U.S. DEPARTMENT OF STATE
Bureau of International Security and Nonproliferation, Office of Cooperative Threat Reduction (ISN/CTR)
Notice of Funding Opportunity

Funding Opportunity Title: **Countering Advanced Conventional Weapons Proliferation**
Funding Opportunity Number: **SFOP0007363**
Deadline for Applications: **January 29, 2021 11:59PM EDT**
CFDA Number: **19.033**
Total Amount Available: **$6,000,000**

A. PROGRAM DESCRIPTION

The Department of State's Bureau of International Security and Nonproliferation, Office of Cooperative Threat Reduction (ISN/CTR) is pleased to announce an open competition for assistance awards through this Notice of Funding Opportunity (NOFO). ISN/CTR sponsors foreign assistance activities funded by the Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) account, and focuses on mitigating weapons of mass destruction (WMD), related delivery systems, and advanced conventional weapons proliferation and security threats from proliferator states and non-state actors.

ISN/CTR seeks to prevent proliferator states (e.g. Russia and China) from selling destabilizing advanced conventional weapons (ACW) to states of proliferation concern (e.g. Syria, Iran, and Sudan) that threaten U.S. national security and nonproliferation interests. Proliferator states use revenues generated from ACW sales to fund malign activities, and increase their influence. Per the U.S. National Security Strategy, military cooperation is one of many proliferator state efforts to "gain veto authority over other nations' economic, diplomatic, and security decisions." Furthermore, the sale of weapons to states of proliferation concern, and use of Private Military Companies (PMCs), can undermine international security and nonproliferation norms and best practices.

Within ISN/CTR, the Special Projects (SP) Team builds foreign partner capacity that seeks to counter the proliferation of Russian and Chinese ACW. For Russia, the sale of ACW is a significant means to exert malign economic and political influence. For China, the development of ACW is part of its strategy to challenge the U.S. military superiority, and exert malign influence over its customers. For both, the development and sale of ACW is an arena of great power competition.

ISN/CTR's Fiscal Year 2021 ACW foreign capacity building efforts will engage financial institutions, business organizations, government watchdogs, foreign military and security officials, logistics providers, and potential customers of Russian and Chinese ACW to build partner capacity that enables them to:

- Expose the hidden costs and risks of Russian and Chinese ACW procurements and transaction facilitation;

- Leverage open-source information to assess and reject financial transactions that involve prohibited entities, their subsidiaries, and front/shell companies seeking to sell, finance, underwrite, or insure Russian and Chinese ACW proliferation;
- Develop skills to assess and reject logistical/transport arrangements that involve prohibited entities related to the delivery of ACW;
- Utilize open-source capacity building tools to make informed procurement decisions
- Promote international best-practices to prevent procurements by prohibited private military companies.

Program Objectives: ISN/CTR's SP Team seeks programmatic proposals to build partner capacity and leverage open source data to identify, prevent, and disrupt proliferator state sales of ACW to states of proliferation concern, as well as the associated financial and logistics elements of these transactions through the following lines of effort: Financial Chilling Action Plans, Logistics Hardening, Countering ACW Disinformation, and Countering Private Military Companies.

<u>ISN/CTR's Special Projects Team Areas of Focus Related to ACW:</u>

Financial Chilling Action Plan: The goal of this effort is to expose the involvement of CAATSA and Treasury-designated Russian defense firms in ACW transactions with the financial sector, and have private sector companies exit these relationships. Efforts in this area will reduce Russian defense firms' access to financial markets and raise the operational costs of Russian and Chinese entities that export ACW. Private firms that operate globally and manufacture and supply defense products are potential targets for Russian and Chinese firms seeking access to advanced military hardware and international markets. These engagements are intended to induce chilling effect on the willingness of private firms to do business with prohibited entities within the Russian and Chinese defense sectors. CTR's FY21 projects of this nature will:

- Engage financial institutions, U.S. chambers of commerce, investigative journalists, financial auditors, and logistics providers to induce a chilling effect on the Russian and Chinese defense sector by sensitizing these organizations to the risks of doing business with prohibited entities.
- Share corporate and beneficial ownership information of prohibited entities and their subsidiaries, as well as OFAC designated entities to enable the identification of obfuscated transactions and/or connections with prohibited defense firms.
- Raise the awareness of financial compliance departments to identify obfuscated transactions that involve designated Russian and Chinese defense firms.
- Raise awareness and identify the risks of doing business with defense entities through U.S. chambers of commerce.
- Engage financial auditors that inspect accounting data, financial records, and operational aspects of businesses to identify and mitigate risks. Arming financial auditing companies with the corporate and beneficial ownership data of prohibited entities, their subsidiaries, and sanctioned entities is intended to expose the involvement of designated defense firms in company accounts.

Engagement Regions: Europe/Eurasia the Middle East and North Africa, Sub-Saharan Africa, East Asian Pacific, South and Central Asia.

Logistics Hardening: Open-source trade data has demonstrated the involvement of prohibited entities whose export of ACW is facilitated by unscrupulous logistics brokers. In this area, CTR's FY21 foreign capacity building efforts will:

- Engage financial institutions, logistics providers, and private industries on the activities of designated Russian and Chinese defense firms in international supply-chains and the risks associated with doing business with them.
- Sensitize financial and logistics providers of the secondary sanctions risks of engaging with brokers that provide material support to prohibited entities.
- Engage commercial suppliers of high-tech commodities to raise awareness of the sanctions risks associated with transacting with Chinese defense firms.
- Use trade and contract data to identify transactions and shipments of advanced defense components and ACW from prohibited entities, especially to Syria, Iran, China, Venezuela and other proliferator states of concern.
- Share relevant trade information with commercial suppliers to identify the nexus of trade activities that involve Chinese defense firms and designated Russian defense entities and the secondary sanctions risks to which these commercial suppliers will be exposed.
- Engage financial institutions and logistics providers to raise awareness of the material support that Russian brokers provide to designated Russian defense firms.
- Use trade and contract data to identify Russian logistics brokers that provide material support to designated Russian defense entities that enables them to access international supply-chains and fulfill ACW exports.
- Share this information with compliance officers at financial institutions and logistics providers to raise awareness of the secondary sanctions risks associated with doing business with prohibited entities.

Engagement Regions: Europe/Eurasia the Middle East and North Africa, Sub-Saharan Africa, East Asian Pacific, South and Central Asia.

Countering ACW Disinformation: CTR's FY21 foreign capacity building efforts will:

- Support the analysis and technical reporting of the true-cost, risks, and capabilities of Russian and Chinese defense exports.
- Provide foreign partners with factual resources on the hidden costs of doing business with prohibited defense firms, Russian ACW functional and operational limitations, and secondary sanctions risks.
- Enhance the capabilities of a foreign technical, defense procurement audience to counter Russian and Chinese disinformation efforts seeking to proliferate ACW.

Engagement Regions: Europe/Eurasia the Middle East and North Africa, Sub-Saharan Africa, East Asian Pacific, South and Central Asia.

Countering Private Military Companies (PMCs): The goal of this line of effort is to promote the implementation of international best practices regarding PMC-related procurements, and to prevent the facilitation of Russian/Chinese ACW proliferation through illicit PMCs. This program area's efforts will engage government, financial and election watchdogs, and military and law enforcement officials to raise awareness of the risks of doing business with Russian or Chinese PMCs. ISN/CTR Special Projects Team's FY21 foreign capacity building programs in this area will:

- Focus on promoting the implementation of PMC-relateds procurement best practices to perform due-diligence requirements, and raise awareness of international standards.
- Provide partners with open-source training tools and research methodologies to identify PMCs involved in extralegal acts, and their deleterious effects on sovereignty, economic transparency, and human rights.
- Include the political, economic, reputational, and natural resource costs of doing business with Russian/Chinese PMCs, as well as the potential for secondary sanctions risks of engaging in significant transactions with prohibited PMCs.
- Provide detailed presentations on PMC deployment, financing, and logistics mechanisms.
- Share detailed open-source network maps of Russian/Chinese PMCs, their subsidiaries, and beneficiaries that may expose parties to secondary sanctions risks.

  Engagement Countries: Africa, specifically Angola, Guinea, Madagascar, Mozambique, Zambia, Namibia, Central African Republic, and South Africa.

B. FEDERAL AWARD INFORMATION

Length of performance period: Twelve (12) Months
Award amounts: awards should range between $100,000 to a maximum of $500,000 per project
Total available funding: $6,000,000
Type of Funding: FY21/22 Nonproliferation, Anti-Terrorism, Demining and Related Activities Funds under the Foreign Assistance Act.
Anticipated project start date: October 1, 2021
Funding Instrument Type: Interagency Agreements (IAAs) and Cooperative agreement. Cooperative agreements are different from grants in that bureau staff are more actively involved in the grant implementation. The CTR office will play an active role in developing and shaping the materials developed and implanted during this award. CTR will also help identify participants.
Project Performance Period: Proposed projects should be completed in 12 months or less.

This notice is subject to availability of funding.

C. ELIGILIBITY INFORMATION

1. Eligible Applicants

The following organizations are eligible to apply (both domestic and international):

- Not-for-profit organizations
- Public and private educational institutions
- For-profit organizations
- Federally funded research and development centers
- Public International Organizations

2. <u>Cost Sharing or Matching</u>

This program does not require cost sharing, however proposals that demonstrate cost sharing will be welcomed.

The recipient is required to maintain written records to support all allowable costs that are claimed as its contribution to cost-share, as well as costs to be paid by the Federal government. Such records are subject to audit. In the event the recipient does not meet the minimum amount of cost-sharing as stipulated in the recipient's budget, the Bureau's contribution may be reduced in proportion to the recipient's contribution.

3. <u>Other Eligibility Requirements</u>

In order to be eligible to receive an award, all organizations must have a unique entity identifier (Data Universal Numbering System/DUNS number from Dun & Bradstreet), as well as a valid registration on www.SAM.gov. Please see Section D.3 for information on how to obtain these registrations. Individuals are not required to have a unique entity identifier or be registered in SAM.gov.

Applicants are only allowed to submit one proposal per organization. If more than one proposal is submitted from an organization, all proposals from that institution will be considered ineligible for funding.

D. APPLICATION AND SUBMISSION INFORMATION

1. Address to Request Application Package

Application forms required below are available at grants.gov

<u>Please follow all instructions below carefully</u>. Proposals that do not meet the requirements of this announcement or fail to comply with the stated requirements will be ineligible.

2. Content of Application

Please ensure:

- The proposal clearly addresses the goals and objectives of this funding opportunity
- All documents are in English
- All budgets are in U.S. dollars
- All pages are numbered

- All documents are formatted to 8 ½ x 11 paper, and
- All Microsoft Word documents are single-spaced, 12 point Times New Roman font, with a minimum of 1-inch margins.

The following documents are **required**:

Section 1 - Application for Federal Assistance (SF-424):
This form is part of the NOFO proposal package.

Section 2 – Project Proposal(s):
Using the provided template, the applicant must provide a completed project proposal. The proposal form must be completed in its entirety and clearly specify the proposed scope, deliverables, and timeline. Applicants must specify a point of contact for each project that is proposed.

Section 3 - Budget:
Also using the provided project proposal template, applicants must provide a budget for each project. The budget must identify the total amount of funding requested, with a breakdown of amounts to be spent in the following budget categories:

Application Submission Process: Applicants should submit project proposals electronically using Grants.gov. Thorough instructions on the Grants.gov application process are available at http://www.grants.gov. For questions relating to Grants.gov, please call the Grants.gov Contact Center at 1-800-518-4726.

3. **Required Registrations:**

Any applicant listed on the Excluded Parties List System (EPLS) in the System for Award Management (SAM) is not eligible to apply for an assistance award in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR, 1986 Comp., p. 189) and 12689 (3 CFR, 1989 Comp., p. 235), "Debarment and Suspension." Additionally, no entity listed on the EPLS can participate in any activities under an award. All applicants are strongly encouraged to review the EPLS in SAM to ensure that no ineligible entity is included.

All organizations applying for grants (except individuals) must obtain these registrations. All are free of charge:

- Unique entity identifier from Dun & Bradstreet (DUNS number)
- NCAGE/CAGE code
- www.SAM.gov registration

Step 1: Apply for a DUNS number and an NCAGE number (these can be completed simultaneously)
DUNS application: Organizations must have a Data Universal Numbering System (DUNS) number from Dun & Bradstreet. If your organization does not have one already, you may obtain one by calling 1-866-705-5711 or visiting http://fedgov.dnb.com/webform
NCAGE application: Application page here:
https://eportal.nspa.nato.int/AC135Public/scage/CageList.aspx

Instructions for the NCAGE application process:
https://eportal.nspa.nato.int/AC135Public/Docs/US%20Instructions%20for%20NSPA%20NCAGE.pdf
For NCAGE help from within the U.S., call 1-888-227-2423
For NCAGE help from outside the U.S., call 1-269-961-7766
Email NCAGE@dlis.dla.mil for any problems in getting an NCAGE code.
Step 2: After receiving the NCAGE Code, proceed to register in SAM.gov by logging onto: https://www.sam.gov. SAM registration must be renewed annually. Please note that your CCR registration must be annually renewed.

4. Submission Dates and Times

Applications must be submitted on or before January 29, 2020, 11:59 p.m. Eastern time. Applications submitted after 11:59 p.m. will be ineligible for consideration. Begin the application process early, as this will allow time to address any technical difficulties that may arise in advance of the deadline. There will be no exceptions to this application deadline.

5. Funding Restrictions

Of note, legal restrictions prevent ISN/CTR from providing assistance to Burma, China, Iran, North Korea, South Sudan, Sudan, and Syria.

6. Other Submission Requirements

All application materials must be submitted electronically through www.Grants.gov.

E. APPLICATION REVIEW INFORMATION

Applicants should note that the following criteria serve as a standard against which all project proposals will be evaluated and identify significant considerations that should be addressed in all proposals. ISN/CTR will award a cooperative agreement to the applicant(s) whose offer represents the best overall value to the government from both a technical and cost perspective.

ISN/CTR will evaluate proposals against the stated criteria. Criteria are listed in descending order of importance.

- **Proposed Activity or Activities:** Applicants should clearly describe what they propose to do and how they will do it. The proposed project(s) must directly relate to meeting the specified objectives and applicants should include specific information on how they will systematically meet ISN/CTR's global threat reduction mission. ISN/CTR will evaluate the project proposal in terms of how well it addresses the issues at hand, relevance and feasibility of the proposed activities, the timeline for completion, and the extent to which the impact of the project will continue beyond the conclusion of the period of performance.

- **Organizational Capability:** Applicants must demonstrate how their resources, capabilities, and experience will enable them to achieve the stated goals and objectives in an international technical context. The proposal(s) must identify all key partners and organizations that will be involved in implementation of this project.

- **Budget:** Proposed costs will be evaluated for feasibility, fiscal control practices, and efficiency. ISN/CTR must be able to determine that proposed costs are reasonable, allowable, and allocable to the proposed project activities. ISN/CTR will evaluate the budget to determine if the overall costs are realistic for the work to be performed, if the costs reflect the applicant’s understanding of the allowable cost principles established by 2CFR200, and if the costs are consistent with the program narrative.

- **Impactful and Measurable Engagements:** Although complex nonproliferation objectives demand persistent engagement with partner countries, discrete projects should individually advance progress toward a particular objective. Proposals should describe the end-state the project aims to achieve, along with specific, measurable, and realistic benchmarks by which to gauge progress toward that end-state. Compelling project proposals will establish milestones to be met during the training period, and describe observable progress in the adoption, implementation, or enhancement of nonproliferation or sanctions enforcement and compliance best practices

- **Diversity and Inclusion:** CTR values collaboration and promotes diversity, equity and inclusion with all stakeholders by creating an environment that is open to equal opportunities without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran or disabled status.

- **Cyber Security:** Implementer shall be required to establish and follow policy and procedures for an effective implementation of security controls using NIST 800-53 (Rev. 4)), System and Information Integrity Policy (SI-1) as follows:
  1. Identification and Authentication: Implement multifactor authentication for network access and local access.
  2. Access Controls: Implement security controls for information sharing, remote access and wireless access including:
     a. Monitoring, controlling, and protecting remote and wireless access to information by auditing information systems components (e.g. workstations, notebook computers, smartphones, and tablets).
  3. Incident Handling: Monitor and report any and all security incidents including breaches to ISN/CTR directly within 48 hours of the incident and include a risk assessment of the security access controls.

F. FEDERAL AWARD ADMINISTRATION INFORMATION

1. Federal Award Notices

The cooperative agreement will be written, signed, awarded, and administered by the Grants Officer. The assistance award agreement is the authorizing document and it will be provided to the recipient for review and signature by email. The recipient may only start incurring project expenses beginning on the start date shown on the grant award document signed by the Grants Officer.

If a proposal is selected for funding, the Department of State has no obligation to provide any additional future funding. Renewal of an award to increase funding or extend the period of performance is at the discretion of the Department of State.

Issuance of this NOFO does not constitute an award commitment on the part of the U.S. government, nor does it commit the U.S. government to pay for costs incurred in the preparation and submission of proposals. Further, the U.S. government reserves the right to reject any or all proposals received.

Anticipated Time to Award: Applicants should expect to be notified of the *recommended* concepts within 90 days after the submission deadline. Following this initial notification, **selected applicants will be expected to submit a full application within 30 days**. ISN/CTR staff will provide information at the point of notification about the requirements for the full application, which may include revisions to the activities. The full applications will not be subject to further competition, but must incorporate any suggested changes made by ISN/CTR. Issuance of this NOFO does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of proposals. Further, the Government reserves the right to reject any or all proposals received.

Project Implementation Meeting: The recipient should expect to have a pre-project implementation meeting with ISN/CTR within thirty days after the cooperative agreement is awarded and before any work is performed for the award.

2. Administrative and National Policy Requirements

Terms and Conditions: Before submitting an application, applicants should review all the terms and conditions and required certifications that will apply to this award, to ensure that they will be able to comply. These include: 2 CFR 200, 2 CFR 600, Certifications and Assurances, and the Department of State Standard Terms and Conditions.

3. Reporting

Reporting Requirements: As a cooperative agreement, reporting and deliverable requirements for this project exceed those of typical grants. Applicants should pay special attention to these enhanced reporting and deliverable requirements. Specifically:

Using a template provided by ISN/CTR, the Recipient shall submit quarterly progress reports to the designated Grants Officer Representative (GOR), program distribution list, and to the following email address ISN-CTR-BUDGET@state.gov detailing:

- Assistance activities conducted during the reporting period;
- Milestones and successes achieved to date;
- Key assistance activities remaining to be implemented with a projected timetable;
- Details of any problems encountered with proposed solutions; and
- Any other pertinent information requested by ISN/CTR.
- The Recipient shall provide the GOR with copies of all materials developed under this cooperative agreement.
- In addition to regular quarterly reports, the Recipient shall furnish the GOR with ad hoc reports as requested from time to time.
- In addition to the above, the Recipient shall submit quarterly financial reports throughout the project period. Financial reports are due 30 days after the reporting period. Final programmatic and financial reports are due 90 days after the close of the project period

Applicants should be aware of the post award reporting requirements reflected in 2 CFR 200 Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters.

G. FEDERAL AWARDING AGENCY CONTACTS

If you have any programmatic questions about the grant application process, please contact: CTRSpecialProjectsProposals@state.gov

For interagency agreement (IAA) submissions, directly submit application to the relevant program team and copy the budget team (ISN-CTR-BUDGET@state.gov).

Direct any NOFO submission (non-programmatic) questions to: ISN-CTR-BUDGET@state.gov

H. OTHER INFORMATION

Guidelines for Budget Justification
Personnel and Fringe Benefits: Describe the wages, salaries, and benefits of temporary or permanent staff who will be working directly for the applicant on the program, and the percentage of their time that will be spent on the program.

Travel: Estimate the costs of travel and per diem for this program, for program staff, consultants or speakers, and participants/beneficiaries. If the program involves international travel, include a brief statement of justification for that travel.

Equipment: Describe any machinery, furniture, or other personal property that is required for the program, which has a useful life of more than one year (or a life longer than the duration of the program), and costs at least $5,000 per unit.

Supplies: List and describe all the items and materials, including any computer devices, that are needed for the program. If an item costs more than $5,000 per unit, then put it in the budget under Equipment.

Contractual: Describe goods and services that the applicant plans to acquire through a contract with a vendor. Also describe any sub-awards to non-profit partners that will help carry out the program activities.

Other Direct Costs: Describe other costs directly associated with the program, which do not fit in the other categories. For example, shipping costs for materials and equipment or applicable taxes. All “Other” or “Miscellaneous” expenses must be itemized and explained.

Alcoholic Beverages: Please note that award funds cannot be used for alcoholic beverages.

Indirect Costs: These are costs that cannot be linked directly to the program activities, such as overhead costs needed to help keep the organization operating. If your organization has a Negotiated Indirect Cost Rate (NICRA) and includes NICRA charges in the budget, attach a copy of your latest NICRA. Organizations that have never had a NICRA may request indirect costs of 10% of the modified total direct costs as defined in 2 CFR 200.68.

“Cost Sharing” refers to contributions from the organization or other entities other than the U.S. Embassy. It also includes in-kind contributions such as volunteers’ time and donated venues.