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:	FY19 Countering DPRK Missile and Nuclear Program
Funding Opportunity Number:	SFOP0005489
Deadline for Applications:	February 1, 2019
CFDA	19.033

A. PROGRAM DESCRIPTION

ISN/CTR sponsors foreign assistance activities funded by the Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR) account, and focuses on mitigating proliferation risk from state and non-state actors in North-East Asia, South Asia, the Middle East, and North Africa.

The United States government seeks to use all available tools to exert pressure on the Democratic People's Republic of Korea (DPRK) to curtail its proliferation of weapons of mass destruction (WMD) and related delivery systems and induce the DPRK to denuclearize. The DPRK uses external procurement and trade networks to acquire nuclear and missile materials and technology and to finance its WMD program. Moreover, the United Nations Security Council decided in several resolutions that UN Member States shall prevent trade with the DPRK in diverse goods; the aims of the sanctions regime are to constrain the funding available for the DPRK's weapons programs and to persuade the DPRK to end the threat to international peace and security posed by its actions. Some countries lack the capacity and resources to fully comply with the UNSCRs. ISN/CTR contributes to United States government efforts to pressure the DPRK by building capacity in partner countries to counter DPRK proliferation activities and implement the relevant UNSCRs. We work as well with non-UN members that cooperate in the pressure campaign to help bring about the DPRK's denuclearization.

This engagement is global in scope, including Asia, Europe, the Middle East, Africa, and Latin America, but the focus is on states that have trade relations with the DPRK or may be a hub for shipping goods to or from the DPRK. For example, CTR activities focus on:

- Governments with bilateral relations with the DPRK and which engage in commercial or arms related trade with the DPRK. Such countries may notionally include Algeria, Angola, Egypt, Equatorial Guinea, Ethiopia, Guinea, Mozambique, Namibia, Tanzania, Uganda, the United Arab Emirates (UAE), and Vietnam. Countries that are exploited by the DPRK though the exploitation of ship registries or banking arrangements. Such countries may include Comoros, Fiji, Liberia, Marshall Islands, the Federated States of Micronesia, Mongolia, Panama, Palau, Sierra Leone, South Africa, Tanzania, Togo, and Saudi Arabia.
- Southeast and East Asian countries where DPRK entities are in operation or through which WMD material and financing flow. Such countries may include

Cambodia, Indonesia, Laos, Malaysia, Mongolia, Philippines, Singapore, Thailand, and Vietnam.

Please note that ISN/CTR does not support activities related to the training, engagement, or redirection of DPRK nationals or DPRK government or non-government agencies. Nationals of entities that the U.S. Government has identified as gross violators of human rights or state sponsors for terrorism may not participate in activities funded by our nonproliferation assistance.

Program Objectives

By the end of the award's period of performance, the recipient will have successfully developed and implemented a project to advance one or more of the following CTR objectives:

- *Strengthen shipping sector programs and processes against DPRK abuse.* The DPRK exploits domestic and international ship registries through various deceptive methods, including falsification of ownership and other documents identifying vessels and their histories, falsifying or ceasing transmission of Automatic Identification System (AIS) data, use of front companies, and flag registry-hopping, among others. Projects in this category should train countries to conduct due diligence to identify and detain or deregister DPRK-linked vessels. Target audiences include government, third-party shipping contractors, maritime insurance businesses and attorneys, and other shipping industry stakeholders.

- *Counter DPRK Proliferation Financing.* The DPRK uses a complex web of shell companies and illicit businesses to conduct transactions that generate revenue and pay for goods and services in support of its nuclear and missile programs. Trainings for commercial and central banks, designated non-financial businesses and professions, and relevant government authorities should focus on DPRK suspicious activity identification, executing and managing asset freezes, suspicious transaction reporting and analysis, public-private sector cooperation, Know-Your-Customer/Enhanced Due Diligence, countering proliferation finance activities in free trade zones, and related topics.

- *Implement Sectoral Sanctions*. The UN Security Council has passed multiple resolutions directed at broad sectors of the DPRK economy to reduce the DPRK's ability to fund its WMD program. UNSCRs restrict the DPRK's access to refined petroleum, exports of coal, luxury goods, and other commodities not normally subject to trade caps or outright bans.

- *Counter DPRK Cyber Operations*. The DPRK targets central banks, financial institutions, cryptocurrency exchanges, and the SWIFT system to execute fraudulent transactions and ransomware attacks, corrupt or steal data, and launder money. Trainings should: equip partner governments to identify and deport DPRK IT workers and cyber actors and to implement effective proliferation finance monitoring regimes for cryptocurrency exchanges; expand capacity of law enforcement and cybersecurity professionals to identify and respond to malware and other attacks; improve public-private cyber threat information sharing; and/or, enhance cybersecurity best-practices implementation within institutions at risk of being targeted by DPRK cyber activities.

- *Reduce Bilateral Ties*. The DPRK derives foreign exchange from its sales of arms and ammunition, military training, construction contracting, and smuggling that is facilitated by North Korean embassies. Engagements to support countries implementing UN sanctions should sensitize officials and the private sector to the breadth of sanctioned activity, the typologies of DPRK sanctions evasion, and the consequences of witting and unwitting non-compliance with the UN and U.S. sanctions. Trainings must be designed to achieve observable, rapid impact of trainees adapting existing national authorities and structures to prevent this sanctioned activity.

- *Generate Actionable Information from Open Sources*. The DPRK employs a network of corporate entities, maritime vessels, individuals, and diplomatic missions to conduct and conceal its sanctions evasion activities. Open source research should identify existing, emerging, or potential capabilities and networks that may intentionally or unintentionally support the DPRK's WMD programs, with the aim to develop shareable evidence to assist partner countries in addressing concerns within their jurisdictions. Project outputs should be immediately actionable information on specific entities or activities.

B. FEDERAL AWARD INFORMATION

Length of performance period: *twelve months*
Number of awards anticipated: *TBD* (dependent on amounts)
Award amounts: awards may range from a minimum of *$1* to a maximum of *$300,000*
Total Available Funding: $13,900,000
Type of Funding: FY19/20 Nonproliferation, Anti-Terrorism, Demining and Related Activities Funds under the Foreign Assistance Act
Anticipated project start date: *October 1, 2019*

This notice is subject to availability of funding.

Funding Instrument Type: Cooperative agreement. Cooperative agreements are different from grants in that bureau/embassy staff are more actively involved in the grant implementation.

Project Performance Period: Proposed projects should be completed in *12 months* or less.
Optional: The Department of State will entertain applications for continuation grants funded under these awards beyond the initial budget period on a non-competitive basis

subject to availability of funds, satisfactory progress of the program, and a determination that continued funding would be in the best interest of the U.S. Department of State.

C. ELIGIBILITY 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*
- *Public International Organizations*

2. Cost Sharing or Matching

This program does not require cost sharing, however proposals which 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. Other Eligibility Requirements

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.

The organization that submits an application in response to this notice of funding opportunity (NOFO) announcement acknowledges and accepts all of the requirements contained herein. The submission in response to this announcement is voluntary and does not obligate the Department of State to fund the proposal or proposal preparation costs.

Applicants should submit one proposal package per organization/or PI. If more than one proposal package is submitted from an organization/or PI, all proposals from that institution will be considered ineligible for funding.

D. APPLICATION AND SUBMISSION INFORMATION

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:

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 project, and the percentage of their time that will be spent on the project.

Travel: Estimate the costs of travel and per diem for this project, for both program staff, consultants or speakers, and participants/beneficiaries. If the project 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 project, which has a useful life of more than one year (or a life longer than the duration of the project), 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 project. 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 project activities.

Other Direct Costs: Describe other costs directly associated with the project, 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.

Indirect Costs: These are costs that cannot be linked directly to the project 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.

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

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: http://aoprals.state.gov/content.asp?content_id=184&menu_id=78b

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.

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.

Submission Dates and Times

Applications *must be submitted on or before February 1, 2019 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.*

Funding Restrictions

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

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 and organizational 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 advance ISN/CTR's 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. (30)

- **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. (25)

- **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 2CFR200, and if the costs are consistent with the program narrative. (15)

- **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. (30)

- **Cyber Security**: Recipients and subcontractors are required to maintain NIST 800 IT Security Standards – (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 report cyber incidents directly to the grantor within 48 hours of the incident. Proposals must describe the applicants computer and cyber security practices and capabilities.

F. FEDERAL AWARD ADMINISTRATION INFORMATION

1. Federal Award Notices

The grant award or 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 30 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 which 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 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) and to the following email 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.

VI. AWARD ADMINISTRATION INFORMATION

G. FEDERAL AWARDING AGENCY CONTACTS

For questions about this solicitation, contact:

Scott Bruce, Team Chief
Office of Cooperative Threat Reduction
U.S. Department of State
Email: BruceST2@state.gov *(Preferred method of communication)*
Phone: (202) 647 9735

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:

Office of Cooperative Threat Reduction Management & Special Projects Team
U.S. Department of State
Email: ISN-CTR-BUDGET@state.gov