vision and mission of social business, commitments to employ representatives of vulnerable groups (not less than 50% of personnel) or provision of services for vulnerable populations.
2. Organizational structure: list of all available staff, including information on their vulnerability if applicable, detailed staff structure of non-governmental organization or business legal entity including information about types of employment, employment duration, title, roles and responsibilities within the team.
3. **Monitoring (Results and Benchmarks)**: The applicant should define, to the maximum extent possible at the application stage, results and benchmarks for monitoring the performance towards attainment of program objectives. Detailed list of project indicators is provided in Section D – Project description.
4. **Sustainability:** The applicant should describe how to measure social impact (indicators of social impact) and how the project, or its social impact will continue after grant funding ends.
5. **Personnel.** The applicant should indicate staff member/s that would be assigned to this grant as the main implementer/s from the applicant’s side referred to as Key Personnel, for example, Project Manager that also may be a **focal point** for these grant activities: name, title and contact details (e-mail, phone as a must) of the person who is responsible for this grant must be indicated. Each applicant should also provide, as part of their application, detailed curriculum vitae that demonstrate the Key Personnel’s ability to perform the duties outlined in the statement of work.
6. **Organizational Capability:** Each application shall include information that demonstrates the applicant's expertise and ability to meet or exceed the goals of this program.
7. **Past Performance**: If applicant has implementation experience on similar projects, he or she must present evidence of it. Applicants may include descriptions of previous projects or other similar activities. These references should include three (3) clients/partners/donors’ names and telephone numbers who will serve as references.
8. **Budget:** All proposals must include a completed budget and budget notes; see Annex 4 for more details. Budget notes shall include brief justification of the budgeted items and description of expenditures on equipment, activities, salaries, consultancy remuneration, etc. For example, (purchase of necessary equipment, and/or materials, engaging experts for business development (e.g., marketing, PR, communication strategies, accounting, etc), staff training, development of promo-materials, accounting systems, business trips, participation in exhibitions. The applicant should not exceed 20% of the total budget when planning costs for salaries of its employees, including short-term consultants, if any, directly engaged in the implementation of the application.
9. List of planned activities under your project

1. **Other material:** Applicants may also want to submit other material as attachments along with their applications such as letters of reference, newspaper clippings reporting on the organization’s activities, brochures or other promotional material. Support letters demonstrating partnerships and cooperation with local government are of particular interest.
2. Adaptability of all proposed activities to COVID-19 related restrictions. The applicant should describe how the proposed activities will be possible to implement in the framework of current limitations imposed by the Government of Ukraine and local authorities as a result of COVID-19 pandemic. Will those activities be on-line or in-person, what precaution measures will be applied to meet the sanitary requirements, etc.?

### C. Preparation Instructions – Financial and Administrative Documentation

1. Completed Budget. All budget lines must be clearly linked to specific project activities. See attached Annex 4 for the budget form. Supporting information shall be provided, as necessary, in sufficient detail to allow a complete analysis of each line item cost.
2. Completed Financial Capability Questionnaire, which includes:
   1. Incorporation Papers or Certificate of Registration and Statute
   2. Organizational chart
3. Documentation that the applicant has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant.
4. Depending on size, type, and complexity of the grant, the following may also specifically be requested at this stage:
5. Accounting policy
6. Operations policies (Human Resources, Inventory, etc.)
7. Procurement policies
8. Documentation that the applicant has a satisfactory record of integrity and business ethics. (Documentation may include references from other donors or clients and a summary of previous awards, including the type of funding, value, client, etc.)
9. Data Universal Numbering System (DUNS):

There is a mandatory requirement for the finalists to provide a DUNS number to DAI (when applicable). The Data Universal Numbering System is a system developed and regulated by Dun & Bradstreet (D&B) that assigns a unique numeric identifier, referred to as a "DUNS number" to a single business entity. Without a DUNS number, DAI cannot deem an applicant to be “responsible” to conduct business with and therefore, DAI will not enter into an agreement with any such organization. The award of a grant resulting from this RFA is contingent upon the winner providing a DUNS number to DAI. Organizations who fail to provide a DUNS number will not receive an agreement and DAI will select an alternate awardee.

The organizations that receive a grant with a value of $25,000 and above are required to obtain a DUNS number prior to signing of the agreement. Organizations are exempt from this requirement if the gross income received from all sources in the previous tax year was under $300,000. DAI requires that grant applicants sign the self-certification statement if the applicant claims exemption for this reason.

DUNS number submission is not required as part of the application process, but, if required, will need to be provided before DAI will sign a grant agreement. DUNS number submission is not required under in-kind grants.

For those required to obtain a DUNS number, be informed that ERA grant staff will assist successfully Approved Grant Applicants with the following provisions prior to Grant Award.

# Section B - Special Grant Requirements

The applicant shall bear in mind the following special requirements for any grants awarded in response to this RFA:

**Use of Funds:** Funds provided under any grant awarded shall be used exclusively to successful application implementation and current activities under the grant. Use of funds may include, but are not limited to and dependent on the grant award type, purchase of necessary equipment, and/or materials, engaging experts for business development (e.g. marketing, PR, communication, accounting, etc), staff trainings, development of promo-materials and advertisement campaign of the proposed activity, upgrading/improvement of accounting systems, business trips, participation in exhibitions, as well as for implementation of other activities provided by the applicants and approved by ERA.

**Award Type:** DAI anticipates awarding multiple grants (hereafter called Agreements) to fund successful applications submitted in response to this RFA.

The ERA team completes a pre-award determination process to determine the value, duration, and type of a grant based on the nature of the grant activities and the financial and management capacity of the applicant. The following grant types may be used:

1. In-kind – ERA procures the goods and services and provides them to the grantee. No cash is given to the grantee. Goods must be tracked until final property title/ownership transfer approval is received.
2. Fixed Amount Award (FAA) - Payments are made based upon the completion and acceptance of program milestones rather than on receipts. The grantee must present a payment voucher, milestone certificate and evidence of completion for payment.
3. Standard / Simplified - Reimbursement of actual costs based on receipts and financial report. Appropriate for grantees with strong financial controls.
4. Blended Grants - A blended grant is a type of grant issued when an applicant submits a proposal and is selected to receive two different grant types for programmatic reasons (e.g., a determination that project objectives will be advanced through the provision of cash support to an applicant with a highly responsive proposal which will also require the addition of in-kind contributions to ensure overall success), and the two grant types are blended into one. The only two grant types that DAI allows to be blended are a Fixed Amount Award (FAA) and an In-Kind grant.
5. **Sub-Granting:** A sub-grant means a financial assistance award in the form of money, or property in lieu of money, made by a grantee to a third-party organization or individual. Sub-granting by an ERA grantee will not be permitted under this RFA.

##### Reporting Procedures: A description of reporting requirements will be included in the Grant Agreements. Reporting forms will be provided to grant recipients. Types of reporting will include the following:

1. **Program report** to be submitted during grant implementation according to a schedule determined by DAI. This report will include a description of grant activities and progress towards meeting the grant goal and performance indicators; problems in grant implementation; actions taken to overcome them; lessons learned; success stories and plans on how the next phase of the grant will be implemented.
2. **Final program report** will describe how the grant objectives and goals were reached, results of the grant including achievement of performance indicators, and problems and solutions during implementation; lessons learned; success stories.
3. **Financial report** (depending on the grant type) will describe formal records of the financial activities.

###### Project Monitoring: ERA staff will monitor grants in terms of programmatic aspects. Grant recipients will be expected to facilitate monitoring by making relevant information available to DAI staff. This may include but not be limited to: beneficiaries data collections via face-to-face interviews, online surveys or surveys via printed forms, key informant interviews with beneficiaries, monitoring visits, collection of additional information, etc.

**Restrictions**: Unallowable costs are further described in Subpart E-Cost Principles in 2 CFR 200 for non-profit organizations and FAR 31.2 “Cost principles for Commercial Organizations”. All costs must be reasonable, allocable, and allowable. ERA grant funds cannot be used for the following:

* + - 1. Goods or services which are to be used primarily to meet military requirements or to support police or other law enforcement activities,
      2. Surveillance equipment,
      3. Equipment, research and/or services related to involuntary sterilization or the performance of abortion as a method of family planning,
      4. Gambling equipment, supplies for gambling facilities or any hotels, casinos or accommodations in which gambling facilities are or are planned to be located,
      5. Activities which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas, or
      6. Establishment or development of any export processing zone or designated area where the labor, environmental, tax, tariff, and/or safety laws of the country in which such activity takes place would not apply.
      7. Pharmaceuticals,
      8. Logging equipment,
      9. Luxury goods (including alcoholic beverages and jewelry),
      10. Procure IT goods and services from Kaspersky, Huawei, and ZTE with the USG funds. Procure public safety or surveillance applications produced by Hytera Communications Corporation, Dahua Technology Company, or Hangzhou Hikvision Digital Technology Company (or any subsidiary or affiliate of such entities)
      11. Establishing or expanding an enterprise that will export raw materials that are likely to be in surplus in world markets at the time such production becomes effective and that is likely to cause substantial injury to U.S. producers,
      12. Activities which would result in the loss of forest lands due to livestock rearing, road construction or maintenance, colonization of forest lands or construction of dams or other water control structures,
      13. Activities which are likely to have a significant adverse effect on the environment, including any of the following (to the extent such activities are likely to have a significant adverse impact on the environment):

1. Activities which may lead to degrading the quality or renewability of natural resources;
2. Activities which may lead to degrading the presence or health of threatened ecosystems or biodiversity;
3. Activities which may lead to degrading long-term viability of agricultural or forestry production;
4. Activities which may lead to degrading community and social systems, including potable water supply, land administration, community health, and well-being or social harmony.
   * + 1. Activities which are likely to involve the loss of jobs in the United States due to the relocation or expansion outside of the United States of an enterprise located in the United States, or
       2. Activities which the Grantee is aware are reasonably likely to contribute to the violation of internationally or locally recognized rights of workers,
       3. Activities to support the production of agricultural commodities for export when such commodities would directly compete with exports of similar United States agricultural commodities to third countries and have a significant impact on United States exporters.
       4. Activities that:

* normally have a significant effect on the environment under §216.2(d)(1) [See <http://www.usaid.gov/our_work/environment/compliance/regulations.html>] (except construction and rehabilitation);
* Affect endangered species;
* Provide support to extractive industries (e.g. mining and quarrying);
* Promote timber harvesting;
* Provide support for regulatory permitting;
* Result in privatization of industrial facilities or infrastructure with heavily polluted property;
* Assist the procurement (including payment in kind, donations, guarantees of credit) or use (including handling, transport, fuel for transport, storage, mixing, loading, application, clean-up of spray equipment, and disposal) of pesticides or activities involving procurement, transport, use, storage, or disposal of toxic materials--pesticides cover all insecticides, fungicides, rodenticides, etc. covered under the Federal Insecticide, Fungicide, and Rodenticide Act; and/or
* Procure or use genetically modified organisms.
  + - 1. Any construction or refurbishment activities. “Construction” means construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. For purposes of this definition, the terms “buildings, structures, or other real property” include, but are not limited to, improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels.

**Other:** Under given RFA, DAI will decide on a type of grant in each particular case, considering the application specifics, budgeting and potential grantee’s capabilities.

**Branding and Marking**

All USAID-sponsored assistance awards are required to adhere to branding policies and revised marking requirements for grants and cooperative agreements in accordance with ADS 320. This includes visibly displaying the USAID Standard Graphic Identity that clearly communicates assistance is, “From the American people” on all programs, projects, activities, publications, public communications, and commodities provided or supported through USAID assistance awards. ADS 320 requires that included in the grant is a branding strategy that describes how the program, project, or activity is named and positioned, how it is promoted and communicated to beneficiaries and cooperating country citizens and identifies all donors and explains how they will be acknowledged. DAI will provide a template branding strategy that will be adapted in consultation with the applicant. ADS 320 may be found at the following website: https://www.usaid.gov/ads/policy/300/320.

**Environmental Procedures**

1. The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID’s activities on the environment be considered and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID’s Automated Directives System (ADS) Parts 201.5.10g and 204 (<http://www.usaid.gov/policy/ads/200/>), which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities. i.e.: environmental compliance obligations under these regulations and procedures are specified in the following paragraphs of this RFA.
2. The applicant must comply with Ukrainian environmental regulations unless otherwise directed in writing by USAID. In case of conflict between Ukrainian and USAID regulations, USAID regulations will govern.
3. Environmental requirements of this RFA are governed by the USAID Initial Environmental Examination (IEE) DCN: 2018-UKR-031 dated April 13, 2018 and amendments DCN: 2020-UKR-031 dated December 30, 2020, and DCN: 2021-UKR-001 dated January 21, 2021. Compliance with this IEE and its amendments is required to fund and implement grant activities, as described below.
4. No activity funded under the grant will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that grant activity.

Environmental threshold determinations include:

* 1. Categorical Exclusion (CE).
  2. Negative Determination with Conditions (NDC).
  3. Positive Determination.

For activities that fall under NDC, grantees will be requested to provide documents listed in item 5 below which are necessary for preparation of the USAID E&E Small-Scale Procurement Environmental Review Form (ERF) or Environmental Review Checklist and Environmental Monitoring and Mitigation Plan (ERC/EMMP).

1. Facilities used for grant implementation shall comply with the laws of Ukraine. To verify legally permitted facilities/buildings, where applicable and according to nature and purpose of the grant, successful applicants will be asked to submit the documents listed below but not limited to:
   1. Lease agreement or Extract from the Government Registry of Rights of Real Estate.
   2. Declaration of Fire Safety from the State Service of Ukraine for Emergencies.
   3. Technical Passport from the Bureau of Technical Inventory (BTI), including added marked premises for grant activity on the plan.
   4. Declaration of Readiness for Operation from the State Agency of Architectural and Construction Inspection (when available).
   5. Results of a Technical Inspection Report in compliance with Cabinet of Ministers of Ukraine decree Number 257 dated 12 April 2017 (If Declaration of Readiness is not available).
   6. Contract for waste disposal.

# Section C - Selection Process

A review panel will convene to score and select the applications for funding, after the application submission deadline. Throughout the evaluation process, DAI shall take steps to ensure that members of the review panel do not have any conflicts of interest or the appearance of such with regard to the organizations whose applicants are under review. An individual shall be considered to have the appearance of a conflict of interest if that person, or that person’s spouse, partner, child, close friend or relative works for or is negotiating to work for or has a financial interest (including being an unpaid member of a Board of Directors) in any organization that submitted an application currently under the panel’s review. Members of the panel shall neither solicit nor accept gratuities, favors, or anything of monetary value from parties to the awards.

All applications that meet the application requirements will be reviewed by the review panel. Verification of the application submission requirements will be conducted by the USAID Economic Resilience Activity grants staff.

The applications will be evaluated according to the evaluation criteria set forth below. To the extent necessary (if the award is not made based on initial applications), negotiations may be conducted with each applicant whose application, after discussion and negotiation, has a reasonable chance of being selected for award.

Awards will be made based on the ranking of applications by the review panel according to the evaluation criteria and scoring system identified below:

1. **Past performance and capability**

The applicant’s past experience and institutional capacity which includes:

* 1. Applicant’s previous record of activities. Number of implemented projects (or other similar activities) since its foundation;
  2. Availability of material and human resources needed for the implementation of the grant;
  3. Demonstration of previous engagement with specific ERA vulnerable and hard-to-reach populations (in business or previous projects, activities).

**Very good = 20 points; good = 10 points; average = 5 points; poor = 0 points**

1. **Project justification and design**

This criterion includes:

* 1. Clear identification of the social problem(s) or concern(s) which applicant aims to address through grant activities, as well as ERA vulnerable and hard-to-reach populations whom the applicant plans to reach through proposed grant activities;
  2. Defined vision, mission and measurable social impact of the activities under the grant;
  3. Comprehensive description of the proposed social business model and related aspects, such as expected revenues and sales, clients and suppliers, etc.;
  4. Clear grant structure: identified activities and their relevance for the identified social problem or concern for defined target populations;
  5. Proven and properly documented connection between proposed social mission of the applicant with its official documents (charter, statute, memorandums, etc.).

**Very good = 40 points; good = 20 points; average = 10 points; poor = 0 points**

1. **Potential impact on ERA vulnerable and hard-to-reach populations as a result of grant activities and proposed social business model**
   1. Clear identification of the grant short-term results and outcomes by the applicant;
   2. Is the grant implementation likely to improve or resolve the social problem(s) or concern(s) of the beneficiaries?
   3. Define whether proposed grant activities are practically feasible.

**Very good = 20 points; good = 10 points; average = 5 points; poor = 0 points**

1. **Cost-effectiveness**
   1. Are the budgeted costs described in the budget narrative reasonable in terms of the expected results?
   2. Financial feasibility of provided business plan.

**Very good = 10 points; good = 7 points; average = 5 points; poor = 0 points**

1. **Potential for sustainability**
   1. Are the grant activities or its benefits likely to continue after grant funding ends?
   2. Has the applicant provided vision for business (project) development in middle and long-term perspective?

**Very good = 10 points; good = 7 points; average = 5 points; poor = 0 points**

**DAI and USAID reserve the right to fund any or none of the applications received**

Following selection of an awardee, DAI will inform the successful applicant concerning the award. DAI will notify successful applicants electronically via e-mail.

DAI also will notify unsuccessful applicants concerning their status after selection has been made.

###### Signing of Grant Agreements

Upon USAID concurrence of the applicant, a Grant Agreement will be prepared. After DAI and the successful applicant have signed the Grant Agreement, DAI will conduct the kick-off meeting with the grantee during which all reporting and agreement obligations will be explained to the grant recipients, as well as procurement procedures, branding and marking plan and monitoring of the project.

# Section D – Project description

This section provides detailed information as to the RFA’s objectives, tasks and indicators.

1. **Objectives**

The overall goal is to increase engagement of businesses and CSOs practicing social entrepreneurship in the Donetsk and Luhansk Oblasts and certain communities in the Sea of Azov region, i.e. Berdiansk and Melitopol in Zaporizhzhia Oblast, and Henichesk in Kherson Oblasts.

Specific objectives are summarized as follows:

1. Civil society organizations (CSOs) increase their sustainability by establishing or developing their own social enterprises, by adding economic activities to fund their main objectives, or by developing partnerships with businesses;
2. Micro, small and medium enterprises (MSMEs) increase their social commitments through employment of marginalized groups, better provision of services that correspond to the needs of marginalized groups and reinvesting income to achieving social goals;
3. Social problems are addressed in hosting communities affected by the armed conflict in the east of Ukraine and thus social cohesion is increased and tensions in communities reduced.
4. **Tasks**

The following main tasks that contribute to reaching objectives identified above will be performed by civil society organizations and local MSMEs:

1. Identify and analyze the gaps in sustainability among CSOs and MSMEs: filter out the limiting factors, state their nature and possible causes;

2. Taking into consideration current and past project activities, type of beneficiaries served, as well as business profile of the applicants, develop social entrepreneurship activities (projects) that can be implemented by the CSOs and MSMEs;

3. As a part of their social entrepreneurship projects, MSMEs enhance and develop existing or introduce new services that would benefit vulnerable populations or/and engage them as employees;

4. Update and modify or design and establish organizational rules and policies, business processes and organizational structures that would directly or indirectly address the needs of the beneficiaries that the business is serving and works with;

5. Establish, develop and formalize relationships of stakeholders; encourage alliances and networking among CSOs and MSMEs that will result in better addressing of the issues faced by the beneficiaries;

6. Collect and analyze all relevant information on short- and mid-term impact of implemented activities (projects), as well as estimate overall positive effect for the vulnerable groups served, and make adjustments to those activities (projects), if needed.

1. **Indicators**

The following indicators will be measured throughout and after grant implementation:

1. Number of individual beneficiaries from ERA vulnerable and hard-to-reach populations in the target region directly covered during the grant implementation (with breakdown according to the vulnerability criteria);
2. Percentage of female participants who will get access to productive economic resources (assets, credit, income, or employment) as a result of the grant implementation.
3. For the applicant MSME: total amount of new investments, which will be secured by the applicant MSME as a result of the grant implementation.
4. For the applicant MSME: anticipated average monthly USD sales of the applicant MSME after the grant completion.
5. Number of individuals with new or better employment opportunities as a result of grant implementation; here “new employment” means change of employment status from “unemployed” to “employed” and “better employment” means all cases when beneficiaries self-report about any kind of improvements in their employment (which can include but not be limited to: salaries increase, improvement of working conditions, better office location, etc.); The beneficiaries can include employees of social enterprises whose employment was improved or initiated as a result of participation in this program as well as individuals participating in training activities organized by these social enterprises, i.e. end clients.
6. Number of people trained (i.e. number of employees trained to use new equipment, number of beneficiaries who attended training courses, etc.) during implementation of the grant;
7. Number of beneficiaries utilizing new practices, techniques, or business management skills as a result of grant implementation (which means a number of people who report they utilize learned skills in their daily work or life).

# Annex 1: Application Form

|  |  |
| --- | --- |
| **I. THE APPLICANT** | |
| 1. **Name of the applicant *(also please include acronyms, if any)*** | |
|  | |
| 1. **Address of the applicant *(please include the official address as well as the postal address)*** | |
| Official address: |  |
| Postal address: |  |
| Telephone |  |
|  |  |
| E-mail |  |
| Web site |  |
| Contact person |  |
| **II. PROJECT INFORMATION** | |
| 1. **Title of proposed project** | |
|  | |
| 1. **Location and proposed duration** | |
| Location: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[city / community], \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[country]  Duration: \_\_\_\_\_\_\_\_\_\_months, from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[month] \_\_\_\_\_\_[year] to \_\_\_\_\_\_\_\_\_\_\_\_\_\_[month] \_\_\_\_\_\_[year] | |
| 1. **Summary Budget** | |
| Approximate cost of this activity/intervention in UAH: | |
| Amount requested from USAID ERA: | |
| Other donors or third-party resources (if applicable): | |
| Total estimated cost: | |
| **III. THE APPLICATION STRUCTURE AND REQUIRED INFORMATION** | |
| 1. **Full name/title of the applicant** (*according to official registration documents and date of establishment*); | |
|  | |
| 1. **Brief description of applicant’s history** (date of registration, location, including changes thereof, type of business/activities, major business development milestones, established partnerships, grant history/ previously implemented donor funded projects in the target region, property status/land ownership, transport infrastructure, etc.) | |
|  | |
| 1. **Formulated vision and mission of the social business**.   **Vision** is the strategic goals that a social enterprise sets for itself, the future of the social business and its stakeholders. It is a statement by the social business about its medium- or long-term goals. The vision of a social business must take into account experience, communication, values and ambitions of the entrepreneur. It reflects transformational changes that the social enterprise can create in the future.  The next step, after defining the social enterprise’s vision, is to formulate a mission.  **Mission** of social businesses combines social and economic characteristics. One of the main differences between social enterprises and classic businesses is that if it is possible to choose between consistency in fulfilling its mission or maximizing income, the social entrepreneur will choose the first option. The mission of a social business includes defining the scope of work of the social enterprise, reasons for its existence, description of social business functions, market and competitive advantages and a brief written statement of business objectives and philosophy. In general, the mission is actually an answer to the question of how to achieve the vision. The mission also has to determine what kind of social values the social enterprise creates and how they can be measured. The mission is a clear description of what the social business is doing and how.  The mission of social business must answer the following questions:  *What does the company do?* The mission is specific, so it is necessary to write clearly and openly about what the social enterprise is doing.  *How is the company different from others?* The classical thesis about the uniqueness of business is relevant for both classical entrepreneurship and social. Social entrepreneurs work in the same market as the classic ones. There is competition in it, and without a declaration of competitive advantages, the mission is difficult to name as completed. | |
|  | |
| 1. **Social value/ social impact created by social enterprise activities –** Social businesses focus on solving social problems rather than on making income, that is why the effectiveness of their activities should be measured differently than classic businesses. In addition to existing business models, every social business is based on the creation of *social value* or *social impact.*The most important characteristic is measurability, which allows the business to assess both effectiveness of the social enterprise and positive impact on society.   *What social value / social impact does the company create and how to measure it?*  This part must include a detailed description of how the applicant’s business activity benefits the representatives of ERA’s vulnerable and hard-to-reach populations through the provision of goods and/or rendering services.  Speaking about social value / social impact we also have to think about its main criterion – measurability - and describe how social value / social impact will be measured. | |
|  | |
| 1. **Clearly defined structure of the social entrepreneurship modality of the proposed intervention.** | |
|  | |
| 1. **Clearly defined mechanism of the distribution of income, which will show the share allocated or planned to be allocated to practical resolving of identified social problem represented in vision and mission of social business** | |
|  | |
| 1. **Organizational structure: list of all available staff, including information on their vulnerability if applicable, detailed staff structure of non-governmental organization or business legal entity including information about types of employment, duration, title, roles and responsibilities within the team.** | |
|  | |

|  |
| --- |
| 1. **Project goal, activities, and results**   *(Please provide accurate and detailed information, no more than 3 pages.)* |
| How the project will contribute to   * *increasing of sustainability of civil society organizations (CSOs) by establishing or developing their own social enterprises and/or adding economic activities;* * *increasing commitments of micro, small and medium enterprises (MSMEs) to achieve social goals;* * *solving of social problems in hosting communities affected by the armed conflict in the east of Ukraine, increasing social cohesion and reducing tensions?* |
| 1. What are the specific activities that you will undertake? |
| 1. What are the specific expected results – both short- and long-term - that your project will bring about? |
| 1. What is the overall anticipated impact of your project on community or targeted region? |
| 1. Adaptability of all proposed activities to COVID-19 related restrictions. The applicant should describe how the proposed activities will be possible to implement in the framework of current limitations imposed by the Government of Ukraine and local authorities as a result of COVID-19 pandemic. Will those activities be on-line or in-person, what precaution measures will be applied to meet the sanitary requirements, etc.? |
|  |
| 1. **Beneficiaries** |
| 1. How many people will directly benefit from your project? Please describe who these beneficiaries will be (e.g. age, gender, and other commonalities). |
| 1. Who are the indirect beneficiaries? How will they benefit from this project? These can be clients of social enterprise (e.g. social shop, café, services, etc.). How many will benefit from services/goods proposed by the social enterprise? (average number per week/month/year) |
| 1. If applicable, describe how you will serve the needs of vulnerable population (the whole list of groups may be found in Section A – Grant Application Instructions – under the title “ERA vulnerable and hard-to-reach populations”) |
| 1. **Monitoring and evaluation** |
| 1. In order to evaluate organizational efficiency of the created social enterprise, please answer the following questions:  * How will you ensure that your social enterprise achieves the mission indicated in the Charter? * How will you measure social impact of your social business (what indicators can be used to assess social impact)? * How will your social enterprise meet the stakeholders needs? How will you evaluate the impact? * How will you ensure sustainability and adaptability of your created social enterprise? |
| 1. Please provide your numerical projections as to the performance indicators described below to be achieved during the project implementation: 2. Number of individual beneficiaries from ERA vulnerable and hard-to-reach populations in the target region directly covered during the grant implementation (with breakdown according to the vulnerability criteria); 3. Percentage of female participants who will get access to productive economic resources (assets, credit, income, or employment) as a result of the grant implementation. 4. For the applicant MSME: total amount of new investments, which will be secured by the applicant MSME as a result of the grant implementation. 5. For the applicant MSME: anticipated average monthly USD sales of the applicant MSME after the grant completion. 6. Number of individuals with new or better employment opportunities as a result of grant implementation; here “new employment” means change of employment status from “unemployed” to “employed” and “better employment” means all cases when beneficiaries self-report about any kind of improvements in their employment (which can include but not be limited to: salaries increase, improvement of working conditions, better office location, etc.); The beneficiaries can include employees of social enterprises whose employment was improved or initiated as a result of participation in this program as well as individuals participating in training activities organized by these social enterprises, i.e. end clients. 7. Number of people trained (i.e. a number of employees trained to use new equipment, beneficiaries attended training courses etc.) during implementation of grant; 8. Number of beneficiaries utilizing new practices, techniques, or business management skills as a result of grant implementation (which means a number of people who report they utilize learned skills in their daily work or life). |
| 1. **Sustainability** |
| 1. Describe how the activities in your project will be sustained after funding ends. How will the activities or results of your project continue? |
|  |
| 1. **Project activity schedule and timeline (work plan)**   *(Based on the activities listed in section III.2(b) above, please fill in the work plan using the template provided in Annex 2)* |
| **IV. PROJECT TEAM**  Please list all project team members, including their position, role in the project and a short description of their assigned responsibilities. *(Insert as many lines as necessary).*  *(Please attach CVs for key personnel involved in the project, using the template provided in Annex 7)*   |  |  |  |  |  | | --- | --- | --- | --- | --- | | NO | NAME & SURNAME | POSITION | ROLE IN THE PROJECT | DESCRIPTION | | 1 |  |  |  |  | | 2 |  |  |  |  | | 3 |  |  |  |  | | 4 |  |  |  |  | | 5 |  |  |  |  | | 6 |  |  |  |  | | 7 |  |  |  |  | | 8 |  |  |  |  | |
|  |
| **V. APPLICANT CAPABILITY AND PAST PERFORMANCE**   1. Organizational capability and resources 2. Please describe the various resources at the disposal of your organization such as: equipment, offices etc. Please indicate if you received any grants previously. Please indicate the donor organization, the grant dates, the amount and the grant type. Provide your answer below. |
|  |
| **VI. PROJECT BUDGET**  Please provide a detailed budget narrative describing all budgeted costs, using the template provided in Annex 4: Project Budget and Budget Notes |
|  |
| **VII. STATEMENT OF LIABILITY**   |  |  | | --- | --- | | I, the undersigned, being the person responsible in the applicant organization for this project, certify that the information given in this application is true and accurate. Name and surname: | | | Position: |  | | Signature & stamp: |  | | Date: |  | |

# Annex 2: Workplan

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **#** | **Objective** | **Activities** | **Expected result (output)** | **Location** | **Responsible person** | **Timeline (months)** | | | | | | | | | | | | |
|  |  |  |  |  |  | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

# Annex 3: Business plan

|  |  |  |
| --- | --- | --- |
| **General information** | | |
| ***Name of the business activity:*** |  | |
| Goods/services planned for sale/production (please provide a list) |  | |
| Business location |  | |
| Please describe your relevant experience (if applicable). For how long your business has been operating, what are the key indicators? |  | |
| Does your business currently have paid employees? |  | |
| How many? |  | |
| **Market analysis** | | |
| Target audience |  | |
| Level of competition (high, medium, low) |  | |
| What are the advantages of your product/service over the existing alternative solutions? |  | |
| **Marketing strategy** | | |
| How exactly do you plan to promote your product/service in the market? |  | |
| Where and how do you plan to advertise your products/services? |  | |
| Factors affecting your activities |  | |
| Factors contributing to your activities |  | |
| **Financial Plan** | | |
| Investments already made in the business (initial project costs) (for MSMEs): |  |
| Current monthly net income, UAH (for MSMEs) |  |
| Planned budget: | |  |  |  | | --- | --- | --- | | **Source of funding** | **Amount, UAH** | **Correlation, %** | | Grant budget |  |  | | Grantee contribution |  |  | | **Total:** |  | 100% | |
| Project budget details: | |  |  | | --- | --- | | **Item** | **Amount, UAH** | |  |  | |  |  | |  |  | |  |  | | **Total:** |  | |
| Grantee’s contribution (if applicable): | |  |  | | --- | --- | | **Item** | **Amount, UAH** | |  |  | |  |  | |  |  | |  |  | | **Total:** |  | |
| Planned gross monthly income after receiving the grant | |  |  | | --- | --- | | **Type of goods/services** | **Amount per month, UAH** | |  |  | |  |  | |  |  | |  |  | | **Month total:** |  | |
| Main monthly costs after grant awarded | |  |  | | --- | --- | | **Item** | **Amount per month, UAH** | |  |  | |  |  | |  |  | |  |  | | **Month total:** |  | |
| Net monthly accumulative sales after grant intervention (own contribution + grant) |  |
| Project pay-off period, months |  |

# Annex 4: Project Budget and Budget Notes

Please provide a detailed budget for the entire duration of the project, using the template provided.

The budget template is included as a separate Excel File. The Budget Narrative may be provided in a free format in Word.

The project budget as an attachment should detail all direct costs associated with the implementation and completion of the proposed intervention. Certain documents may be required to be submitted by an applicant to show that the funds requested are reasonable and would be used in a cost-effective manner. DAI will assess whether the overall costs are realistic for the work to be performed, whether the costs reflect that the Applicant understands the requirements, and whether the costs are consistent with the technical application.

**Project Budget**

The following is provided as guidance on issues involving specific types of costs:

1. Salaries and honoraria. You can budget salaries and honoraria of the staff involved into the project implementation. Please include name of the person, position, and salary/honoraria rate.
2. Materials/Equipment: Specify all materials and equipment expected to be purchased, including type, unit cost, and number of units.
3. Travel, Transportation, and Allowances. You may include travel and accommodation costs of the project staff and training participants.
4. General/Operational Costs. You may include rent, communication costs. etc. if these expenses are directly related to project implementation.
5. Activity Costs. These costs are directly related to activities performed during the project (e.g. trainings, surveys, workshops or others, including all expenses for it implementation).

Please note that you don’t have to fill in all budget categories. The budgeted expenses should correspond your project needs.

**Budget Narrative**

The budget must have an accompanying detailed budget narrative and justification that provides in detail the total costs for implementation of the program your organization is proposing. The combination of the cost data and breakdowns specified above and the cost notes must be sufficient to allow a determination of whether the costs estimated are reasonable.

Please, list all costs in the same order as in the project budget.

I. Labor/Salaries

1. Internal Employees:

Position 1. Name of person. Percentage of involvement. Description of duties. Salary rate. Justification of salary rate.

State Social Tax on salary for full-time employees 22%.

1. Short-term consultants. Name of person. Percentage of involvement. Type of contract (private entrepreneur, natural person, etc.). Description of duties. Salary rate. Justification of salary rate.

II. Materials/Equipment. Specify all materials and equipment expected to be purchased, including type, unit cost, and number of units. It’s important to understand why given equipment is needed to achieve project objectives.

III. Travel, Transportation, and Allowances. Detailed list of project travel and description and justification of costs (transportation, accommodation, per diems, etc.)

IV. General/Operational Costs may include supplies, stationary, commination costs, % of the office/premises rent, etc.

V. Activity Costs. Details and justification of costs.

Depending on the nature of the activity the budget may also include the following costs:

1. Indirect Costs: Indirect costs may be included in the budget. The applicant should support the proposed indirect cost rate, if any, with a letter from a cognizant U.S. Government audit agency (i.e. its current Negotiated Indirect Cost Rate Agreement) or with sufficient information for DAI to determine the reasonableness of the rates. For the latter, DAI would need:
   1. copies of the applicant's financial reports for the previous 3-year period, which have been audited by a certified public accountant or other auditor satisfactory to USAID;
   2. projected budget, cash flow and organizational chart; and
   3. a copy of the organization's accounting manual.

Alliance Opportunities: DAI encourages, where appropriate and possible given the subject matter, the creation of alliances. An "alliance," in this sense, is a formal agreement between two or more parties created to jointly define and address a development problem. Alliance partners combine resources, risks and rewards in pursuit of common objectives. Alliance partners make financial and/or in-kind contributions to increase the impact and sustainability of development efforts. Their support may take many forms. Mechanisms for collaboration include parallel financing (with common objectives, clear understanding of roles and separate funding tracks) or pooled resources (with agreed upon and legally binding governance structures and common funding tracks).

Supporting Documentation:

1. Teaming: If the applicant is a consortium, the Cost application must include documents reflecting the legal relationship between the parties. The document/s should include a full discussion of the relationship between the applicants including identity of the applicant which USAID will treat for purposes of Agreement administration, identity of the Applicant which will have accounting responsibility, how Agreement effort will be allocated, and the express agreement of the principals thereto to be held jointly and individually liable for the acts or omissions of the other. If no consortium is involved, the Cost Application should include a complete discussion, if applicable, of the relationship between the Applicant and its partner organizations, how work under the program will be allocated, how work will be organized and managed, and provide copies of any agreements between the partner organizations. In all cases of teaming, the cost information provided in part 2.b of this subsection should indicate the amounts committed to each member of the team. The Budget notes should discuss which team member is bearing a particular cost where appropriate to justify and explain the cost in question.
2. Applicants must submit any additional documentation that DAI may require at pre-award stage. The information submitted must substantiate that the Applicant:
   1. has the ability to comply with the award conditions;
   2. has a satisfactory record of integrity and business ethics.

The Applicant is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Applicant/Recipient to ensure compliance with these Executive Orders and laws.

# 

# Annex 5. Financial Capability Questionnaire and attachments

Accounting System and Financial Capability Questionnaire

**For DAI** **Grant Recipients**

The main purpose of this questionnaire is to understand the systems adopted by your institution for financial oversight and accounting of grant funds, especially those provided through the U.S. Federal Government. The questionnaire will assist DAI program and accounting staff to identify the extent to which your institution's financial systems match the requirements of the U.S. Federal Government. This information will help the program staff work with you and your institution to review any problem areas that may be identified; thereby avoiding any problems or oversights which would be reportable should an audit of the program or institution be required.

The questionnaire should be completed by the financial officer of your institution in collaboration with DAI program staff. This questionnaire is informational only and will not have any bearing on the agreement to support your institution based on the technical merit of the proposal. Therefore, please answer all questions to the best of your knowledge.

While 2 CFR 200 does not cover awards to non-U.S. recipients, DAI shall rely on the standards established in that regulation in determining whether potential non-U.S. recipients are responsible to manage Federal funds. A determination shall be made on the potential recipient's ability, or potential ability, to comply with the following USAID and federal-wide policies:

1) [2 CFR 200 Subpart D](http://www.ecfr.gov/cgi-bin/text-idx?SID=0a5b7fee6378930cce72564449dd8bb7&mc=true&node=sp2.1.200.d&rgn=div6) (Financial and Program Management);

2) [2 CFR 200 Subpart D](http://www.ecfr.gov/cgi-bin/text-idx?SID=0a5b7fee6378930cce72564449dd8bb7&mc=true&node=sp2.1.200.d&rgn=div6) (Property Standards);

3) [2 CFR 200 Subpart D](http://www.ecfr.gov/cgi-bin/text-idx?SID=0a5b7fee6378930cce72564449dd8bb7&mc=true&node=sp2.1.200.d&rgn=div6) (Procurement Standards); and

4) [2 CFR 200 Subpart D](http://www.ecfr.gov/cgi-bin/text-idx?SID=0a5b7fee6378930cce72564449dd8bb7&mc=true&node=sp2.1.200.d&rgn=div6) (Performance and Financial Monitoring and Reporting).

**SECTION A: General Information**

Please complete this section which provides general information on your institution.

Name of Institution:

Name and Title of Financial Contact Person:

Name of Person Filling out Questionnaire:

Mailing Address:

Street Address (if different)

Telephone, Fax, Email (if applicable)

Enter the beginning and ending dates of your institution's fiscal year:

From: (Month, Day) To: (Month, Day)

**SECTION B: Internal Controls**

Internal controls are procedures which ensure that: 1) financial transactions are approved by an authorized individual and are consistent with U.S. laws, regulations and your institution's policies; 2) assets are maintained safely and controlled; and 3) accounting records are complete, accurate and maintained on a consistent basis. Please complete the following questions concerning your institution's internal controls.

1. Does your institution maintain a record of how much time employees spend on different projects or activities?

Yes:  No: 

2. If yes, how?

1. Are timesheets kept for each paid employee?

Yes:  No: 

1. Do you maintain an employment letter or contract which includes the employee’s salary?

Yes:  No: 

4. Do you maintain inventory records for your institution's equipment?

Yes:  No:  (if no, explain)

5. How often do you check actual inventory against inventory records?

6. Are all financial transactions approved by an appropriate official?

Yes:  No: 

7. The person responsible for approving financial transactions is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

8. Is the person(s) responsible for approving transactions familiar with U.S. Federal Cost principles as described in 2 CFR 200 Subpart E?

Yes:  No: 

9. Does your institution use a payment voucher system or some other procedure for the documentation of approval by an appropriate official?

Yes:  No: 

10. Does your institution require supporting documentation (such as original receipts) prior to payment for expenditures?

Yes:  No: 

11. Does your institution require that such documentation be maintained over a period of time?

Yes:  No: 

If yes, how long are such records kept?

12. Are different individuals within your institution responsible for approving, disbursing, and accounting of transactions?

Yes:  No: 

13. Are the functions of checking the accuracy of your accounts and the daily recording of accounting data performed by different individuals?

Yes:  No: 

14. Who would be responsible for financial reports? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SECTION C: Fund Control and Accounting Systems**

Fund Control essentially means that access to bank accounts and/or other cash assets is limited to authorized individuals. Bank balances should be reconciled periodically to the accounting records. If cash cannot be maintained in a bank, it is very important to have strict controls over its maintenance and disbursement.

An Accounting System accurately records all financial transactions, and ensures that these transactions are supported by documentation. Some institutions may have computerized accounting systems while others use a manual system to record each transaction in a ledger. In all cases, the expenditure of funds provided by the USAID-funded program must be properly authorized, used for the intended purpose, and recorded in an organized and consistent manner.

1. Does your institution maintain separate accounting of funds for different projects by:

Separate bank accounts: 

A fund accounting system: 

2. Will any cash from the grant funds be maintained outside a bank (in petty cash funds, etc.)?

Yes:  No: 

If yes, please explain the amount of funds to be maintained, the purpose and person responsible for safeguarding these funds.

4. If your institution doesn't have a bank account, how do you ensure that cash is maintained safely?

5. Does your institution have written accounting policies and procedures?

Yes:  No: 

6. How do you allocate costs that are “shared” by different funding sources, such as rent, utilities, etc.?

7. Are your financial reports prepared on a:

Cash basis:  Accrual basis: 

8. Is your institution's accounting system capable of recording transactions, including date, amount, and description?

Yes:  No: 

9. Is your institution's accounting system capable of separating the receipts and payments of the grant from the receipts and payments of your institution’s other activities?

Yes:  No: 

10. Is your institution's accounting system capable of accumulating individual grant transactions according to budget categories in the approved budget?

Yes:  No: 

10. Is your institution's accounting system designed to detect errors in a timely manner?

Yes:  No: 

11. How will your institution make sure that budget categories and/or overall budget limits for the grant will not be exceeded?

12. Are reconciliations between bank statements and accounting records performed monthly and reviewed by an appropriate individual?

Yes:  No: 

13. Briefly describe your institution’s system for filing and keeping supporting documentation.

**SECTION D: Audit**

The grant provisions require recipients to adhere to USAID regulations, including requirements to maintain records for a minimum of three years to make accounting records available for review by appropriate representatives of USAID or DAI, and, in some cases, may require an audit to be performed of your accounting records. Please provide the following information on prior audits of your institution.

1. Is someone in your institution familiar with U.S. government regulations concerning costs which can be charged to U.S. grants (2 CFR 200 Subpart E "Cost Principles" )?

Yes:  No: 

2. Do you anticipate that your institution will have other sources of U.S. government funds during the period of this grant agreement?

Yes:  No: 

3. Have external accountants ever performed an audit of your institution's financial statements?

Yes:  No: 

If yes, please provide a copy of your most recent report.

4. Does your institution have regular audits?

Yes:  No: 

If yes, who performs the audit and how frequently is it performed?

5. If you do not have a current audit of your financial statements, please provide this office with a copy of the following financial statements, if available:

a. A "Balance Sheet" for the most current and previous year; and

b. An "Income Statement" for the most current and previous year.

6. Are there any circumstances that would prevent your institution from obtaining an audit?

Yes:  No: 

If yes, please provide details:

# Annex 6. CV Form

Key Personnel

**Curriculum Vitae**

Position:

Name (First, Middle, Last):

Education:

|  |  |
| --- | --- |
| Name and location of institution | Major(s) or Degree(s) obtained: |
|  |  |
|  |  |
|  |  |

Language proficiency – indicate proficiency on a scale of 1 (poor) to 5 (native):

|  |  |  |  |
| --- | --- | --- | --- |
| Language | Reading | Speaking | Writing |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Key skills and qualifications relevant to the project (e.g. computer literacy, etc.):

Employment history:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Position Title | Employer’s name and address | Dates of employment | | Short description  of tasks performed |
| From  (month, year) | To  (month, year) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Other relevant information: (e.g. publications, seminars/courses etc.):

# Annex 7: Application Checklist

Before submitting your application, please check to make sure the following are included:

The application is submitted in electronic format

Applicable certifications and assurances are signed and included (see Annex 8)

The workplan is included (Annex 2)

Budget and Budget Notes are included (Annex 4)

The CV forms are included (Annex 6)

The statement of liability is signed and stamped (last page of application form – Annex 1)

Incorporation Papers or Certificate of Registration and Statute

Organizational Chart

Documentation that the applicant has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant. Documentation may include information about previous awards, including type of funding, value, donor, etc.)

Documentation that the applicant has a satisfactory record of integrity and business ethics. (Documentation may include references from other donors, partner organizations)

Completed Financial Capability Questionnaire (Annex 5)

Business plan (Annex 3)

# Annex 8: Mandatory Standard Provisions and Certifications, Assurances, Other Statements of the Recipient

Mandatory Standard Provisions for Non-US Nongovernmental Recipients are available at:

<https://www.usaid.gov/ads/policy/300/303mab>

The certifications and representations, that must be submitted as a part of the application:

1. Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction
2. Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation

In accordance with ADS 303.3.8, DAI will require successful grant applicants to submit asigned copy of the following certifications and assurances, as applicable:

1. Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in FederallyAssisted Programs (Note: This certification applies to Non-U.S. organizations if any part of the program will be undertaken inthe United States.)
2. Certification Regarding Lobbying (This certification applies to grants greater than $100,000.)
3. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)
4. Certification Regarding Support to Terrorists
5. Certification of Recipient

In addition, the following two certifications will be included only as required per ADS 206 for Key Individuals orCovered Participants in covered countries:

Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking

Part III – Participant Certification Narcotics Offenses and Drug Trafficking

Instructions for Obtaining a DUNS Number and Self Certification for Exemption from DUNS Requirement will be provided to the successful candidates.

|  |
| --- |
| **Representation by Organization Regarding a**  **Delinquent Tax Liability or a Felony Criminal Conviction**  (a) As required by sections 744 and 745 of Division E of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235), and similar provisions, if contained in subsequent appropriations acts, none of the funds made available by that Act may be used to enter into an assistance award with any organization that –  (1) “Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency has direct knowledge of the conviction, unless the agency has considered, in accordance with its procedures, that this further action is not necessary to protect the interests of the Government”; or  (2) “Has any unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency has direct knowledge of the unpaid tax liability, unless the Federal agency has considered, in accordance with its procedures, that this further action is not necessary to protect the interests of the Government”.  It is USAID’s policy that no award may be made to any organization covered by (1) or (2) above, unless the M/MPBP Compliance Division has made a determination that suspension or debarment is not necessary to protect the interests of the Government.  (b) Applicant Representation:  1. The Applicant represents that it is [ ] is not [ ] an organization that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.  2. The Applicant represents that it is [ ] is not [ ] an organization that has any unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.  **Applicant**    Name of Organization:  Name and Title of Authorized Representative:  Signature:  Date: |

|  |  |
| --- | --- |
|  |  |

|  |
| --- |
| **Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation (May 2017)**  (a) Definitions.  “Contract” has the meaning given in 2 CFR Part 200.  “Contractor” means an entity that receives a contract as defined in 2 CFR Part  200.  “Internal confidentiality agreement or statement” means a confidentiality agreement or any other written statement that the recipient requires any of its employees or subrecipients to sign regarding nondisclosure of recipient information, except that it does not include confidentiality agreements arising out of civil litigation or confidentiality agreements that recipient employees or subrecipients sign at the behest of a Federal agency.  “Subaward” has the meaning given in 2 CFR Part 200.  “Subrecipient” has the meaning given in 2 CFR Part 200.  (b) In accordance with section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions), Government agencies are not permitted to use funds appropriated (or otherwise made available) for federal assistance to a non- Federal entity that requires its employees, subrecipients, or contractors seeking to report waste, fraud, or abuse to sign internal confidentiality agreements or statements that prohibit or otherwise restrict its employees, subrecipients, or contractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.  (c) The prohibition in paragraph (b) of this provision does not contravene requirements applicable to Standard Form 312, (Classified Information Nondisclosure Agreement), Form 4414 (Sensitive Compartmented Information Nondisclosure Agreement), or any other form issued by a Federal department or agency governing the nondisclosure of classified information.  (d) Representation. By submission of its application, the prospective recipient represents that it will not require its employees, subrecipients, or contractors to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting its employees, subrecipients, or contractors from lawfully reporting waste, fraud, or abuse related to the performance of a Federal award to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information (for example, the Agency Office of the Inspector General).  **Applicant**  Name of Organization:  Name and Title of Authorized Representative:  Signature:  Date: |