U.S. Department of State

Request for Proposals

Program Office:	Bureau of International Security and Nonproliferation, Office of Cooperative Threat Reduction (ISN/CTR)
CFDA	20.033
Funding Opportunity Title:	Enforcing Sanctions Against the DPRK's WMD Program
Announcement Type:	Cooperative Agreement – Initial
Funding Opportunity Number:	SFOP0006239
Deadline for Applications:	January 31, 2020
Available Funding:	$18,900,000

ELIGIBILITY

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

- *Not-for-profit organizations*
- *Public and private educational institutions*
- *For-profit organizations*
- *Public International Organizations*

Cost Sharing or Matching
This program does not require cost sharing, however proposals which demonstrate cost sharing will be welcomed.

Other Special Eligibility Criteria
Not Applicable.

CONTACT INFORMATION

For assistance with the requirements of this solicitation, please contact: ISN-CTR-CPFY20@state.gov

I. EXECUTIVE SUMMARY

The Department of State's 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 invites non-profit/non-governmental organizations, FFRDCs, international organizations, educational institutions, and for-profit organizations to submit proposals for projects that will advance the mission of the Department's Counter-Proliferation Program. ISN/CTR prefers projects that cost less than $250,000 including overhead, though awards may involve multiple projects that cumulatively exceed $250,000.

II. BACKGROUND AND PROGRAM DESCRIPTION

The CTR sponsors foreign assistance activities funded by the Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR) account, and focuses on mitigating proliferation risk in states and regions, such as Eastern Europe, South and Southeast Asia, South America, the Middle East, and Africa.

CTR supports the pressure campaign against the Democratic People's Republic of Korea's (DPRK) by training partners to fully implement United Nations Security Council Resolutions (UNSCRs) against the DPRK, detect and halt DPRK-linked sanctions evasion activities, and impede the DPRK's material and financial activities that fund the development of Weapons of Mass Destruction (WMD). CTR achieves this mission through capacity-building programs, open-source research, and other specialized efforts, all of which help at-risk countries detect and shut down financial and material flows to the DPRK.

FY20 Objectives

As part of the U.S. government's effort to use all available tools to exert pressure on the DPRK to curtail its WMD proliferation, CTR builds foreign capacities to enforce relevant UNSCRs against the DPRK. CTR does not support activities related to the training, engagement, or redirection of DPRK nationals or DPRK government or non-government agencies.

CTR seeks proposals which address the following DPRK sanctions evasion activities:

North Korea conducts cyber theft against vulnerable countries to generate revenue for the regime's WMD program: North Korea generates substantial revenue for its weapons of mass destruction programs through widespread and increasingly sophisticated cyber operations against vulnerable institutions worldwide. DPRK cyber actors, under the direction of the regime, have committed dozens of cyber-attacks targeting financial institutions, cryptocurrency exchanges, and virtual currency mining entities in at least 17 countries. ISN/CTR seeks proposals that engage central banks, private financial institutions (FIs), and designated non-financial businesses and professions (DNFBPs) to reduce the risk of DPRK cyber exploitation, including but not limited to:

- Training governmental officials to promote the implementation of effective cybersecurity practices at financial institutions and cryptocurrency exchanges;
- Imparting to relevant law enforcement officials the knowledge and tools to successfully investigate malware and other cyber-attacks for links to DPRK activity;
- Engagements with management representatives of FIs, DNFBPs, and cryptocurrency exchanges to counter DPRK cyber-theft; and
- Training IT administrators at partner country FIs, DNFBPs, and cryptocurrency exchanges to prevent DPRK cyber-theft by adopting enhanced cybersecurity measures.

North Korea, using a network of shell companies and foreign representatives, is laundering money through foreign banks and cryptocurrency exchanges to fund its WMD programs: Despite being largely cut off from the international financial system, the DPRK uses a complex web of shell companies and facilitators to conduct financial transactions that generate and launder revenue used to support its nuclear and missile programs. CTR seeks proposals that will enhance the abilities of partner governments and the private sector to identify, report, and disrupt DPRK proliferation finance activities, including, but not limited to:

- Training government entities such as financial intelligence units, financial supervisors, and law enforcement to identify DPRK-linked proliferation finance activity, improve public-private information sharing on DPRK money laundering, and implement counterproliferation finance controls;
- Training relevant government officials to ensure that effective counterproliferation finance controls are adopted at cryptocurrency exchanges operating within their jurisdiction;
- Enhance the ability of national-level prosecutors and judicial officials to prosecute DPRK proliferation finance activities as well as the ancillary crimes that accompany DPRK sanctions evasion activities; and
- Ensuring financial institutions, DNFBPs, cryptocurrency exchanges, and other relevant private sector stakeholders conduct enhanced due diligence to identify individuals and entities operating on behalf of the DPRK and report suspicious transactions.

North Korea exploits shipping registries to evade UN sanctions on maritime commerce and generate revenue for the development of WMD: DPRK-linked entities, including trading partners, evade sanctions by using falsified documents to register vessels and by disabling ships' identification/location transponders to conduct dark voyages. Additionally, registries with lax enforcement mechanisms fail to identify, deregister, and report DPRK-linked vessels. CTR seeks proposals that enhance the ability of shipping registries to detect and halt DPRK sanctions evasion including, but not limited to:

- Training publicly and privately-operated shipping registries to conduct proper due diligence to identify, deregister, and report DPRK-linked vessels already on, or applying to, their registry;
- Assisting countries to conduct audits of their shipping registries and deregister DPRK-linked vessels as well as training countries to conduct audits on their own; and
- Training shipping registries to adopt advanced due diligence measures such as implementing "geofencing," which triggers an alert if a vessel enters a certain area or slows down/stops for unapproved reasons.

North Korea uses ships-to-ship transfers to export coal or import refined petroleum in violation of UN sanctions: Despite robust sanctions, North Korea continues to conduct illicit ship-to-ship transfers of refined petroleum and coal, by obfuscating this activity from the various commercial stakeholders involved in the supply-chain. CTR is looking for proposals that enable and motivate commodity brokers, financial institutions, insurers, charterers, and other commercial stakeholders proactively to identify and report clients that facilitate these transfers, through activities such as:

- Training on DPRK illicit transfer practices and countermeasures for private sector stakeholders including commodity brokers, financial institutions/banks, shipping insurers, chartering services, and other entities involved in the oil/coal supply chain; and
- Training larger private sector institutions to adopt and standardize advanced due diligence practices in their respective sectors and to showcase this work to smaller institutions with weaker compliance systems.

North Korea is exporting and importing sanctioned commodities in violation of UN sanctions: The North Korean regime is exploiting inconsistent implementation of international sanctions to continue its trade in prohibited commodities, including the sale of such goods as coal and seafood, and the import of products such as refined petroleum (in excess of UN-imposed limits) and luxury goods. CTR seeks effective and innovative proposals designed to halt North Korea's trade of illicit commodities by conducting activities, including but not limited to:

- Training law enforcement and customs officials to address the sale of sanctioned commodities while enhancing existing codes of conduct, regulations, and due diligence practices to increase detection of DPRK-linked commerce;
- Using trade gap analyses focused on potential revenue losses due to sanctions violations to encourage partners to enhance their documentation review processes;
- Training regulatory bodies to leverage existing legal statutes to seize prohibited DPRK-linked commodities and prosecute those associated with the transaction;
- Training officials to establish or update national luxury goods lists to ensure that partner governments can interdict luxury good shipments bound for North Korea or prosecute entities operating on behalf of North Korea; and
- Improving existing capabilities to identify and disrupt prohibited DPRK trade through the utilization of commercially and publicly available trade data.

North Korean laborers abroad generate revenue which is used by the regime to develop WMD: North Koreans work outside the DPRK only under authority of the regime and for its benefit. Information technology, construction, and putative medical services are the higher-earning fields in which DPRK nationals work in over three dozen countries. CTR seeks proposals for engagement with government and other relevant audiences to energize the global repatriation of DPRK workers, including but not limited to:

- Convening labor and health ministry, immigration, foreign affairs, and law enforcement officials to improve inter-agency activism on identifying and expelling DPRK nationals, including those whose nationality has been obscured or falsified;
- Raising awareness of government and media leaders about financial, health, public safety, network security, and further risks associated with DPRK labor, including putative aid professionals; and
- Training immigration and customs personnel in database analysis and relevant open source research techniques.

North Korean nationals, including diplomats, travel abroad and engage in commerce to generate revenue for the regime's WMD program: North Korean nationals engage in sanctioned commercial activities to generate revenue for the regime. This includes North Korean diplomats who use the diplomatic pouch to smuggle illicit goods, including drugs, cash, and exotic animal parts. CTR seeks innovative programmatic solutions to halt these activities, including but not limited to:

- Training customs officers to recognize and inspect the goods of North Koreans abroad, including inspecting baggage that has not been properly pouched; and
- Ensuring partners understand and work to halt the criminal activities of North Korean nationals traveling abroad.

Open-source information on North Korea's continually-evolving sanctions evasion to inform and be incorporative into CTR programming: The DPRK employs an evolving network of individuals, corporate entities, maritime vessels, and diplomatic missions to conduct and conceal its sanctions evasion activities. CTR seeks open source data analysis to develop shareable evidence to assist partner countries in addressing existing, emerging, or potential capabilities and networks that support the DPRK's WMD program. ISN/CTR is interested in deliverables that provide immediate, *actionable* information on specific entities or activities to be included in CTR programming.

In addition to these categories, CTR is willing to consider innovative activities that address emerging and unanticipated DPRK proliferation threats.

FY20 Approach

Tailored Engagement Strategies: ISN/CTR sponsors projects that respond to each partner country's needs, capabilities, infrastructure, and existing legal and regulatory structures, rather than a one-size-fits-all approach. We will sponsor trainings that are based on an understanding of technical and human capacity in each partner country, take cultural considerations into account, and build upon past experience.

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 implementation and compliance best practices.

Multi-Implementer Teams: ISN/CTR encourages the use of multi-implementer teams when collaboration will take advantage of each implementer's unique capabilities and expertise. Our implementers collaborate and share information as requested by ISN/CTR and may design and propose joint projects for joint implementation. In such cases, each collaborating organization must have distinct lines of effort for which it is clearly responsible and a distinct budget for the completion of its efforts, but there must also be a single point of contact in the lead organization accountable to ISN/CTR for the totality of project implementation and who can respond to ISN/CTR requests.

Sustainability: ISN/CTR programming builds on previous international and domestic efforts to institutionalize nonproliferation and sanctions enforcement practices. Proposals should plainly state how the project will guarantee lasting procedural change rather than a general increase in threat awareness. Compelling project proposals will describe how the outcome(s) of the project will endure in the absence of additional funding.

III. ELIGIBILITY REQUIREMENTS

ISN/CTR welcomes applications from not-for-profit organizations subject to 501 (c) (3) of the United States tax code, FFRDCs, educational institutions, public international organizations, and for-profit companies. Direct funding for both U.S. and non-U.S. institutions is available under this announcement.

IV. APPLICATION AND SUBMISSION INFORMATION

Award Period: 12 months, though longer periods of performance will be considered on a case-by-case basis. ISN/CTR will permit an additional three months for project close out.

Award Amount: Multiple awards will be granted, with the maximum amount per award determined by the number of discrete projects funded. ISN/CTR prefers projects that cost less than $250,000, though awards may involve multiple projects that cumulatively exceed $250,000. CTR will prioritize proposals that efficiently meet programmatic goals at the lowest technically acceptable cost.

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.

Application Deadline: All applications must be submitted on or before January 31, 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.

All applicants must register with Grants.gov prior to submitting an application. **Registering with Grants.gov is a one-time process; however, it could take as long as two weeks to have the registration validated and confirmed. Please begin the registration process immediately to ensure that the process is completed well in advance of the deadline for applications.** Until that process is complete, you will not be issued a user password for Grants.gov, which is required for application submission.

There are four steps that you must complete before you are able to register: (1) Obtain a Data Universal Numbering System (DUNS) number from Dun & Bradstreet (if your organization does not have one already) by calling 1-866-705-5711; (2) Register with Central Contractor Registry (CCR); (3) Register yourself as an Authorized Organization Representative (AOR); and (4) Be authorized as an AOR by your organization. For more information, go to www.grants.gov. Please note that your CCR registration must be annually renewed. Failure to renew your CCR registration may prohibit submission of an application through Grants.gov.

Application Content: Applicants must follow the NOFO instructions and conditions contained herein and supply all information required. **Failure to furnish all information or comply with stated requirements will result in disqualification from the competition.** Applicants must set forth full, accurate, and complete information as required by this RFP. The penalty for making false statements in proposals to the U.S. government is prescribed on 18 U.S.C.1001.

The completed submission must consist of the following three parts:

Section 1 - Application for Federal Assistance (SF-424):
This form can be found on-line at: http://apply07.grants.gov/apply/FormLinks?family=15

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, include a gap analysis statement and clearly specify, the targeted objective, audience, and the proposed scope. The proposal must also identify 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:

- Personnel and fringe benefits;
- Travel;
- Equipment and supplies;
- Contractual services;
- Construction;
- Other direct costs; and
- Indirect costs.

Applicants must adhere to the requirements of the Federal Travel Regulation (FTR), including Fly America Act requirements, when proposing and conducting travel. For further information and current foreign per diem rates, please visit: https://aoprals.state.gov/web920/per_diem.asp

V. AWARD SELECTION CRITERIA

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:** Applications should be responsive to the program framework and policy objectives identified in the solicitation, appropriate in the country/regional context, and 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 these objectives will address the identified gap, and advance ISN/CTR's mission. ISN/CTR will evaluate the project proposal in terms of how well it addresses the issues identified in the gap analysis, 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 realism, 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 OMB Circulars A-122 and/or A-21, and if the costs are consistent with the program narrative.

- **Past Performance:** In reviewing proposals, ISN/CTR will evaluate the organization's past performance on other federal and non-federal grants and cooperative agreements. This will include a review of whether objectives for past awards were met; whether the organization complied with the terms of conditions of past awards, including reporting and financial management requirements; and the timeliness of project implementation.

- **Cyber Security:** Recipients and subcontractors are required to provide adequate security – (e.g. protective measures that are commensurate with the consequences and probability of loss, misuse, or unauthorized access to, or modification of information) on all covered information systems, and to rapidly report cyber incidents directly to the grantor.

VI. AWARD ADMINISTRATION INFORMATION

Award Notices: The cooperative agreement shall be written, signed, awarded, and administered by the Grants Officer. The Grants Officer is the government official delegated the authority by the U.S. Department of State Procurement Executive to write, award, and administer grants and cooperative agreements. The assistance award agreement is the authorizing document and it will be provided to the Recipient through either mail or facsimile transmission. Organizations whose applications will not be funded will also be notified in writing.

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, **<u>selected applicants will be expected to submit a full application within 30 days</u>**. 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 will have a pre-project implementation meeting with ISN/CTR within 30 days after the cooperative agreement is awarded and before any work is performed for the award.

Reporting Requirements: As a cooperative agreement, reporting and deliverable requirements for this project exceed those of typical grants administered by ISN/CTR. 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) 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

VII. DISCLAIMER

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