RFA #72016921RFA00006 Amendment 01 Issue Date: July 30, 2021
Closing Date Unchanged: August 27, 2021, 17:00 Belgrade time

Subject: **Amendment 01 of the Notice for Funding Opportunity (NOFO) RFA #72016921RFA00006**

Activity Title: **Small and Medium Enterprise activity Serbia**

Ladies/Gentlemen:

The purpose of this Amendment is to provide answers to the questions submitted by the interested applicants, and to provide specific changes that were made to the original RFA and Attachment 1 Budget Template. All changes in the amended RFA are highlighted for ease of reference.

Thank you for your interest in USAID programs.

Sincerely,

BORYANA STOYANOVA BONCHEVA (affiliate)

Digitally signed by BORYANA STOYANOVA BONCHEVA (affiliate)
Date: 2021.07.30 17:13:22 +02'00'

Boryana Boncheva
Agreement Officer

ATTACHMENT 1
QUESTIONS AND ANSWERS (Q&A)
RFA#72016921RFA00006

Q.1 Would USAID please confirm that an acronym list may be included, and it does not count towards page limits?

A.1 *Yes, please include the acronym list after the table of contents. The RFA is amended accordingly.*

Q.2 Section D, Page 29. Please confirm that the entire Past Performance Reference section is limited to 5 pages, leaving each PPR to 1 page?

A.2 *There is no requirement to submit each past performance description as a separate page, as long as the past performance information annex does not exceed 5 pages.*

Q.3 Section D, page 25 states: The application should take into account the requirements of the program and merit review criteria found in this RFA. Section A.5 describes requirements for the Activity Monitoring, Evaluation and Learning Plan. Will USAID please clarify whether applicants are expected to discuss their MEL approach within section (d) Technical Approach?

A.3 *As stated on page#36 the applicant should "demonstrate a focused and realistic implementation plan, where activities flow from the context analysis and theory of change in a logical and clearly discernible way" and "apply guiding principles defined in section A.4". While applicants are not required to discuss their MEL approach in detail and identify all indicators and targets, this will be required during implementation. If, however, the applicant's approach can be associated with one or two overarching indicators, that would be fine.*

Q.4 Would USAID consider allowing a submission email file size of 15M?

A.4 *USAID can accept emails up to 25M. The size of each attachment is not limited as long as the total size of each individual email does not exceed 25M. The RFA is amended accordingly.*

Q.5 Would USAID please confirm that applicants may use 10-point font size for textboxes? Would USAID confirm that a font type other than Times New Roman may be used for textboxes?

A.5 *As stated in Section D.3 of the RFA: "10 point font can be used for graphs and charts. Tables, however, must comply with the 12 point Times New Roman requirement. It is expected that tables will not take a substantial part of the application." Textboxes, that are not a part of a chart or graph, must comply with the font and size requirements.*

Q.6 Section E, Page 36. The merit review criteria for Management and Staffing Plan state that applications will be evaluated based on the: use of charters that clearly delineate scope, strategy, and personnel roles and responsibilities. Would USAID confirm that this criteria may be fulfilled through an organizational chart that delineates the project team?

A.6 *The required technical application format and contents is outlined in Section D.5. It is up to each applicant to present the requested content in order to satisfy the merit review criteria.*
Also, see the Answer to Questions #35 and #37 which are relevant.

Q.7 The evaluation criteria for the Management and Staffing Plan states that the offeror must include a description of: (iii) a project management mechanism that ensures that implementation is on track through progress tracking and issue/risk management, and the extent to which they meet the qualifications outlined in Section D of this RFA. Does "they" refer to key personnel?

A.7 *SECTION E: a) 2.* ***Staffing & Management Plan*** *should read as follows:*
The applicant will be evaluated in terms of the quality of the proposed management and staffing plan and the extent to which the plan properly delineates the processes, approaches and staff necessary to accomplish the requirements of the PD. This includes (i) the quality and appropriateness of the proposed key personnel and the extent to which they meet the qualifications outlined in Section D of this RFA; (ii) use of charters that clearly delineate scope, strategy, and personnel roles and responsibilities; and (iii) a project management mechanism that ensures that implementation is on track through progress tracking and issue/risk management. The RFA is amended accordingly.

Q.8 Section D, page 26. Key Personnel Requirements. On page 26, the RFA states that the five positions listed "have been designated as key personnel and are essential to the work being performed under this activity." On page 29 the RFA states: "The applicants may propose additional key positions in accordance with their technical application, and they shall describe the roles and responsibilities, and minimum qualifications for each proposed key position. The applicants must not propose more than five (5) Key Personnel." Can USAID confirm that applicants are required to propose 3 key personnel candidates (COP, DCOP and MEL Manager/ Gender Specialist), and that applicants may choose whether or not to propose and name the 2 additional KPs?

A.8 *The applicants are required to propose three key personnel candidates for the COP, DCOP, and MEL Manager/ Gender Specialist positions. At their own discretion the applicants may propose up to two additional key personnel positions, in line with their technical and staffing approach, and identify the candidates. The applicants must submit CVs for each proposed key personnel position.*

Q.9 Section D states: The application must include a description of all contracts, grants, and cooperative agreements, which the Applicant has implemented involving similar or related programs over the past five years and which demonstrate the applicant's capacity to achieve results and responsibly manage donor funding. Some organizations may have dozens of projects that are relevant, and a description of each one individually would be unlikely to fit within the page limits. Would USAID confirm that you do not expect applicants to include an exhaustive list of all relevant projects that they have implemented?

A.9 *The applicants should not include an exhaustive list of projects that they have implemented. They should list the relevant projects involving similar approaches, sizes, and complexity as the program discussed in Section A of the RFA.*

Q.10 Section D states: Overall, this section should describe the Applicant's experience limited to the last 5 years: ● Demonstrated organizational knowledge and institutional capacity to develop, manage, and implement programs of a similar size and complexity; ● Demonstrated capacity to support multiple and complex field operations; ● Demonstrated effectiveness in coordinating with other donors and key stakeholders in achieving objectives, including governments, civil society organizations, associations, private sector, educational and Research and Development institutions; ● Experience utilizing, employing, and building local and regional talent in promoting sustainability. Can USAID confirm how this section will be evaluated?

A.10 *Please see section **E: 3. Institutional Experience** on pages #36-37 which is related to section D and says that "Institutional Experience will be evaluated in terms of the extent to which the Applicant convincingly demonstrates the capacity to achieve results and responsibly to manage initiatives similar to the one described in the Program Description in terms of approach, magnitude, and complexity."*

Q.11 Would USAID please release all reports from the Serbia Competitiveness System Strengthening project onto the DEC?

A.11 *This is in progress. We will share a list with CSS relevant documents that have been uploaded to the DEC with links at a later point.*

Q.12 Per page 31, "The applicants must provide a complete budget by cost element, including the budgets for each sub-awardee if any, by utilizing the provided budget template in Attachment 1 to this RFA." However, Attachment 1 reflects a 2-year budgeting period without an indirect cost category section. The Small & Medium Enterprise (SME) activity Serbia is a 5-year project with indirect costs to be proposed using one of 4 methods (per p.33). Please confirm:

a. Attachment 1 is the correct template to use for the SME activity.
b. Attachment 1 should be modified to cover the full 5-year period of performance.
c. Attachment 1 should be modified to include indirect costs, if applicable.

A.12 *Please use the revised Attachment 1 Budget Template, which was amended to cover a full 5-year period of performance and indirect costs line item as applicable.*

Q.13 Per page 31, Applicants are referred to Section H Annex 1 for the Summary Budget Template. Section H currently includes Other Information and Annex 1 is not identified. Please confirm the Summary Budget template to be used is the one found in Attachment 1, not Section H Annex 1 as stated.

A.13 *Yes. The RFA and Attachment 1 Budget Template are amended accordingly.*

Q.14 Branding and Marking Plans: Is the Mission requesting that Branding and Marking plans be submitted with the initial proposals, or will only the apparently selected applicant be asked to submit these plans at a later date?

A.14 *Only the apparently selected applicant will be asked to submit the Branding and Marking Plan at a later date.*

Q.15 Can USAID please confirm that key positions can be filled by US, local, or third-country nationals with no restriction of the country of origin?

A.15 *There are no restrictions, the key positions can be filled by US, local, or third-country nationals.*

Q.16 Can USAID please confirm that proponents can suggest the utilization of part of the funds to purchase tools, equipment, and systems to enhance SME's competitiveness?

A.16 *USAID funding should NOT be used to purchase equipment, tools, systems for SMEs.*

Q.17 Would non-exclusive letters of interest from local institutional partners be enough to confirm their willingness to support the proposal?

A.17 *As stated in Section C.1 of the RFA, USAID discourages the use of exclusive agreements as this limits USAID's partners' program design and implementation. This rule also applies to key personnel and sub-awardees, international and local organizations.*

Q.18 Are there any restrictions on proposed expenses for international travel, trade fairs participation, or other similar costs for business promotion?

A.18 *There are no restrictions on the expenses related to International Travel; however, the applicants must provide sufficient narrative and rationale that explains the link between the estimated costs and the proposed technical approach, which will be used by USAID to inform its cost realism analysis.*

Q.19 Under Section E, part 1. Technical Approach, the RFA states that one area it will evaluate applicant technical approaches is the "extent to which the proposed program demonstrates a focused and realistic implementation plan…" Would USAID consider including an annex (not included as part of the 25-paage limit) for the implementation plan?

A.19 *No, this plan should in general be described under the technical approach. However, a Gantt chart may be included as an Annex to supplement their Implementation Plan narrative. This Annex should not exceed one page. The RFA is amended accordingly.*

Q.20 May the applicant include an annex with letters of support from key stakeholders?

A.20 *Letters of support from local stakeholders are not required.*

Q.21 Would USAID consider sharing Competitive Economy Project (CSS) annual reports that are not on DEC?

A.21 *See Answer to Question #11.*

Q.22 Under section D, part 5.c, "Key Personnel Requirements", the RFA requires that the MEL Manager/Gender Specialist have expertise in gender analysis as well as provide leadership to the MEL approach. In our experience, MEL and gender are critical parts of the program and would benefit from dedicated professionals in each topic. Would USAID consider splitting the position into two different roles: MEL Manager and Gender Specialist?

A.22 *The applicant may choose to define any two additional key personnel positions by their own choice, including an exclusive Gender Specialist, should it fit the needs of its proposed approach.*

Q.23 Under section D, part 5.c, "Key Personnel Requirements", the RFA requires that the DCOP support technical elements of the program as well as manage grants and operations. Since the managing technical portions of the program and managing grants and operational portions of the program are typically two individual full time positions it may be difficult for one person to work effectively in both disciplines. Would USAID consider removing either the technical requirement or operational management requirement from the DCOP role?

A.23 *The Key Personnel Requirements defined under Section D: 5 (e) remains unchanged.*

Q.24 Under Section A.5, Activity Monitoring, Evaluation, and Learning Plan (MELP), the RFA provides instructions for indicator selection and learning questions. However, there is no proposal MELP requirement within Section D: Application and Submission Information. Could USAID confirm that the proposal does not require a MELP submission as an attachment?

- If a MELP is not required at the proposal stage, can USAID confirm where and how the applicant should present related information, such as indicators?
- Can USAID confirm whether there is an indicator selection requirement for the proposal or only for the post award MEL and AMELP plan?

A.24 *See Answer to Question #3*

Q.25 Under D.6(d)(5), could USAID please clarify if applicants should include contracts it is proposing for award under the "subawards" budget line item as well?

A.25 *Yes, section D.6(d)(5) was updated, to include sub-awards, contracts, and consultants if applicable under the Contractual major category. The RFA and Attachment 1 Budget Template are amended accordingly.*

Q.26 Per page 33 and 34 of the RFA, under Section f) Approval of Subawards, can USAID confirm whether applicants are also required to provide all the bulleted items for contractors that we are proposing and would like approved at time of award? Or is this requirement limited to subrecipients and excludes contracts?

A.26 *For budget estimation purposes, applicants may propose contractors in the cost application; however they are not required to provide all bulleted items under selection f) for contactors, because the contractors will be approved during the implantation of the activity.*

Q.27 On page 31, under section D.6, Business (Cost) Application Format, the RFA states that the applicant "must provide a complete budget by cost element… by utilizing the provided budget template in Attachment 1 to this RFA." The RFA also outlines the budget categories and information required in the detailed budget; however, some of these required categories are not present in the Attachment 1 Budget Template (including, allowances, supplies, and grants). Can USAID confirm that the applicant can modify the template in Attachment 1 to match the budget categories consistent with the RFA budget instructions?

A.27 *See Answer to Question #25.*

Q.28 Under section D, part 5.c, "Key Personnel Requirements", the RFA states that the DCOP will be overseeing grants management, yet no other mention is made of grants management within the RFA. Can USAID confirm the minimum required budget that the applicants should reserve for the grants pool? Also, does USAID have a range in mind with respect to the grants pool?

A.28 *Applicants may propose the use of grants with the local entities as part of their application. USAID will not give a percentage or plug figure of funding for grants, that is up to applicants' discretion and their proposed approach.*

Q.29 Section B.4 "Substantial Involvement:" Could USAID please confirm that should an applicant propose a grants program in its application that approval of grants would also be added to the Substantial Involvement items for the AOR? Or will this authority remain with the AO?

A.29 *The substantial involvement will be defined in the award, and the responsibilities of the AOR - in the AOR designation letter. Also, see Answer to Question #28.*

Q.30 Under C.6(j)(2) "Conflict of Interest Pre-Award," USAID states that an applicant must provide a conflict of interest disclosures. Should an applicant have no conflicts of interest, does this RFA provision require the applicant to state its negative disclosure status?

A.30 *If a conflict of interest doesn't exist, the applicants are not required to provide conflict of interest disclosures.*

Q.31 Should the applicant propose a grants program, does USAID anticipate that the successful applicant will be required to submit a grants manual to the AO for review and approval? If so, would USAID consider adding this requirement to the RFA with accompanying specifications for that deliverable?

A.31 *See Answer to Question #28. In addition, if the application includes a grant program, the recipient must submit a draft Grants Management manual, within a reasonable time after signing the agreement.*

Q.32 On page 15, Section A.5 of the RFA summarizes the responsibilities of the Monitoring and Evaluation Specialist/Manager. Can USAID please confirm that the position referenced in Section A.5 is the same as the key personnel position of Monitoring, Evaluation, and Learning Manager/Gender Specialist described in Section D.5(e) on page 28?

A.32 *Yes, this is the same position.*

Q.33 On page 26, Section D.5(e) of the RFA requires that the management and staffing plan include the "use of charters that clearly delineate scope, strategy, and personnel roles and responsibilities." Can USAID please define what "charters" means in this context?

A.33 *See Answer to Question #37.*

Q.34 While the RFA does not request a draft activity monitoring, evaluation, and learning plan as part of the technical application as outlined in Section D, Section A uses the terms "applicant" and "recipient" interchangeably when providing guidance on selecting MEL indicators. Please confirm that the activity monitoring, evaluation, and learning plan should be submitted by the recipient upon award and should not be included as part of the application.

A.34 *See Answer to Question #3.*

Q.35 Will USAID allow applicants to include an organizational chart to complement their Management and Staffing Plans as an annex to the technical application that is not included within the page limit?

A.35 *Yes, you can include a complimentary organizational chart as an Annex, not to exceed one page. The RFA is amended accordingly. Also, see Answers to Questions #6 and #37.*

Q.36 Please confirm that USAID will accept an acronym list and cover letter that will not count against the page limit for the technical application.

A.36 *Please see USAID's answer to question #1.*

Q.37 Both the Instructions (D.5.e, p26) and Merit Review Criteria (E.a.2.ii, p36) for the Management & Staffing Plan refer to "*use of charters* that clearly delineate scope, strategy, and personnel roles and responsibilities." Would USAID please clarify what is being requested and evaluated here?

A.37 *A "charter" should be perceived as a chart, scheme, structure, roadmap, or plan. The format is not strictly defined. Charters define the purpose of the team, how it will work, and what/how the expected outcomes will be reached.*

Q.38 Sections A.5 and F.3.a.2 both state that the MEL Plan is due 90 days after award, and no MEL Plan is referred to in the merit review criteria. However:

a. Section A.4, p13 states: "*Proposals* are expected to integrate recommendations from USAID/Serbia's Gender Analysis in its ... *monitoring and evaluation plan*."

b. Section A.5 (page 15 – MELP description) refers to *both* the "Recipient" *and* "the Applicant."

c. Please confirm that an Activity MELP and proposed indicators are not required to be submitted in the technical application.

A.38

a. Section A.4, p13: "Proposals are…" should be replaced with "The recipient is…" The RFA is amended accordingly.
b. Section A.5 (page 15 – MELP description): "Applicant" should be replaced with "Recipient". The RFA is amended accordingly.
c. See Answer to Question #3.

Q.39 Please confirm that Section D.6(c)(2) Assurances for Non-Construction Programs (SF- 424B) should be removed, as it is duplicative with Section D.6.b) Assurances (SF-424B).

A.39 *Yes, the RFA is amended accordingly.*

Q.40 Please confirm that Applicants may include a Gantt chart in an annex to supplement their Implementation Plan narrative.

A.40 *See Answer to Question #19.*

Q.41 Please confirm that Applicants may supplement their Management and Staffing Plan with an organizational chart in an annex.

A.41 *See Answer to Question #35.*

Q.42 Would USAID consider dividing the Monitoring, Evaluation, and Learning (MEL)/Gender Specialist position into two separate positions – Monitoring, Evaluation, and Learning (MEL) (which would remain key personnel) and Gender Specialist? Given the current composition of the local labor market, we believe that requiring one person to fulfill both of these roles will significantly impede the applicants' ability to recruit the most qualified staff for each of these functions, as well as impede the selected staff members' ability to focus on their respective area of expertise during program implementation.

A.42 *See Answer to Question #22.*

Q.43 Please confirm that the requirements for font, spacing and margins in Section D.3 of the RFA (third and fourth bullets in page 24) apply only to the technical application, since a lot of documents in the cost application (e.g., NICRA, Certifications and Assurances) are already formatted.

A.43 *The requirements for font, spacing and margins in Section D.3 of the RFA apply only to the technical application, and Annexes.*

Q.44 Section D.6 (top of page 30) of the RFA requires budget submission using the template format shown in Form SF-424A; Section D.6 d (top of page 31) requires budget submission utilizing the budget template in Attachment 1. However, the cost elements in Attachment 1 do not align with Form SF-424A (for example, Consultants, Subcontracts and Subgrants do not appear in the SF-424A). Please confirm that Applicants should revise the budget template to match the cost elements in Form SF-424A.

A.44 *Section D.6 of the RFA and Attachment 1 Budget Template, were amended to correspond to the standard form 424A.*

Q.45 Regarding Attachment 1 - Budget Template, please confirm:

a. Applicants should propose a budget for 5 years (as indicated in Section D.6, p30 – "The business (cost) application must illustrate the entire period of performance, using the budget format shown in the SF-424A"), rather than 2 years (as indicated in the template).

b. Applicants may budget personnel by including a daily rate and number of days (instead of a monthly rate and number of months as listed in the template)?

A.45

a) See Answer to Question #44.
b) Yes, the Applicants may budget personnel by including a daily rate and number of days, instead of monthly rates.

Q.46 Page 19, Section B.3, *Start Date and Period of Performance for Federal Awards*, states: "The anticipated period of performance is 5 years. The estimated start date will be around mid-November 2021." Further, in Attachment 2, *RCE for SME activity*, Page 1 states**: "**Implementation Start/End: LOP: 12/1/2021 –12/1/2026"
Question: The Offeror respectfully requests that USAID/Serbia confirm the estimated start date is mid-November.

A.46 *The estimated award date is mid-November; however, that depends on the evaluation and negotiation process.*

Q.47 Page 25, Section D.4, *Application Submission Procedures*, states: "File size must not exceed 5 MB."
Question: The Offeror respectfully requests that USAID/Serbia increase the threshold to 10MB.

A.47 *See Answer to Question #4.*

Q.48 Page 25, Section 5, *Technical Application Format,* states: "The technical application is limited to 25 pages, excluding annexes if any."
Question: The Offeror respectfully requests USAID to consider allowing the use of annexes and supplemental informational graphics to supplement data provided in the technical approach.

A.48 *As stated in Section D.5 of the RFA, Annexes are not included in the 25-page limit. Please note that USAID will not accept annexes in addition to the ones specifically mentioned in the RFA, as amended (including the Q&A document). Please also see responses to Questions #19, 35, 43.*

Q.49 Page 26, Section D.5.e, *Management and Staffing Plan,* states: "The management and staffing plan should properly delineate processes, approaches, and staff necessary to accomplish the requirements of the PD."
Question: The Offeror respectfully requests that USAID/Serbia allow for an organizational chart to be included as an annex to the technical proposal to demonstrate the necessary staff to accomplish the requirements.

A.49 *See Answer to Question #35.*

Q.50 Question: The Offeror respectfully requests confirmation from USAID that exclusive commitments from local national staff and implementing partners are not desired, as they reduce the agency's ability to access the most qualified local expertise.

A.50 *See Answer to Question #17.*

ATTACHMENT 2

Issue Date: July 15, 2021
Deadline for Question: July 26, 2021, 17:00 Belgrade time
Closing Date: August 30, 2021, 17:00 Belgrade time

Subject: **Notice for Funding Opportunity (NOFO) RFA #72016921RFA00005**

Activity Title: **Civil Society Resilience Strengthening activity in Serbia**

Catalog of Federal Domestic Assistance (CFDA) Number: 98.001

Ladies/Gentlemen:

The United States Agency for International Development (USAID) in cooperation with the Swiss Agency for Development and Cooperation (SDC) is seeking applications for a cooperative agreement from qualified entities to implement the Civil Society Resilience Strengthening activity. Eligibility for this award is not restricted.

USAID intends to make an award to the applicant who best meets the objectives of this funding opportunity based on the merit review criteria described in this RFA subject to a risk assessment. Eligible parties interested in submitting an application are encouraged to read this RFA thoroughly to understand the type of program sought, application submission requirements and selection process.

To be eligible for award, the applicant must provide all information as required in this RFA and meet eligibility standards in Section C of this RFA. This funding opportunity is posted on www.grants.gov, and may be amended. It is the responsibility of the applicant to regularly check the website to ensure they have the latest information pertaining to this notice of funding opportunity and to ensure that the RFA has been received from the internet in its entirety. USAID bears no responsibility for data errors resulting from transmission or conversion process. If you have difficulty registering on www.grants.gov or accessing the RFA, please contact the Grants.gov Helpdesk at 1-800-518-4726 or via email at support@grants.gov for technical assistance.

USAID may not award to an applicant unless the applicant has complied with all applicable unique entity identifier and System for Award Management (SAM) requirements detailed in Section D.6.g. The registration process may take several weeks to complete. Therefore, applicants are encouraged to begin registration early in the process.

Please send any questions to the point(s) of contact identified in Section D. The deadline for questions is shown above. Responses to questions received prior to the deadline will be

furnished to all potential applicants through an amendment to this notice posted to www.grants.gov.

Issuance of this notice of funding opportunity does not constitute an award commitment on the part of the Government nor does it commit the Government to pay for any costs incurred in preparation or submission of comments/suggestions or an application. Applications are submitted at the risk of the applicant. All preparation and submission costs are at the applicant's expense.

Thank you for your interest in USAID programs.

Sincerely,

Boryana Boncheva
Agreement Officer

Table of Contents

Section A: Program Description 4

Section B: Federal Award Information 19

Section C: Eligibility Information 21

Section D: Application And Submission Information 23

Section E: Application Review Information 37

Section F: Federal Award Administration Information 39

Section G: Federal Awarding Agency Contact(S) 45

Section H: Other Information 46

Section I: Standard Provisions 47

SECTION A: PROGRAM DESCRIPTION

This funding opportunity is authorized under the Foreign Assistance Act (FAA) of 1961, as amended. The resulting award will be subject to 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and USAID's supplement, 2 CFR 700, as well as the additional requirements found in Section F.

PROGRAM DESCRIPTION (PD)

A.1 Activity Purpose

The overall goal of this activity is to help Small & Medium Enterprises (SMEs) become better integrated into higher value-added value chains and developed markets.

The objectives for the SME activity are:

1. Improved productivity and profitability of SMEs through enhanced management and modernization
2. Expanded SMEs exports through improved market alignment and adaptations
3. Increased SMEs utilization of financing instruments

This activity also seeks to improve human capacity development, especially for youth, as a cross-cutting outcome.

A.2 Background and Context

Serbia is a transition economy with high growth potential. The country has a strong human capital foundation, stable macroeconomic conditions, and close proximity to the economic powerhouses of Western Europe. By 2019, economic growth in Serbia reached 4% annually. More recently, with the COVID-19 pandemic, GDP growth has fallen drastically due in part to lower external demand, weaker foreign direct investment and remittances, disruptions in regional and global supply chains, and domestic supply constraints. As of October 2020, the Serbian economy is slowly recovering from recession with forecasts for growth in 2021 ranging widely between 2.9% and 6%. However, risks to the outlook remain substantial given the uncertainty about the evolution of the epidemic.

To restore its pre-pandemic growth rates and set itself on a path towards sustained prosperity, Serbia must look to its 375,000 small and medium enterprises (SMEs). While SMEs comprise 98% of Serbia's businesses, they only contribute to approximately 28% of the GDP.[1] Accounting for 66% of employment and 57% of total gross value added, SMEs play a significant role in driving Serbia's economy. From 2012-2017, SMEs contributed to the growth of Serbia's non-financial business economy – SME value added increased by 33%, while SME employment increased by 12%.[2] SME development also offers women greater opportunities for employment.

[1] https://www.usaid.gov/sites/default/files/documents/External_Serbia_CDCS_2020.pdf [Statistical Office of the Republic of Serbia. Structural Business Statistics Database. Belgrade: Statistical Office of the Republic of Serbia.]
[2] https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/sba-fs-2019_serbia.pdf

Given obstacles women face in finding wage employment, women have increasingly become entrepreneurs, accounting for approximately 34% of all SME owners in 2014. The youth unemployment rate in the last quarter of 2020 is at 30.2%, more than double the average youth unemployment rate in the European Union.[3] More than half of those employed are working in jobs that do not meet the "decent work" standards, defined as employment that is either informal, part-time, or not fully utilizing the full skills of employees.[4] A lack of experience and a skills mismatch with the private sector are some of the key challenges that youth face in terms of seeking formal employment.[5] Given the need for a more diversified and resilient economy, along with obstacles that women and youth face in wage-employment, there is strong potential for SMEs to help Serbia rebound to a more prosperous post-pandemic era.

However, Serbia faces a number of challenges in developing its SME sector.

Competitiveness. Serbia is insufficiently competitive and integrated into EU higher-value chains and developed markets. Serbia can unlock the potential of its SMEs by addressing several critical constraints to SME productivity and growth. These include products and production capacities, management practices and workforce skills, and the enabling business and financial environment.

Products. While Serbia has achieved significant gains in its exports (46% gain from 2015 to 2019), the country still exports mostly lower-value products. According to the Global Innovation Index 2020, Serbia ranks 101st in market sophistication, far below the average for upper middle-income economies.[6] Similarly, Serbia's buyer sophistication ranks very low at 124th.

Production capabilities: On the industrial side, most production capacities in Serbia are old and dated, incurring both heavy financial and environmental costs. This inefficiency results in higher energy consumption and heavier pollution and waste. In December 2019, the EU Commission introduced the Green Deal – which aims to reduce CO2 emissions by 50% before 2030 – as one of its priorities for the next 5 years. Europe also intends to become the global leader in the circular economy and clean technologies. Estimates indicate that a potential gain from this transition by 2030 could amount to 1.8 billion EUR. Serbia lags far behind the EU environmental requirements and risks missing out on this emerging growth opportunity. However, growth in service industries has been strong and presents opportunities beyond manufacturing.

Management practices. Serbian SME management practices are under-developed, especially in comparison with international competitors. Many SMEs lack corporate management practices in terms of defining goals, applying monitoring tools, and using incentives. Growth-oriented SMEs in particular struggle with transitioning from owner-manager to delegator of key responsibilities to a management team. In the 2019 World Economic Forum's (WEF) Global Competitiveness Index, Serbia ranks 82nd in the category of 'willingness to delegate authority' and 114th in the category of "reliance on professional management." Culturally, many Serbians remain reluctant to adopt entrepreneurial mindsets, not keeping up with the global trends or making investments

[3] https://tradingeconomics.com/serbia/youth-unemployment-rate
[4] https://connecting-youth.org/publications/publikim40.pdf
[5] https://www.oecd-ilibrary.org/sites/354bd091-en/index.html?itemId=/content/component/354bd091-en
[6] https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2020/rs.pdf

in innovative solutions or technological upgrades. WEF's 2019 Global Competitiveness Index shows that Serbia ranks 92nd in the category of 'entrepreneurship culture.'

Workforce skills. The skills of Serbia's current and future workforce are not meeting the needs of the private sector. This also includes soft skills, such as critical thinking, problem solving, and communication. Highly educated and skilled workers tend to emigrate to other countries that can offer more attractive salary packages and working conditions, leaving Serbian employers having difficulty finding and retaining skilled workers. According to the WEF's 2019 Global Competitiveness Index, Serbia ranks 104th in the category of 'skilled workforce.' More recently, as a result of the COVID-19 pandemic, digital skills are becoming more in demand, though soft skills continue to be a critical skill dimension lacking in Serbia.

Business enabling environment. The business enabling environment for SMEs continues to be a challenge, with a large portion of SMEs still operating in the shadow (informal) economy. The size of Serbia's shadow economy is estimated to be up to 30% of the country's GDP.[7] Along with unfair competition from state-owned enterprises, the shadow economy complicates doing business in Serbia. The government has passed legislation to reform the labor law, construction permitting, inspections, public procurement, and privatization, however companies have noted that reform adoption has sometimes outpaced full implementation.[8]

Access to finance: SMEs are not well-served by Serbia's financial services sector, which tends to be more bank-centric and largely focused on the needs of large corporations and residual state-owned enterprises. A recent survey estimates that just 49% of small firms use banks to finance investments, compared to 73% of large firms.[9] With its more uniformed financial market, Serbia is behind the European Union (EU) and Western Balkan countries in terms of offering available and adequate financing to SMEs. Global developments in finance technology have been slow to develop in Serbia. As a result, SMEs rely almost entirely on the lending of commercial banks that are focused on conservative commercial banking rather than business lending. Unfortunately, a number of constraints exist.

On the supply side, the banking sector dominates, and there are no financing options for start-ups and innovative small SMEs. "Niche" banks and non-banking institutions - including microfinance - do not exist, digital financing solutions are underdeveloped despite a strong IT sector, and obsolete regulations - such as the Law on Foreign exchange - limit cross-border transactions, lower the emergence and impact of digital financing, and disables free capital flows.

On the demand side, SMEs have poor financial management skills and are highly risk-averse, hindering the demand for new financing options and consequently decreasing the incentives for financial institutions to invest in alternative financing solutions and/or digital financing.
Private sector inclusion. Women, youth, people with disabilities, ethnic and gender minorities,

[7] Formalizing the Shadow Economy in Serbia. Policy Measures and Growth Effects. pp 47-75. https://link.springer.com/book/10.1007/978-3-319-13437-6
[8] The United States Department of State. Investment Climate Statements: Serbia. https://www.state.gov/reports/2020-investment-climate-statements/serbia/
[9] The World Bank Group. Enterprise Surveys, Serbia 2019 Country Profile. Washington, DC: The World Bank Group, 2019. https://www.enterprisesurveys.org/content/dam/enterprisesurveys/documents/country/Serbia-2019.pdf

and rural communities face special challenges in accessing opportunities. Despite increases in economic growth, high gender inequality still limits access to economic resources, including jobs, property, land, financial markets, transport, support programs for businesses, and agricultural loans.[10] Among young women (15-24) in rural areas, the unemployment rate is at 30.7% and inactivity rate at 70%, compared to unemployment at 22.6% and inactivity at 53% for young men in those locations.[11] Even more worrisome is the fact that less than 45% of Serbian youth have an optimistic outlook as to the future of the country. Given their lack of experience and capital, entrepreneurial youth in particular face barriers in terms of access to finance, skills, and mentoring. External financing sources are often unavailable, while access to skills development, mentorship, and networks is poor.[12]

As a result of high poverty, unemployment and inequality, outmigration is growing. One-third of Serbia's youth are expected to migrate outside the country after completing school,[13] even as the median age of Serbia's remaining population grows. Serbia has a large elderly population (17.2% of its citizens are 65 years or older) and a low fertility rate.[14] Taken together, these dynamics are driving a major population decline. Serbia's overall population is projected to decline 17% between 2015 and 2050.

A.3 Theory of Change and Expected Outcomes

The overall goal of this activity is to help SMEs become better integrated into higher value-added value chains and developed markets.

The general theory of change (ToC) for this activity is as follows: *IF* the capacities of SMEs are increased by (a) improving their productivity and (b) expanding exports of SMEs, and *IF* (c) SME utilization of financing instruments is increased, *THEN* SMEs will be better integrated into higher-value-added value chains and developed markets.

This activity's ToC is applicable under the assumption that SMEs are driven by and adaptable to high-end market trends and requirements; and that they invest towards improving their efficiency, productivity and human capacities respectively.

The applicant should use this ToC as a starting point and offer refinements in their application based on their own consultations and research. This activity will be subject to an external impact evaluation. The Recipient of the Award will be expected to work with USAID and an external evaluation team to further refine the elements of the ToC that will be tested in the evaluation. The Recipient will also be expected to work with USAID to refine the other elements of the ToC (those that are not subject to the impact evaluation) and adapt programming, should other major challenges occur during the life of the activity, that needs to be addressed to reach the overall objective. While the overall objective cannot be changed, the way toward achieving that

[10] USAID/Serbia Gender Equality Assessment, 2020
[11] Statistic Office of the Republic of Serbia. Labour Force Survey in The Republic of Serbia. Belgrade: Statistic Office of the Republic of Serbia, 2019. https://publikacije.stat.gov.rs/G2020/PdfE/G20205658.pdf
[12] https://www.oecd-ilibrary.org/sites/354bd091-en/index.html?itemId=/content/component/354bd091-en
[13] World Bank Group. *Serbia Systematic Country Diagnostic Update*. 2020. http://documents1.worldbank.org/curated/en/941541588367005122/pdf/Serbia-Systematic-Country-Diagnostic-Update.pdf
[14] World Population Review, https://worldpopulationreview.com/countries/serbia-population

objective can be modified to meet specific challenges.

Through its new SME development activity, USAID Serbia intends to support the following objectives:

1) Improved productivity and profitability of SMEs through enhanced management and modernization to achieve desired outcomes such as, but not limited to:

    - Accelerated SME adoption of management best practices, technological upgrades, and digital solutions.
    - Reduced production costs to make SMEs more efficient.
    - Increased SME innovation through cooperation with R&Ds and educational institutions.
    - Improvements in employee productivity through continuous learning.

2) Expanded SME exports through improved market alignment and adaptations as characterized by desired outcomes such as, but not limited to:

    - Better/more opportunities to find, connect to, and establish strong market linkages for both buyers and distributors created.
    - Improved capacity of SMEs to identify new market opportunities through market research to diversify markets.
    - Incentive and technical assistance (TA) programs for SMEs to transition toward a sustainable environmentally friendly and 'Green' production (which will contribute not only to their market alignment but could also contribute to their productivity and cost reduction needs) piloted.
    - Expanded adoption of EU standards by Serbian SMEs.

3) Increased SMEs utilization of financing instruments as characterized by desired outcomes such as, but not limited to:

    - Increased variety of financial products, including digital financing solutions, customer tailored debt and equity, and other financial tools or services for SMEs and start-ups.
    - Raised knowledge and awareness of SMEs about available financial tools and mechanisms and building trust and awareness around innovative financial technology products;
    - Better ability of SMEs to apply for and utilize existing and new financial products and services to finance their growth.
    - Enhanced utilization of Development Finance Corporation (DFC) Loan Guarantees and other products, through TA which could be provided to both banks and SMEs, such as for example promoting the DFC mechanism or assisting banks in creating a SME client pipeline.

Finally, USAID expects the Recipient to support **cross-cutting** initiatives across the activity, namely human capacity development interventions focused on youth and expanding the pool of qualified entry-level employees for SME businesses by aligning skills training programs with business needs. As described above, while youth are critical drivers of innovation, they face

many challenges that prevent them from accessing attractive employment opportunities in Serbia. To prevent the systemic brain-drain issue that Serbia is currently facing, there needs to be more attractive employment opportunities available for the country's youth population. Potential approaches may include, but would not be limited to, the delivery of technical and vocational education and training (TVET), tailored internship programs, curriculum module development, support to young and innovative startups, among other interventions.

A.4 Guiding Principles

The desired outcomes that are supported under this activity may apply to any type of business sector. USAID/Serbia does not intend to select a specific sector for the Recipient, but rather expects the Recipient to propose sectors of focus or another model of segregation as part of its application based on criteria provided below. The type of sector that will be addressed under this activity will be driven by issues of common concern, with high societal momentum from local actors and the greatest potential for impact, rather than being prescribed by USAID/Serbia. Through the assessment of the Recipient's analyses and in consultation with USAID/Serbia, the Recipient will identify the most appropriate sectors of focus according to the following criteria:

- strong local leadership and interest
- local, regional and international opportunities for market growth
- resources and opportunities available in Serbia
- the potential for attributable donor impact
- the potential for interventions to yield sustainable improvements in the institutional framework for SME development
- the potential for benefiting a large number of SMEs

Furthermore, to ensure the success and long-term viability in meeting these objectives, the Recipient must incorporate the following principles into its implementation plan:

Place of Performance.
This project description will take place countrywide in the Republic of Serbia.

Taking a customer-driven approach.
To succeed in global markets, sectors must be able to deliver products that continuously keep up with the latest market trends and meet end-customer needs and preferences.

Over the past decade, consumers in developed markets have become more sophisticated and selective in their preferences. Regardless of the sector of focus, it is critical that initiatives help induce and build the capacity of SMEs in Serbia to be more customer-driven. The Recipient is expected to foster the latest best practices in marketing and customer experience – which leverage user research and data-driven insights on customer behavior and usage patterns – to help the sector develop further. Likewise, the Recipient must ensure its own initiatives are demand-driven and user-friendly, making sure to balance expertise with local user-driven insights through co-designing with end-users and ongoing monitoring of how well the initiatives are being used.

Applying a market system lens.
A market system is a dynamic space—incorporating resources, roles, relationships, rules and results[15]—in which private and public actors collaborate, coordinate and compete for the production, distribution and consumption of goods and services. The behavior and performance of these actors are influenced by other actors' decisions, and by rules, incentives and the physical environment. Market systems are composed of vertically and horizontally linked firms and the relationships embedded in these linkages; end markets, input and support service markets; and the environment in which they operate, which may include socio-cultural, geographic and political factors, infrastructure and institutions.[16]

Promoting inclusive market systems requires the Recipient to understand the local context and nuances of the system in which it is working. Competitiveness at the firm and sector levels is interdependent and multidimensional. Increasing the competitiveness of the firm is only effective and sustainable when the competitiveness of the industry is raised by interventions at all levels of the market system: input suppliers to end market buyers, the support markets that provide the technical, business and financial services to the industry, and the business environment in which the industry operates. There are many different types of organizations interacting within the sector, including firms, cooperatives, associations, clusters, business service providers, financial, educational, R&D institutions and the like, including both governmental agencies and non-governmental organizations (NGOs).

The Recipient must incorporate a market system lens when determining the best interventions for SME development. This means, first, identifying the key inter-connections in the system, such as: Who, and in what capacity, is connected to whom? Which connections are most intense in terms of volume of interaction, product flows, information exchanges, benefit streams, and learning? What are the drivers of change? What are the power dynamics in various interconnections (e.g., price setters vs. price takers)? Who has the most resources to invest, and who has the least? Which nodes in the system offer the greatest leverage for catalyzing change? Where is there risk in the system (environmental, financial, political or social)? Second, the Recipient should use its understanding of the market system as a starting point for designing interventions, including identifying target groups, key internal and external drivers of change, and the institutions that influence target groups.

Furthermore, the Recipient's implementation of the activity must be grounded in an understanding of the competitiveness system in its totality, which will drive the selection of project interventions. The Recipient will be expected to conduct regular analysis (in conjunction with USAID and the Impact Evaluation team) throughout project implementation to account for changes within the system as well as the broader economic, institutional and political environment, to enable the activity to shift approaches and resources from where progress is unlikely to areas where there is interest and willingness to engage.

Locally led and owned.
Serbia's journey to self-reliance is contingent on the extent to which its development is locally led. This means that SMEs, as well as other actors in the market system, take the lead in defining

[15] USAID. (2013). *Local Systems: A Framework for Supporting Sustained Development*.
[16] USAID. A Framework for Inclusive Market Systems Development.

and addressing their own development challenges.

The Recipient must empower private sector actors to lead initiatives rather than drive processes itself. In developing and delivering interventions, the Recipient must, whenever possible, work through intermediary institutions and organizations like producer associations, industry organizations, and public sector bodies. When possible, the Recipient must rely on market facilitation rather than direct provision of services; in other words, the Recipient must identify and build the capacity of private sector service providers rather than provide the services itself. The Recipient may pursue these partnerships through the solicitation of sub-Recipients, grants under project description, memoranda of understanding, or co-funding of project interventions where feasible. The Recipient's partnerships with the private sector and other key stakeholders are a necessary condition for successfully addressing project objectives.

As such, the Recipient shall take the role of a facilitator. Facilitation is an approach to project implementation that minimizes direct provision of goods and services and focuses instead on catalyzing behaviors, relationships and performance as a way to support local systems.

- Using an efficient participatory process to identify priorities and improve decision-making among local actors
- Ensuring that initiatives are community-driven and involve community members with lived experience of the SME challenges faced
- Mitigating potential competition or tension that can arise among local actors because of donor funding decisions that can negatively impact a collective impact initiative
- Implementing listening exercises and public dialogues in order to identify local priorities, relevant stakeholders, and target locations
- Applying efficient co-creation methods to support local actors in designing initiatives
- Nurturing local ownership of capacity development through partnerships based on mutuality
- Ensuring capacity development is demand-driven and responsive to the needs of local actors to achieve results

Private Sector Engagement (PSE) is a strategic approach to planning and programming through which USAID consults, strategizes, aligns, collaborates, and implements with the private sector for greater scale, sustainability, and effectiveness of development or humanitarian outcomes. It has the potential to enable USAID to mobilize market-based solutions for more-sustainable outcomes; mount a more-effective humanitarian response; and leverage private-sector expertise, innovation, and resources that build country-level capacities for self-reliance.[17]

While PSE across the full spectrum is valuable in enhancing development and humanitarian outcomes, this policy signals an intentional shift to pursue market-based approaches and investment as a means to accelerate countries' progress on the Journey to Self-Reliance. On this basis, the policy calls for USAID and our partners to ask and address the following questions every time we approach a development or humanitarian issue:

[17] USAID Private Sector Engagement Policy.
https://docs.google.com/document/d/1pSnMOg249YIcrsSj2XNLIy7-frl78kok/edit?ts=602d2f01#

- Can the private sector solve this problem by itself?
- Could there be a market-based approach to addressing this challenge?
- What are the roles and interests of the private sector in addressing this challenge?
- Are there factors constraining the private sector from involvement and investment?
- Is there a role for USAID to help alleviate or eliminate these constraints?

By asking these questions in this order, the Recipient must focus on seeking more-sustainable and enterprise-driven outcomes from the outset of its planning and programming. In addition, the Recipient must look for how and why the private sector might be interested in collaborating to address an issue, and what unique capabilities and resources different private-sector actors might bring. Finally, we will actively identify ways in which we can work with the private sector to understand and address barriers to investment and market-development, which is essential to building countries' capacity for self-reliance.

Fundamental to the success of putting PSE into practice, the Recipient must work with partners to establish metrics that measure, value, and incentivize engagement that builds self-reliance and delivers increased sustainability and deeper impact.

Learning.

USAID expects this activity to contribute to knowledge on the subject of SME development. USAID plans to commission an impact evaluation from a third party that will work with the Recipient to design a rigorous method of testing approaches against counterfactuals. This will require the Recipient to coordinate program design and implementation with USAID and the impact evaluation team. Engagement on this subject will follow award. The Recipient should anticipate detailed discussions regarding work plan modalities, indicator development and the Monitoring Evaluation and Learning Plan.

Flexibility in implementation.
To the extent practicable within the approach structured by the impact evaluation, the Recipient and its interventions must be flexible and responsive to changing market conditions. This is especially true regarding sectors for which markets are dynamic or volatile; in case of rapidly changing market conditions and new opportunities, the Recipient may need to change sector(s) or its approach in order to promote economic competitiveness. In addition, to most effectively meet the goals and objectives of the activity, the Recipient may also need to shift emphasis between and within components and may do so in consultation with and with approval from USAID. Flexibility will be balanced against the learning objectives of the Impact Evaluation.

Collaborating, Learning, and Adapting.
The Recipient will implement a systematic, intentional, and resourced approach to integrating Collaborating, Learning & Adapting (CLA) to enable adaptive management and continuous improvement to the extent possible without compromising the Impact Evaluation.

The Recipient shall be committed towards obtaining stakeholder and partner's input related to its activities, coordinating all its efforts for greater efficiency and effectiveness, and measuring its

indicators in an effort to apply its Monitoring, Evaluation and Learning (MEL) objectives.

The Recipient will be expected to house a strong CLA function so that continuous learning, reflection, and feedback from stakeholders informs adjustments and changes in implementation. The Recipient shall establish processes and activities to ensure that activities are coordinated, grounded in evidence, and adjusted as necessary to remain effective throughout implementation.

Learning should be regularized, qualitative in nature, timed to decision-making, and embedded into the culture and implementation processes of the Recipient. The Recipient will also facilitate learning and sharing of experiences among local partners as part of the Recipient's capacity building approach. The Recipient will also use strong facilitation expertise to ensure effective collaboration with local partners. The Recipient will update the activity's theory of change and interventions based on the above learning.

Overall, the Recipient is expected to create a learning-oriented culture that enables adaptive management and is expected to adequately resource CLA approaches throughout implementation and recruit and build the capacity of staff to implement in this way. USAID will also provide flexibility to the implementer to adapt when learning indicates adjustments are necessary. The Recipient will coordinate closely with USAD and the Evaluation Team conducting the impact evaluation and seek prior approval of any changes and adjustments in the activity that would potentially affect the impact evaluation.

Sustainability and resiliency.
The Recipient must provide technical assistance to firms and organizations in priority sectors (as identified by the Recipient in consultation with USAID) to make activity interventions and results achieved through these interventions sustainable beyond the life of the activity. The Recipient must examine the incentives and motivations of key actors for sustaining interventions and incorporate these findings into intervention design. The Recipient must also promote engagement and partnerships with institutions, private and public sector actors that have interests in seeing activity interventions and results sustained into the future. In addition, the Recipient must build the resilience of SMEs to factors with the potential to threaten investments in affected sectors. Examples of interventions that build resilience could include improving access to instruments that mitigate financial risks, diversification of products and market linkages that reduces reliance on one single unpredictable market.

Gender and youth inclusion.
Proposed interventions are expected to promote the participation of women and youth to maximize developmental impact. The Recipient is expected to integrate recommendations from USAID/Serbia's Gender Analysis (https://pdf.usaid.gov/pdf_docs/PA00WNPZ.pdf) in its technical approach and monitoring and evaluation plan. The Recipient will be expected to meet gender equity objectives in conjunction with other programmatic outcomes throughout the life of the activity, so that the activity can be as inclusive and responsive to gender issues as possible. A gender action plan will be integrated as a required component of the annual work plan. Interventions that directly or indirectly involve youth and their out-migration are strongly encouraged.

Innovative approaches.
The Recipient is encouraged to suggest innovative ideas and pathways to achieve defined objectives, and to invest project resources in piloting and refining approaches to improve the competitiveness system over the course of project implementation.

Public information and outreach.
For all activities implemented, the Recipient should also consider how to best and most-efficient use scarce resources to develop a strong and targeted promotion campaign. The Recipient must communicate opportunities, efforts, and successes under the activity to the public. Outreach efforts must be coordinated with USAID.

A.5 Activity Monitoring, Evaluation, and Learning Plan (MELP)

The MELP must specify indicators, targets, and methodologies that allow the Recipient and USAID/Serbia to monitor the progress of project activities towards achieving expected results and targets related to project objectives and accountability. Measuring specific outputs, outcomes and impacts will facilitate a better understanding of which approaches are working under which conditions, and which activities need to be refined or strengthened within each of the respective components of the project. The final MELP must be submitted no later than 90 days after award and will be approved by USAID.

In developing the MELP, the Recipient must report on relevant indicators defined under USAID/Serbia's CDCS Performance Monitoring Plan (PMP) to the extent its activities address indicators defined under Development Objective 2 of USAID's Country Development Cooperation Strategy (https://www.usaid.gov/sites/default/files/documents/External_Serbia_CDCS_2020.pdf). USAID believes the following to be indicators and learning questions that may be relevant for this activity:

Development Objective Context Indicators:
-World Economic Forum, Global Competitiveness Index
-J2SR FSR: World Bank, World Development Indicators, Domestic credit to private sector (percentage of GDP)

Top level Indicators:
- Global Competitiveness Index, Pillar 11: Business dynamism
- J2SR NPI: Global Competitiveness Index, Pillar 12: Innovation capability

Sub-level Indicators:
- SMEs Better Integrated into Developed Markets, the related indicator is: % increase of exports of firms impacted by USG funded assistance.
- Ecosystem for Knowledge-Based Economy Improved, the related indicator is: # of new to market products or services as a result of the USG assistance.
- Private Sector Access to Finance Expanded, the related indicator is: $ value of new investments made as a result of USG assistance.

Learning Question:
To what extent do different interventions (such as innovation, management skill development, access to finance) accelerate SME economic growth?

The Recipient is encouraged to propose additional, specific metrics that uniquely capture the effectiveness and impact of the activity. Apart from custom indicators, the Recipient should also consider selecting 1-2 most relevant standard indicators. The Applicant should include appropriate indicators to track achievement of gender equity outcomes within the areas of focus. Wherever possible, gender indicators should be incorporated into the MEL plan, or indicators should be disaggregated by gender, youth, and underdeveloped regions. Applicants are also encouraged to select indicators from the Standard Foreign Assistance Master Indicator List (https://www.state.gov/foreign-assistance-resource-library/).

This activity is subject to a planned impact evaluation. The Recipient will be responsible for developing the monitoring plan and for monitoring and tracking all project inputs and outputs. It will ensure that collected data meets the needs of the external evaluator and will provide the data accordingly. Data collection for project outcome indicators will be primarily the responsibility of the Recipient.

To ensure that the external evaluator can effectively and rigorously conduct the impact evaluation, the implementer's Monitoring and Evaluation Specialist/Manager will serve as the point person coordinating the evaluation team and project implementation team. Her/his responsibilities will include overseeing the delivery of beneficiary and program monitoring data to the external evaluator and making certain that program implementation conforms to the evaluation requirements.

A.6 Program Linkages

The Recipient must coordinate closely with other other USAID-led activities, as appropriate, including but not limited to:

USAID/Serbia Bilateral Activities

CSS (Competitive Economy Project)
The USAID Competitive Economy Project (Project) is a four-year, $12 million activity to strengthen the competitiveness of the Serbian food processing industry, particularly the fruit and vegetable value chains. The Project aims to increase sales and exports of Serbian food products on local and international markets. USAID's Competitive Economy Project stimulates system-wide support and investments in the food processing industry in order to increase sales and exports, creating a model of support that can be replicated in other sectors. The Project partners with business associations, leading industry firms, financial institutions, academia, and other partners to create a sustainable support system for Serbian companies.

Serbia Innovates activity
The Serbia Innovates Activity is 54 months, $ 6 million activity, started in January 2021, designed to respond to two major challenges to increasing innovation- driven development in

Serbia: (1) inadequate domestic institutional capacity and regulatory framework to support innovative companies; (2) and limited access to finance. More specifically, the activity is designed to boost innovation capacity, connectivity density, and access to finance in Serbia by using the idea of an innovation supercluster. Four superclusters, entailing start-ups, traditional companies, R&D organizations, and academia, are formed and organized to work on common goals and initiatives. Simultaneously, a specialized venture capital (VC) fund to support superclusters will be formed. At the last stage of the activity, one, most promising supercluster will be extended into a nation-wide supercluster and will include participants around the same domain that were not engaged in the pilot phase. The overall objective is to improve the overall environment for innovative business initiatives and stimulate a culture that embraces new opportunities generated by technological change.

Innovation Funnel
The Innovation Funnel is designed as a 4-year, $ 4 million activity with the overall objective to help enable sustainable, systemic and cross-sectoral growth of innovations by strengthening layers of the innovation funnel. More specifically, the activity's tasks will primarily address: (1) lack of innovation and entrepreneurial mindset and (2) lack of market-driven approach and commercialization within the innovation ecosystem. As designed, the activity's efforts will be distributed among the following streams: developing and promoting entrepreneurial and agile mindset; identifying and implementing improvements in formal and informal educational systems; help creating different start-up supporting mechanisms; and help interconnecting innovation ecosystems through sustainable cooperation between all stakeholders.

Civil Society Activities (in design)
USAID plans to implement civil society programs to advance governmental reforms in areas relevant to SME development. The Recipient should expect to coordinate with these activities to advance reform agendas relevant to improving the enabling environment for SMEs.

USAID Regional Activities

Economic Development, Governance and Enterprise Growth Project (EDGE)
EDGE is a 3- to 5-year, up to $21 million, regional activity in Europe and Eurasia (E&E) that aims to create inclusive, sustainable economic growth and to support intra-regional and Euro-Atlantic integration. EDGE is managed by the E&E Bureau in Washington and works closely with USAID Missions and projects in the region. EDGE aims to generate synergies among the USAID projects working in economic growth and bring together stakeholders across countries to work on mutual problems, giving the E&E portfolio a regional dimension. Core component activities promote regionalization, reduce barriers to trade, and support the growth of SMEs in three key value chains. All core activities engage participants from at least two countries. The buy-in component allows for quick mobilization of activities in any EDGE country and may be for bi-lateral or multi-country/regional activities. Buy-ins can be from individual USAID Missions or Operating Units and can fall under any of EDGE's three IRs.

Engines of Growth (EoG) USAID CATALYZE is a global project designed to facilitate partnerships and craft solutions to mobilize $2 billion in blended private sector and other financing to USAID partner countries. The program can work in any development sector or

region, enabling USAID Bureaus and Missions around the world to efficiently facilitate investment solutions that respond to the needs of specific sectors, issues, and geographies and leverage private sector financing to achieve development objectives.

The overall purpose of the EoG Activity is to facilitate Western Balkans' small and medium enterprise (SME) resilience, growth, and job creation by improving their access to and utilization of appropriate finance. EoG will help mobilize capital in order to sustain viable SMEs and jobs in the wake of COVID 19 in the near term and will promote improved SME growth financing in the long term.

Other USG Agencies

Development Finance Corporation (DFC)

The recipient will be required to coordinate programming to improve access to finance with the initiative of the DFC. This may entail the provision of technical assistance to facilitate the utilization and/or rollout of future guarantees. USAID currently has established an Agriculture Loan Portfolio Guarantee (LPG) through DFC and DFC is negotiating larger portfolio guarantees that will cover a broader range of SMEs.

USAID's current Agriculture Loan Portfolio Guarantee is with two commercial banks. The purpose of this loan guarantee is to incentivize the commercial banking sector to expand lending to the agribusiness sector, particularly to the underserved small and medium enterprise (SME) market. The goal of this facility is to encourage financial institutions to increase longer lending to this sector, implement new policies to evaluate this type of client, accept alternative collateral mechanisms that are more appropriate for small- and micro-agribusinesses, and provide better terms of lending intended for investments and company growth. Borrowers under the guarantee can include start-ups, associations, small-holder agricultural producers and processors, as well as SMEs engaged in the production, distribution, and/or marketing of agricultural products primarily in the fruit and vegetable sector.

NOTE: Other DFC agreements are under negotiation and, where of mutual interest, the Recipient is encouraged to aim for cooperating and synergizing its technical assistance, to be complementary to current and future DFC facilities.

Other Donors

The Recipient will be expected to coordinate programming to the extent practicable with Government of Serbia efforts and other multilateral and bi-lateral programs to effectively coordinate and synergize USAID's assistance. Donors that are currently active in the field of this activity includes, but are not limited to, the following:

- European Union
- German Corporation for International Cooperation (GIZ)
- Swedish International Development Cooperation Agency (SIDA)
- Swiss Agency for Development and Cooperation (SDC)

- Japan International Cooperation Agency (JICA)
- United Nations Development Programme (UNDP)
- Norwegian Embassy

[END OF SECTION A]

SECTION B: FEDERAL AWARD INFORMATION

1. Estimate of Funds Available and Number of Awards Contemplated

USAID intends to award one Cooperative Agreement pursuant to this notice of funding opportunity. Subject to funding availability and at the discretion of the Agency, USAID intends to provide approximately $19,000,000 in total USAID funding over a 5 year period.

USAID reserves the right to fund any one or none of the applications submitted, or to fund parts of applications. Issuance of this RFA does not constitute an award commitment on the part of USAID, nor does it commit USAID to pay for any costs incurred in the preparation and submission of any application.

2. Expected Performance Indicators, Targets, Baseline Data, and Data Collection

Please see Program Description for more information and MEL Plan requirements in Section F of this RFA.

3. Start Date and Period of Performance for Federal Awards

The anticipated period of performance is 5 years. The estimated start date will be around mid-November 2021.

4. Substantial Involvement

It is anticipated to have substantial involvement in this activity and specific elements of substantial involvement will be tailored in accordance with ADS 303.3.11 and final program description.

Cooperative agreements are identical to grants except that USAID may be substantially involved in one or more of the following areas:

- USAID approval of the recipient's implementation plans (limited to not more frequently than annually).
- USAID approval of specified key personnel (limited to five (5) positions or five percent (5%) of the recipient employees working under the award, whichever is greater).
- USAID and recipient collaboration or joint participation, which includes one or more of the following:
    - USAID concurrence on the substantive provisions of sub-awards;
    - USAID approval of the recipient's monitoring and evaluation (M&E) plans (to the extent that such information is not included in the application); and
    - USAID monitoring to authorize specified kinds of direction or redirection because of interrelationships with other projects.
    - If the prospective recipient proposes a grant program under their application, within a reasonable time after the signing the agreement, the recipient must

submit a draft Grants Management manual to the Agreement Officer for approval prior to the implementation grants scheme as described in the Program Description. The manual will guide applicants in their application to sub-awards under this award.

5. Authorized Geographic Code

The geographic code for the procurement of commodities and services under this program is 937, as described in **ADS Chapter 310.**

In anticipation of final implementation guidance issued by USAID, the Applicant is notified of recent changes to cost allowability regulations - specifically 2 CFR 200.216, finalized on August 13, 2020 - concerning the procurement of prohibited technology goods and services under assistance awards.

6. Nature of the Relationship between USAID and the Recipient

The principal purpose of the relationship with the Recipient and under the subject program is to transfer funds to accomplish a public purpose of support or stimulation of the Small and Medium Enterprise activity which is authorized by Federal statute. The successful Recipient will be responsible for ensuring the achievement of the program objectives and the efficient and effective administration of the award through the application of sound management practices. The Recipient will assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

7. Title to Property

Property title under the resultant agreement shall vest with the recipient in accordance with the requirements of Mandatory Standard Provision for Non-US Organizations, Title To And Use Of Property (December 2014).

8. Special Award Requirement Relating to the Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment (November 2020)

USAID has been granted a temporary waiver under Section 889(d)(2) that will allow the recipient to use award funds through *September 30, 2022*, to procure certain telecommunications and video surveillance services or equipment as specified in the standard provision "Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment (NOVEMBER 2020)." Based on this waiver, all costs incurred for covered telecommunications and video surveillance services or equipment will be allowable through September 30, 2022, without regard to the cost principle at 2 CFR 200.471. Procurements made on or after October 1, 2022, will be unallowable in accordance with 2 CFR 200.471

[END OF SECTION B]

SECTION C: ELIGIBILITY INFORMATION

1. Eligible Applicants

Through this RFA, USAID seeks to make awards to organizations and/or partnerships that can make concrete and meaningful contributions to sustainably strengthen Small & Medium Enterprises (SMEs) to become better integrated into higher value-added value chains and developed markets.

Eligibility for this RFA is not restricted. All U.S. and non-U.S. public, private, for-profit, and nonprofit organizations, as well as institutions of higher education, parochial, and other non-governmental organizations, are eligible to submit an application. Further, the organization must be a legally recognized organizational entity under applicable law. Foreign government-owned parastatal organizations from countries that are ineligible for assistance under the Foreign Assistance Act (FAA) or related appropriations acts are ineligible. Applications from individuals will not be accepted nor reviewed.

While for-profit firms may participate, pursuant to 2 CFR 200.400(g), it is USAID policy not to award profit to prime recipients and subrecipients under assistance instruments. However, the prohibition does not apply when the recipient acquires goods and services in accordance with 2 CFR 200.317 -326, "Procurement Standards." This is discussed more specifically in ADS 303sai "Profit Under USAID Assistance Instruments," which can be found at this link: http://www.usaid.gov/ads/policy/300/303sai.pdf.

Each applicant must be found to be a responsible entity before receiving an award. The Agreement Officer (AO) may determine that a pre-award survey is required in accordance with ADS 303.3.9.1 and if so, would establish a formal survey team to conduct an examination that will determine whether the applicant has the necessary organization, experience, accounting and operational controls, and technical skills – or ability to obtain them – in order to achieve the objectives of the program. Applicants who do not currently meet all USAID requirements for systems and controls may still be eligible under special award considerations and should not be discouraged from applying. USAID welcomes applications from organizations that have not previously worked with the Agency.

USAID strongly encourages applications from potential new partners who meet the above eligibility requirements and are willing to be subjected to a Pre-Award Responsibility Determination, which is a pre-award audit to determine fiscal responsibility (i.e., whether the prospective recipient has the necessary organization, experience, accounting and operational controls, and technical skills – or ability to obtain them – in order to achieve the objective of this program and comply with the terms and conditions of the award).

Submissions from organizations that do not meet the above eligibility criteria will not be reviewed and evaluated.

2. Cost Sharing or Matching

Cost sharing is not required.

3.Unique Entity Identifier and System Award Management (SAM)

Dun and Bradstreet and SAM.gov Requirements can be found under **this link.**
USAID will not award the applicant until the applicant has complied with all applicable SAM requirements and has obtained a unique entity identifier. Each applicant is required to:

(i) Be registered in SAM before submitting its full application.
(ii) Provide a valid unique entity identifier in its full application; and
(iii) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

[END OF SECTION C]

SECTION D: APPLICATION AND SUBMISSION INFORMATION

1. Agency Point of Contact

Name: Dukagjin Hasani
Title: A&A Specialist
Email: **dhasani@usaid.gov**

Name: Branislav Bulatovic
Title: A&A Specialist
Email: **Bbulatovic@usaid.gov**

2. Questions and Answers

Questions regarding this RFA should be submitted by e-mail no later than the date and time indicated on the cover letter. Any information given to a prospective applicant concerning this RFA will be furnished promptly to all other prospective applicants as an amendment to this RFA, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicant.

3. General Content and Form of Application

Preparation of Applications:

Each applicant must furnish the information required by this RFA. Applications must be submitted in two separate parts: the Technical Application and the Business (Cost) Application. This subsection addresses general content requirements applying to the full application. Please see subsections 5 and 6, below, for information on the content specific to the Technical and Business (Cost) applications. The Technical application must address technical aspects only while the Business (Cost) Application must present the costs, and address risk and other related issues.

Both the Technical and Business (Cost) Applications must include a cover page containing the following information:

- Name of the organization(s) submitting the application;
- Identification and signature of the primary contact person (by name, title, organization, mailing address, telephone number and email address) and the identification of the alternate contact person (by name, title, organization, mailing address, telephone number and email address);
- Program name
- Notice of Funding Opportunity number
- Name of any proposed sub-recipients or partnerships (identify if any of the organizations are local organizations, per USAID's definition of 'local entity' under ADS 303.

Any erasures or other changes to the application must be initiated by the person signing the application. Applications signed by an agent on behalf of the applicant must be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.

Applications must comply with the following:

- USAID will not review any pages in excess of the page limits noted in the subsequent sections. Please ensure that applications comply with the page limitations.
- Written in English
- Use standard 8 ½" x 11", single sided, single-spaced, 12 point Times New Roman font, 1" margins, left justification and headers and/or footers on each page including consecutive page numbers, date of submission, and applicant's name.
- 10 point font can be used for graphs and charts. Tables, however, must comply with the 12 point Times New Roman requirement. It is expected that tables will not take a substantial part of the application.
- Submitted via Microsoft Word or PDF formats, except budget files which must be submitted in Microsoft Excel.
- The estimated start date identified in Section B of this RFA must be used in the cost application.
- The technical application must be a searchable and editable Word or PDF format as appropriate.
- The Cost Schedule must include an Excel spreadsheet with all cells unlocked and no hidden formulas or sheets. A PDF version of the Excel spreadsheet may be submitted in addition to the Excel version at the applicant's discretion, however, the official cost application submission is the unlocked Excel version.

Applicants must review, understand, and comply with all aspects of this RFA. Failure to do so may be considered as being non-responsive and may be evaluated accordingly. Applicants should retain a copy of the application and all enclosures for their records.

4. Application Submission Procedures

Applications in response to this RFA must be submitted no later than the closing date and time indicated on the cover letter. Late applications will not be reviewed nor considered at the discretion of the Agreement Officer. Applicants must retain proof of timely delivery in the form of system generated documentation of delivery receipt date and time/confirmation from the receiving office/certified mail receipt.

Sample Language for email submission:

Applications must be submitted by email to individuals indicated in section D.1. Email submissions must include the RFA number and applicant's name in the subject line heading. In addition, for an application sent by multiple emails, the subject line must also indicate whether the email relates to the technical or cost application, and the desired sequence of the emails and their attachments (e.g. "No. 1 of 4", etc.). For example, if your cost application is being sent in

two emails, the first email should have a subject line that states: "[RFA number], [organization name], Cost Application, Part 1 of 2".

USAID's preference is that the technical application and the cost application each be submitted as consolidated email attachments, e.g. that you consolidate the various parts of a technical application into a single document before sending it. If this is not possible, please provide instructions on how to collate the attachments. USAID will not be responsible for errors in compiling electronic applications if no instructions are provided or are unclear.

After submitting an application electronically, applicants should immediately check their own email to confirm that the attachments were indeed sent. If an applicant discovers an error in transmission, please send the material again and note in the subject line of the email or indicate in the file name if submitted via grants.gov that it is a "corrected" submission. Do not send the same email more than once unless there has been a change, and if so, please note that it is a "corrected" email.

Applicants are reminded that email is NOT instantaneous, and in some cases delays of several hours occur from transmission to receipt. Therefore, applicants are requested to send the application in sufficient time ahead of the deadline. For this RFA, the initial point of entry to the government infrastructure is the USAID mail server.

There may be a problem with the receipt of *.zip files due to anti-virus software. Therefore, applicants are discouraged from sending files in this format as USAID cannot guarantee their acceptance by the internet server. USAID can accept emails up to 25M. The size of each attachment is not limited as long as the total size of each individual email does not exceed 25M.

5. Technical Application Format

The technical application is limited to **25 pages, excluding annexes if any**. The technical application should be specific, complete, and presented concisely. The application must demonstrate the applicant's capabilities and expertise with respect to achieving the goals of this program. The application should take into account the requirements of the program and merit review criteria found in this RFA, and should include the following:

(a) Cover Page (not included in the page limit), see Section D.3 above for requirements

(b) Table of Contents (not included in the page limit)

Include major sections and page numbering to easily cross-reference and identify merit review criteria.

(c) List of acronyms (not included in the page limit)

(d) Executive Summary (not more than two pages), included in the page limit.

The Executive Summary must provide a high-level overview of key elements of the Technical Application.

(e) Technical Approach (included in the page limit)

Technical Approach should demonstrate how the applicant's proposed approach will achieve the purpose, objectives, and desired outcomes of the activity. The technical approach shall be sound, contextually appropriate, and apply the guiding principles defined in section A.4 of the PD in Section A of this RFA. A one-pager Gantt Chart may be included as an **Annex to the Technical Application (not included in the overall page limit)** to supplement the Implementation Plan narrative.

(f) Management & Staffing Plan (included in the page limit)

The management and staffing plan should properly delineate the processes, approaches and staff necessary to accomplish the requirements of the PD. This includes (i) appropriateness of the proposed key personnel; (ii) use of charters that clearly delineate scope, strategy, and personnel roles and responsibilities; and (iii) a project management mechanism that ensures that implementation is on track through progress tracking and issue/risk management. The applicant may include an organizational chart as an Annex, not to exceed one page.

Key Personnel Requirements

Personnel are expected to have the requisite skill set to successfully implement the approach set forth in the PD, achieve sustainable results, and coordinate and cooperate with a wide range of stakeholders, including complementary donor-funded and GoS programming. The skill set for the activity implementation team must include – across the team – at a minimum the following skills:

- Market systems approach to SME development;
- Demonstrated experience in managing and implementing projects aimed at increasing the competitiveness of SMEs using facilitation approaches;
- Experience with adaptive management approaches;
- Effective approaches to local capacity development.

The following positions have been designated as key personnel and are essential to the work being performed under this activity.

1) Chief of Party
2) Deputy Chief of Party
3) Monitoring, Evaluation, and Learning (MEL) Manager/Gender Specialist
4) TBD - to be proposed by the applicant
5) TBD - to be proposed by the applicant

General roles and responsibilities, and minimum qualifications for Key Personnel are as follows:

The Chief of Party (CoP) shall act as the primary point of contact with USAID/Serbia in regard to the day-to-day implementation and management matters relating to the contract. The CoP should be collaborative, flexible and creative and provide overall vision, leadership and guidance for the activity. S/he will also have overall responsibility for assuring that all assistance provided under the cooperative agreement is technically sound and appropriate for the needs to be addressed. The CoP is responsible for providing overall guidance and strategic directions, as well as for facilitating communication and close coordination with all stakeholders of the activity. The COP is also expected to exercise responsible and ethical decision-making regarding company funds, resources and conduct and adhere to USAID's Code of Conduct and related policies and procedures. S/he should be responsible for upholding workplace safety and wellbeing standards in accordance with USAID policies and procedures.

Minimum qualifications and experience for the Chief of Party (CoP) are:

- An advanced degree (Masters or PhD) in economics, finance, business law or related studies, and seven years of managing position experience in implementing large (at least $10 million) complex economic/SME development programs, or a bachelor's degree and ten years of managing position experience in implementing large and complex economic/SME development projects;
- Proven exceptional leadership in the design, management, implementation, monitoring and evaluation of donor-supported programs of comparable size and complexity, with skills in high level strategic visioning and leadership;
- Strong communications and interpersonal skills in written and oral English, with evidence of ability to establish strong working relationships and interact with a wide range and levels of organizations, including government officials, private sector stakeholders, local CSOs and research institutions.

Preferred:

- Previous experience working in a European Union accession or pre-accession context is preferred.

The Deputy Chief of Party (DCoP) shall be a member of the core team. She or he should have significant experience involving international technical assistance projects of similar size and complexity. Excellent writing and quantitative skills are essential for this position. The Deputy Chief of Party will support technical implementation, advise on developments in the local political economy, maintain communication and momentum among partnering institutions, and oversee project operations, including grants management, progress reporting, and administrative matters.

Minimum qualifications and experience for the Deputy Chief of Party (DCOP) are:

- A Master's degree in related studies and at least seven years' experience in economic development/trade/SME competitiveness or similar programming, or a bachelor's degree

in a related field and at least ten years' experience in economic development or similar programming;
- Demonstrated track record of success in managing a complex portfolio with large budgets and teams of professionals, with effective oversight of financial management and procurement functions;
- At least 5 years of experience working in Serbia, the Balkan region, or other regions with similar challenges and business environments;
- Demonstrated high level of organizational, adaptive management, communication, leadership, interpersonal, and problem solving, with excellent ability to leading and mentoring host-country teams;
- Demonstrated ability to create and maintain effective working relations with government officials, private sector stakeholders and local CSOs;
- Fluency in English required; familiarity with Serbian would be desirable.

The Monitoring, Evaluation, and Learning (MEL) Manager/Gender Specialist shall be a member of the core team. She/he should provide overall vision, leadership and guidance of the Project's Monitoring, Evaluation and Learning plan approach. Develop the database management system and set up protocols for collecting, analysing, and reporting project data. Track and analyse project indicators and other useful statistics and prepare timely reports, such as tracking beneficiary performance, and capture lessons learned to inform the activity's technical approach. Facilitate the process of project learning to ensure knowledge and learning is effectively shared and applied throughout the activities. Provide support for analysis, strategic planning, and improvement of technical implementation, effective use of resources, and sustainability of the Project. Assist CoP and DCoP in managing MEL processes, liaising with the external evaluation team, and implementing programming. S/he should serve as the PoC and closely collaborate with the external Impact Evaluation Team. The incumbent will play an essential role in ensuring that interventions undergoing the IE are implemented according to an agreed plan. The MEL Specialist will also assist in the implementation of an adaptive management (apart from interventions under the IE) style which will allow the activity project to review activities interventions and abandon, modify, or redefine them in order to achieve the desired outcomes. The MEL specialist shall also be able to conduct cost analysis of specific interventions. The specialist will also be expected to ensure proper gender integration into the activity's work plan, activities and MEL. S/he should serve as the PoC and closely collaborate with the external Impact Evaluation Team.

Minimum qualifications and experience for the Monitoring, Evaluation & Learning (MEL)/ Gender Specialist are:

- Minimum Bachelor's degree and/or equivalent professional experience in SME development;
- 5+ years of experience in international projects of similar size and complexity;
- Strong skills in data research and analysis, including experience in collecting, monitoring and evaluating data for projects at different levels and by using different methodologies.
- Ability to conduct cost benefit analysis.
- Experience in developing database management systems and set up protocols for collecting, analysing, and reporting on project data.

- Expertise in gender analysis and experience integrating gender into development programming.
- Ability to capture lessons learned to inform the activity's technical approach, to ensure knowledge and learning is effectively shared and applied throughout the activities, for the purpose of adapting, effective use of resources and sustainability.

Note to the applicants: The applicants may propose additional key positions in accordance with their technical application, and they shall describe the roles and responsibilities, and minimum qualifications for each proposed key position. The applicants must not propose more than five (5) Key Personnel.

CVs/resumes for Key Personnel candidates must be submitted as an **Annex to the Technical Application (not included in the page limit)**, and document the candidates' most recent, relevant experience, including three references for each Key Personnel candidate. The CVs with references are **limited to 3 pages for each key personnel candidate**.

f) Institutional Experience (included in the page limit)

The application must include a description of all contracts, grants, and cooperative agreements, which the Applicant has implemented involving similar or related programs over the past five years and which demonstrate the applicant's capacity to achieve results and responsibly manage donor funding. The Applicant should describe its experience and institutional technical expertise in implementing initiatives similar to the one described in the Program Description in terms of approach, magnitude, and complexity. Lessons learned from this experience and how these would be applied to the new Activity should be addressed. Overall, this section should describe the Applicant's experience limited to the last 5 years:

- Demonstrated organizational knowledge and institutional capacity to develop, manage, and implement programs of a similar size and complexity;
- Demonstrated capacity to support multiple and complex field operations;
- Demonstrated effectiveness in coordinating with other donors and key stakeholders in achieving objectives, including governments, civil society organizations, associations, private sector, educational and Research and Development institutions;
- Experience utilizing, employing, and building local and regional talent in promoting sustainability.

In addition, the applicant should describe a maximum of five relevant contracts, grants, and/or cooperative agreements that the organization has implemented involving similar or related programs over the past five years. The applicant should include the following past performance information as an **Annex to the Technical Application, not to exceed 5 pages**:

- Name, address, current telephone number, and email address of responsible representative(s) from the organization for which the work was performed;
- Contract/grant name, number, place of performance, annual amounts received, and beginning and end dates; and
- Brief description of the project/assistance activity

6. Business (Cost) Application Format

The Business (Cost) Application must be submitted separately from the Technical Application. While no page limit exists for the full cost application, applicants are encouraged to be as concise as possible while still providing the necessary details. The business (cost) application must illustrate the entire period of performance, using the budget format shown in the SF-424A.

Prior to award, applicants may be required to submit additional documentation deemed necessary for the Agreement Officer to assess the applicant's risk in accordance with 2 CFR 200.206. Applicants should not submit any additional information with their initial application.

The Cost Application must contain the following sections (which are further elaborated below this listing with the letters for each requirement):

a) Cover Page (See Section D.3 above for requirements)

b) SF 424 Form(s)

The applicant must sign and submit the cost application using the SF-424 series. Standard Forms can be accessed electronically using the following links:

Instructions for SF-424	http://www.grants.gov/web/grants/form-instructions/sf-424-instructions.html
Application for Federal Assistance (SF-424)	https://www.grants.gov/web/grants/forms/sf-424-family.html
Instructions for SF-424A	http://www.grants.gov/web/grants/form-instructions/sf-424a-instructions.html
Budget Information (SF-424A)	https://www.grants.gov/web/grants/forms/sf-424-family.html
Instructions for SF-424B	http://www.grants.gov/web/grants/form-instructions/sf-424b-instructions.html
Assurances (SF-424B)	https://www.grants.gov/web/grants/forms/sf-424-family.html

Failure to accurately complete these forms could result in the rejection of the application.

c) Required Certifications and Assurances

The applicant must complete the following documents and submit a signed copy :

(1) "Certifications, Assurances, Representations, and Other Statements of the Recipient" ADS 303mav document found at **https://www.usaid.gov/sites/default/files/documents/1868/303mav.pdf**

(2) Certificate of Compliance: Please submit a copy of your Certificate of Compliance if your organization's systems have been certified by USAID/Washington's Office of Acquisition and Assistance (M/OAA).

d) Budget and Budget Narrative

The applicants must provide a complete budget by cost element, including the budgets for each sub-awardee if any, by utilizing the provided budget template in Attachment 1 to this RFA. The Budget must be submitted as one unprotected Excel file (MS Office 2000 or later versions) with visible formulas and references and must be broken out by project year. Files must not contain any hidden or otherwise inaccessible cells. Budgets with hidden cells lengthen the cost analysis time required to make an award and may result in a rejection of the cost application. The Budget Narrative must contain sufficient detail to allow USAID to understand the proposed costs. The applicant must ensure the budgeted costs address any additional requirements identified in Section F, such as Branding and Marking. The Budget Narrative must be thorough, including sources for costs to support USAID's determination that the proposed costs are fair and reasonable.

The Budget must include the following worksheets or tabs, and contents, at a minimum:

- Summary Budget, inclusive of all program costs (federal and non-federal), broken out by major budget category and by year for activities implemented by the applicant and any potential sub-applicants for the entire period of the program. See budget template in Attachment 1 to this RFA.
- Detailed Budget, including a breakdown by year, sufficient to allow the Agency to determine that the costs represent a realistic and efficient use of funding to implement the applicant's program and are allowable in accordance with the cost principles found in 2 CFR 200 Subpart E.
- Detailed Budgets for each sub-recipient, for all federal funding and cost share, broken out by budget category and by year, for the entire implementation period of the project.

The Detailed Budget must contain the following budget categories and information, at a minimum:

1) Salaries and Allowances – Must be proposed consistent with 2 CFR 200.430 Compensation - Personal Services. The applicant's budget must include position title, salary rate, level of effort, and salary escalation factors for each position. Allowances, when proposed, must be broken down by specific type and by position. Applicants must explain all assumptions in the Budget Narrative. The Budget Narrative must demonstrate that the proposed compensation is reasonable for the services rendered and consistent with what is paid for similar work in other activities of the applicant. Applicants must provide their established written policies on personnel compensation. If the applicant's written policies do not address a specific element of compensation that is being proposed, the Budget Narrative must describe the rationale used and the supporting market research.

2) Fringe Benefits – (if applicable) If the applicant has a fringe benefit rate approved by an agency of the U.S. Government, the applicant must use such rate and provide evidence of its

approval. If an applicant does not have a fringe benefit rate approved, the applicant must propose a rate and explain how the applicant determined the rate. In this case, the Budget Narrative must include a detailed breakdown of all items of fringe benefits (e.g., superannuation, gratuity, etc.) and the costs of each, expressed in U.S. dollars and as a percentage of salaries.

3) Travel and Transportation – Provide details to explain the purpose of the trips, the number of trips, the origin and destination, the number of individuals traveling, and the duration of the trips. Per Diem and associated travel costs must be based on the applicant's normal travel policies. When appropriate, please provide supporting documentation as an attachment, such as company travel policy, and explain assumptions in the Budget Narrative.

4) Procurement or Rental of Goods (Equipment & Supplies), Services, and Real Property – Must include information on estimated types of equipment, models, supplies and the cost per unit and quantity. The Budget Narrative must include the purpose of the equipment and supplies and the basis for the estimates. The Budget Narrative must support the necessity of any rental costs and reasonableness in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.

5) Contractual (Subawards, Contracts and Consultants) – If applicable, specify the budget for the portion of the program to be passed through to any subrecipients. See 2 CFR 200 for assistance in determining whether the sub-tier entity is a subrecipient or contractor. The subrecipient budgets must align with the same requirements as the applicant's budget, including those related to fringe and indirect costs.

6) Other Direct Costs – This may include other costs not elsewhere specified, such as report preparation costs, passports and visas fees, medical exams and inoculations, as well as any other miscellaneous costs which directly benefit the program proposed by the applicant. The applicant should indicate the subject, venue and duration of any proposed conferences and seminars, and their relationship to the objectives of the program, along with estimates of costs. Otherwise, the narrative should be minimal.

7) Indirect Costs – Applicants must indicate whether they are proposing indirect costs or will charge all costs directly. In order to better understand indirect costs please see Subpart E of 2 CFR 200. The application must identify which approach they are requesting and provide the applicable supporting information. Below are the most commonly used Indirect Cost Rate methods:

   Method 1 - Direct Charge Only
   Eligibility: Any applicant
   Initial Application Requirements: See above on direct costs

   Method 2 - Negotiated Indirect Cost Rate Agreement (NICRA)
   Eligibility: Any applicant with a NICRA issued by a USG Agency must use that NICRA

Initial Application Requirements: If the applicant has a current NICRA, submit your approved NICRA and the associated disclosed practices. If your NICRA was issued by an Agency other than USAID, provide the contact information for the approving Agency. Additionally, at the Agency's discretion, a provisional rate may be set forth in the award subject to audit and finalization. See USAID's Indirect Cost Rate Guide for Non Profit Organizations for further guidance.

Method 3 - De minimis rate of 10% of ***modified*** total direct costs (MTDC)
Eligibility: Any applicant that does not have a current NICRA
Initial Application Requirements: Costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate an indirect rate, which the non-Federal entity may apply to do at any time. The applicant must describe which cost elements it charges indirectly vs. directly. See 2 CFR 200 for further information.

Method 4 - Indirect Costs Charged As A Fixed Amount
Eligibility: Non-U.S. non-profit organizations without a NICRA may request, but approval is at the discretion of the AO.

Initial Application Requirements: Provide the proposed fixed amount and a worksheet that includes the following:

- Total costs incurred by the organization for the previous fiscal year and estimates for the current year.
- Indirect costs (common costs that benefit the day-to-day operations of the organization, including categories such as salaries and expenses of executive officers, personnel administration, and accounting, or that benefit and are identifiable to more than one program or activity, such as depreciation, rental costs, operations and maintenance of facilities, and telephone expenses) for the previous fiscal year and estimates for the current year
- Proposed method for prorating the indirect costs equitably and consistently across all programs and activities using a base that measures the benefits of that particular cost to each program or activity to which the cost applies.

If the applicant does not have an approved NICRA and does not elect to utilize the 10% de minimis rate, the Agreement Officer will provide further instructions and may request additional supporting information, including financial statements and audits, should the application still be under consideration after the merit review. USAID is under no obligation to approve the applicant's requested method.

e) Prior Approvals in accordance with 2 CFR 200.407

Inclusion of an item of cost in the detailed application budget does not satisfy any requirements for prior approval by the Agency. If the applicant would like the award to reflect approval of any cost elements for which prior written approval is specifically required for allowability, the

applicant must specify and justify that cost. See 2 CFR 200.407 for information regarding which cost elements require prior written approval.

f) Approval of Subawards

The applicant must submit information for all subawards that it wishes to have approved at the time of award. For each proposed subaward the applicant must provide the following:

- Name of organization
- DUNS Number
- Confirmation that the subrecipient does not appear on the Treasury Department's Office of Foreign Assets Control (OFAC) list
- Confirmation that the subrecipient does not have active exclusions in the System for Award Management (SAM)
- Confirmation that the subrecipient is not listed in the United Nations Security designation list
- Confirmation that the subrecipient is not suspended or debarred
- Confirmation that the applicant has completed a risk assessment of the subrecipient, in accordance with 2 CFR 200.332(b)
- Any negative findings as a result of the risk assessment and the applicant's plan for mitigation.

g) Duns and Bradstreet and SAM Requirements

USAID may not award to an applicant unless the applicant has complied with all applicable unique entity identifier (DUNS number) and System for Award Management (SAM) requirements. Each applicant (unless the applicant is an individual or Federal awarding agency that is exempted from requirements under 2 CFR 25.110(b) or (c), or has an exception approved by the Federal awarding agency under 2 CFR 25.110(d)) is required to:

1. Provide a valid DUNS number for the applicant and all proposed sub-recipients;
2. Be registered in SAM before submitting its application. SAM is streamlining processes, eliminating the need to enter the same data multiple times, and consolidating hosting to make the process of doing business with the government more efficient (www.beta.sam.gov).
3. Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

The registration process may take many weeks to complete. Therefore, applicants are encouraged to begin the process early. If an applicant has not fully complied with the requirements above by the time USAID is ready to make an award, USAID may determine that the applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant.

DUNS number: http://fedgov.dnb.com/webform

SAM registration: http://www.beta.sam.gov

Non-U.S. applicants can find additional resources for registering in SAM, including a Quick Start Guide and a video on how to obtain an NCAGE code, on www.beta.sam.gov, navigate to Help, then to International Registrants.

h) Branding Strategy & Marking Plan

The apparently successful applicant will be asked to provide a Branding Strategy and Marking Plan to be evaluated and approved by the Agreement Officer and incorporated into any resulting award

i) Funding Restrictions

Profit is not allowable for recipients or subrecipients under this award. See 2 CFR 200.331 for assistance in determining whether a sub-tier entity is a subrecipient or contractor.

Construction will not be authorized under this award.

USAID will not allow the reimbursement of pre-award costs under this award without the explicit written approval of the Agreement Officer.

Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in Section B.4 of this RFA and must meet the source and nationality requirements set forth in 22 CFR 228.

j) Conflict of Interest Pre-Award Term

Personal Conflict of Interest

1. An actual or appearance of a conflict of interest exists when an applicant organization or an employee of the organization has a relationship with an Agency official involved in the competitive award decision-making process that could affect that Agency official's impartiality. The term "conflict of interest" includes situations in which financial or other personal considerations may compromise, or have the appearance of compromising, the obligations and duties of a USAID employee or recipient employee.

2. The applicant must provide conflict of interest disclosures when it submits an SF-424. Should the applicant discover a previously undisclosed conflict of interest after submitting the application, the applicant must disclose the conflict of interest to the AO no later than ten (10) calendar days following discovery.

Organizational Conflict of Interest

The applicant must notify USAID of any actual or potential conflict of interest that they are aware of that may provide the applicant with an unfair competitive advantage in competing for this financial assistance award. Examples of an unfair competitive advantage include but are not limited to situations in which an applicant or the applicant's employee gained access to non-public information regarding a federal assistance funding opportunity, or an applicant or applicant's employee was substantially involved in the preparation of a federal assistance funding opportunity. USAID will promptly take appropriate action upon receiving any such notification from the applicant.

[END OF SECTION D]

SECTION E: APPLICATION REVIEW INFORMATION

Merit Review Criteria

The merit review criteria prescribed here are tailored to the requirements of this particular RFA. Applicants should note that these criteria serve to: (a) identify the significant matters which the applicants should address in their applications, and (b) set the standard against which all applications will be evaluated.

Technical and other factors will be evaluated relative to each other, as described here and prescribed by the Technical Application Format. The Technical Application will be rated by a Selection Committee (SC) using the criteria described in this section.

Review and Selection Process

The Agreement Officer (AO) makes the final selection of the Selection Committee (SC) member. SC members will be USAID personnel (DHs and PSCs), also, representatives from the American Embassy, host government, or private sector individuals may be included as well.

a) Technical Merit Review

USAID will conduct a merit review of all applications received that comply with the instructions in this RFA. Applications will be reviewed and evaluated in accordance with the following criteria shown in descending order of importance.

1. Technical Approach

The applicant will be evaluated in terms of the quality and soundness of the analysis and implementation approach, including the rationale for proposed sectors or areas of focus, as well as how likely the approach will achieve the purpose, objectives, and desired outcomes of the activity. The extent to which the technical approach is sound, contextually appropriate, and applies the guiding principles defined in section A.4 of the PD. The extent to which the proposed program demonstrates a focused and realistic implementation plan, where activities flow from the context analysis and theory of change in a logical and clearly discernible way.

2. Staffing & Management Plan

The applicant will be evaluated in terms of the quality of the proposed management and staffing plan and the extent to which the plan properly delineates the processes, approaches and staff necessary to accomplish the requirements of the PD. This includes (i) the quality and appropriateness of the proposed key personnel and the extent to which they meet the qualifications outlined in Section D of this RFA; (ii) use of charters that clearly delineate scope, strategy, and personnel roles and responsibilities; and (iii) a project management mechanism that ensures that implementation is on track through progress tracking and issue/risk management.

3. Institutional Experience

Institutional Experience will be evaluated in terms of the extent to which the Applicant convincingly demonstrates the capacity to achieve results and responsibly to manage initiatives similar to the one described in the Program Description in terms of approach, magnitude, and complexity.

b) Business (Cost) Review

The Agency will evaluate the cost application of the applicant(s) under consideration for an award as a result of the merit criteria review to determine whether the costs are allowable in accordance with the cost principles found in 2 CFR 200 Subpart E.

The Agency will also consider (1) the extent of the applicant's understanding of the financial aspects of the program and the applicant's ability to perform the activities within the amount requested; (2) whether the applicant's plans will achieve the program objectives with reasonable economy and efficiency; and (3) whether any special conditions relating to costs should be included in the award.

Proposed cost share, if provided, will be reviewed for compliance with the standards set forth in 2 CFR 200.306, 2 CFR 700.10, and the Standard Provision "Cost Sharing (Matching)" for U.S. entities, or the Standard Provision "Cost Share" for non-U.S. entities.

The AO will perform a risk assessment (2 CFR 200.206). The AO may determine that a pre-award survey is required to inform the risk assessment in determining whether the prospective recipient has the necessary organizational, experience, accounting and operational controls, financial resources, and technical skills – or ability to obtain them – in order to achieve the objectives of the program and comply with the terms and conditions of the award. Depending on the result of the risk assessment, the AO will decide to execute the award, not execute the award, or award with “specific conditions” (2 CFR 200.208).

[END OF SECTION E]

SECTION F: FEDERAL AWARD ADMINISTRATION INFORMATION

1. Federal Award Notices

Award of the agreement contemplated by this RFA cannot be made until funds have been appropriated, allocated and committed through internal USAID procedures. While USAID anticipates that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for the award.

2. Administrative & National Policy Requirements

The resulting award from this RFA will be administered in accordance with the following policies and regulations.

For US organizations: ADS 303, 2 CFR 700, 2 CFR 200, and Standard Provisions for U.S. Non-governmental organizations.

For Non-US organizations: Standard Provisions for Non-U.S. Non-governmental Organizations.

3. Reporting Requirements

The Recipient must adhere to all reporting requirements listed below. All plans and reports must be submitted in English. Documents must be submitted electronically by email. All reports must be submitted by the due date for review by the USAID Agreement Officer's Representative (AOR) designated by the Agreement Officer. The Agreement Officer and designated Acquisition & Assistance Specialist must be copied on each submission. The Applicant will consult the AOR on the format and expected content of reports prior to submission.

a) PLANS

1) **Annual Work Plan:** The Recipient shall submit an Annual Work Plan of its activities during the first year of the program within 45 days of the effective date of this Award for review, comments, or suggestions to the Agreement Officer's Representative (AOR) who will respond with comments/revisions or the approval within 10 days after the Annual Work Plan is submitted. The Recipient shall then submit the revised Work Plan to the AOR for approval not later than 15 days from receipt of USAID's comments and/or suggestions. Subsequent Annual Work Plans shall be submitted 30 days prior to commencement of the subsequent year of the Cooperative Agreement. The Work Plan shall include a timeline and benchmark indicators for achieving the objectives of each component of the program, all major activities that will be undertaken, rationale behind these activities, anticipated results of these efforts and how they will be measured. A sub-section with details of collaboration with other USAID- funded programs and other donors shall also be included. A gender action plan is also required to be integrated as a component of the annual work plan,

   The Recipient shall submit significant changes or revisions to the Work Plan to the USAID Agreement Officer's Representative (AOR) for his/her approval.

2) **Monitoring, Learning and Evaluation (MEL) Plan:** The Recipient shall submit a Monitoring, Learning and Evaluation (MEL) Plan within 90 days of the effective date of the award to the USAID Agreement Officer's Representative (AOR). The Recipient shall establish realistic expectations for what the project can produce in its various phases of implementation. The MEL Plan shall at a minimum include, and not be limited to the following:

   (1) the results to be achieved by the program;
   (2) qualitative or quantitative indicators to be used to measure achievement of the results;
   (3) the method of data collection to be used to obtain the indicator data;
   (4) baseline data and targets for each indicator by year.

   The Recipient shall consult with USAID and the Impact Evaluation team while developing its MELP. Once developed, the MELP will be submitted to USAID for review and approved by the Agreement Officer's Representative (AOR).

3) **Close-out/Demobilization Plan:** Four months prior to the completion date of the Cooperative Agreement, a close-out/demobilization plan must be submitted to the USAID Agreement Officer for Approval with a copy to the AOR. The Plan must outline a clear phase-out exit strategy and timeline of execution, including a description of the methodology it will use in determining areas and levels of sustainability. The plan will also include a list of actions that are typically required for close-out activities to ensure that all activities are completed; conduct an analysis of progress to date and, if necessary, expedite timelines to ensure completion. The close-out plan must include:

   - Current financial status report with a thorough pipeline analysis to ensure that there are sufficient funds available to finalize activities and complete all requirements;
   - Final Financial Status Report timeline;
   - A final inventory of residual non-expendable property, which was acquired or furnished under the cooperative agreement;
   - A disposition report of the following types of property, along with a proposed disposition of such property: (1) All equipment that has a per unit current fair market value at the end of this award of $5,000 or more; (2) New/unused supplies with an aggregate current fair market value at the end of this award of $5,000 or more. The plan will include proposed beneficiaries of the property as well as schedule for the transfers;
   - A request for disposition instructions for any property acquired or furnished by the Government under the activity;
   - Subcontractor/sub grantee/partnership phase out plan;
   - Status of all program audit reports per the instrument's provisions;
   - Final audit report timeline;
   - Personnel phase-out timeline (who is expected to serve until when);
   - Personnel phase-out plan (to include severance pay plan);

b) Financial Reporting:

1. **Quarterly Financial Reports:** The Recipient shall submit the Standard Form (SF) SF-425 Federal Financial Report on a quarterly basis to the Financial Management Office and Agreement Officer's Representative, within 30 days following the end of each fiscal year quarter, regardless of the effective date of the Agreement. Each financial form shall be identified by the appropriate award number.

2. **Final Financial Report:** The original of the final financial report shall be submitted to the Paying Office, the Agreement Officer and the Agreement Officer's Representative not later than 90 calendar days after the estimated completion date of this award.

c) Program Performance Reporting

1) **Quarterly Performance Reports:** The Recipient shall submit Quarterly Program Performance Reports to USAID during the duration of this Award. The quarterly performance reports are due 30 calendar days following the end of each fiscal year quarter, regardless of the effective date of the Agreement. Depending on the project start date, the first quarterly report may include somewhat more or less than one quarter's activities. The Recipient shall submit one copy of each Quarterly Program Performance Reports to the Agreement Officer's Representative (AOR) for her/his review and approval.

   The quarterly reports shall describe project accomplishments and the progress made during the reporting period, include information on all activities, both ongoing and completed during the quarter, as well as any issues or problems that are affecting the delivery or timing of services provided by the Recipient. The reports shall also briefly present the following information:

   (i) Reasons why established goals were not met, if applicable.
   (ii) Other pertinent information including the status of finances and expenditures and, when appropriate, analysis and explanation of cost overruns or high unit costs.

   The Recipient will report on activity performance quarterly, using a format agreed to with the AOR. The Recipient is encouraged to consult with the USAID Agreement Officer's Representative (AOR) in finalizing the reports.

2) **Annual Performance Report:** The annual performance report shall include the fourth quarter performance report and is due 30 calendar days following the end of each fiscal year. Annual Report will include performance reporting for the last quarter (July through September) as well as aggregated reporting for the entire fiscal year and will include the elements listed above, as well as a description of key lessons learned and how the lessons will be used to inform the coming year's Annual Work Plan. The annual report will also include the following information:

   - An Executive Summary of major findings, challenges, and achievements

- Extent to which objectives and results in the Annual Work Plan were achieved;
- Highlights of major achievements;
- Significant implementation problems and challenges encountered during the year (if applicable) and mitigation measures taken to address these;
- Description of efforts to ensure coordination, collaboration, and information sharing during the reporting period and any problems encountered, agreements reached, and/or actions taken to ensure coordination with relevant stakeholders;
- Description of efforts and progress achieved with activities to address gender issues;
- Description of efforts and progress achieved with regards to sustainability of project activities;
- Progress achieved regarding MEL Plan indicators and targets for the fourth quarter and the entire fiscal year.
- Lessons learned, observations, and recommendations that might be relevant to the design and implementation of other related activities;
- Success stories, highlighting the role of USAID and the American people in improving opportunities for Serbia. Success stories must include quality photos that will be shared for public outreach purposes.

3) **Ad hoc, Interim Reporting:** Events may occur between the scheduled performance reporting dates that have significant impact upon the activity. In such cases, the Recipient must notify the AOR and AO as soon as the following types of conditions become known:

   - Problems, delays, or adverse conditions, which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation;
   - Waste, fraud, or abuse detected in the activity, and actions being taken to investigate the situation as well as to mitigate future occurrences. This reporting does NOT absolve the Recipient of the duty to disclose waste, fraud, or abuse to the USAID Inspector General Hotline (ig.hotline@usaid.gov); and
   - Events or conditions that could have negative political or public relations perceptions affecting the activity. These include statements in the press or on social media, relationships with local officials or actors, etc. The Recipient will work with the AOR to determine a response strategy and to assist in mitigating any negative effects.

   On the other hand, the Ad hoc reporting might also be required occasionally by the AOR, such as for example during Portfolio Review, or asking for a Monthly Success Story to be submitted for the purpose of promoting our activities in Washington, or similar events.

   Regular activity monitoring events and communication will be established between the Implementing partner and the AOR.

4) **Final Report:** The Recipient is required to submit a Final Report within 90 calendar days following the estimated completion or termination date of this award. The final performance report shall contain at a minimum the following information:

(i) An executive summary of the accomplishments and results achieved;
(ii) An in-depth analysis of progress and results that synthesizes achievements that contributed towards program objectives. This section should clearly describe activities, major accomplishments and results achieved under the award;
(iii) Final data, compared to baseline data, for all indicators included in the monitoring, learning and evaluation plan. This section should include disaggregated data by gender, regions, disenfranchised groups and other relevant groups identified.
(iv) A summary of problems/obstacles encountered during the implementation, and how those obstacles were addressed and overcome if appropriate;
(v) Lessons learned, best practices, and other findings from the implementation of the program, along with recommendations for future programming under each of the program objectives;

A list of all reports, publications, evaluations, and information and media products produced under this agreement, as well as confirmation that all products were submitted to the USAID Development Experience Clearinghouse (DEC). For DEC submission instructions, see Standard Provision M.8 for Non-US NGOs and M.21 for US NGOs, entitled "SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND PUBLICATIONS (JUNE 2012)".

4. Program Income

If the recipient anticipates program income to be generated under the award, the AO will determine how that income will be treated under the award, in accordance with ADS 303.3.10 and 2 CFR 200 and the required as applicable standard provision "PROGRAM INCOME (AUGUST 2020).

5. Environmental Compliance

(a) 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) Chapters 201 (http://www.usaid.gov/sites/default/files/documents/1870/201.pdf) and 204 (http://www.usaid.gov/sites/default/files/documents/1865/204.pdf), 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. The Recipient's environmental compliance obligations under these regulations and procedures are specified in the following paragraphs of this cooperative agreement.

(b) In addition, the Recipient must comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter shall govern.

(c) No activity funded under this cooperative agreement will be implemented unless an

environmental threshold determination, as defined by 22 CFR 216, has been reached for that activity, as documented in the approved Request for Categorical Exclusion (RCE).

(d) Request for Categorical Exclusion (RCE) **DCN: 2021-SRB-005** has been approved for this activity, see Attachment 2 to this RFA. It has been determined that the activity is fully within the class of Categorical Exclusions. As per 22 CFR 216.2(c)(2), neither an Initial Environmental Examination, nor an Environmental Assessment is required for an activity which is determined to fall within one or more of the categories listed at 22 CFR 216.2(c)(2)(i) education, technical assistance or training programs; and at 22 CFR 216.2(c)(2)(iii) analysis, studies, academic research, workshops and meetings.

(e) As part of its Annual Work Plan, the Recipient, in collaboration with the AOR and Mission Environmental Officer (MEO), shall review all ongoing and planned activities under this cooperative agreement to determine if they are within the scope of the approved Regulation 216 environmental documentation. If the Recipient plans any new activities outside the scope of the approved Regulation 216 environmental documentation, it shall prepare an amendment to the documentation for USAID review and approval. No such new activities shall be undertaken prior to receiving written USAID approval of environmental documentation amendments. Any ongoing activities found to be outside the scope of the approved Regulation 216 environmental documentation shall be halted until an amendment to the documentation is submitted and written approval is received from USAID.

(f) Subaward Provision: A provision for subawards is included under this award; therefore, the Recipient will be required to use an Environmental Screening Report (ESR) or Environmental Review (ER) checklist using impact assessment tools to screen grant proposals to ensure the funded proposals will result in no adverse environmental impact, to develop mitigation measures, as necessary, and to specify monitoring and reporting. Use of the ERF or ER checklist is called for when the nature of the grant proposals to be funded is not well enough known to make an informed decision about their potential environmental impacts, yet due to the type and extent of activities to be funded, any adverse impacts are expected to be easily mitigated. Implementation of sub-grant activities cannot go forward until the ERF or ER checklist is completed and approved by USAID. Recipient is responsible for ensuring that mitigation measures specified by the ESR or ER checklist process are implemented.

The Recipient will be responsible for periodic reporting to the USAID AOR, as specified in this award.

[END OF SECTION F]

SECTION G: FEDERAL AWARDING AGENCY CONTACT(S)

1. RFA Points of Contact

See Section D.1

2. Acquisition and Assistance Ombudsman

The A&A Ombudsman helps ensure equitable treatment of all parties who participate in USAID's acquisition and assistance process. The A&A Ombudsman serves as a resource for all organizations who are doing or wish to do business with USAID. Please visit this page for additional information: https://www.usaid.gov/work-usaid/acquisition-assistance-ombudsman

The A&A Ombudsman may be contacted via: Ombudsman@usaid.gov

[END OF SECTION G]

SECTION H: OTHER INFORMATION

USAID reserves the right to fund any or none of the applications submitted. The Agreement Officer is the only individual who may legally commit the Government to the expenditure of public funds. Any award and subsequent incremental funding will be subject to the availability of funds and continued relevance to Agency programming.

Applications with Proprietary Data

Applicants who include data that they do not want disclosed to the public for any purpose or used by the U.S. Government except for evaluation purpose, should mark the cover page with the following:

> "This application includes data that must not be duplicated, used, or disclosed – in whole or in part – for any purpose other than to evaluate this application. If, however, an award is made as a result of – or in connection with – the submission of this data, the U.S. Government will have the right to duplicate, use, or disclose the data to the extent provided in the resulting award. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets {insert sheet numbers}."

Additionally, the applicant must mark each sheet of data it wishes to restrict with the following:

> "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application."

[END OF SECTION H]

SECTION I: STANDARD PROVISIONS

Note: The full text of the Mandatory Standard Provisions and Required as Applicable Provisions may be found at: https://www.usaid.gov/ads/policy/300/303maa for US NGOs, and https://www.usaid.gov/ads/policy/300/303mab) for Non-US NGOs. The actual Standard Provisions will be included in the award and will depend on the organization that is selected.

[END OF SECTION I]