

March 8, 2011

**USAID/EGYPT
ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS
Issued on March 7, 2011**

I. OVERVIEW

Through this Annual Program Statement (APS), USAID/Egypt intends to support programs of Egyptian, U.S., and international organizations which respond directly to Egyptian-identified needs in the areas of job creation, poverty alleviation and economic development. This APS is conducted under the authority of the 1961 Foreign Assistance Act, as amended. In addition to funding provided through this APS, the United States Government also supports economic growth in Egypt through other means, including through other programs of USAID.

Organizations interested in receiving funding for programs are invited to carefully read this APS in its entirety and to follow the grant application guidance in order to apply for funds. USAID plans to hold regular information and proposal writing sessions on the APS in English and Arabic.

Applicants may attend one of the following information sessions:

- March 16, 2011 from 9:00 – 11:00
- April 20, 2011 from 9:00 – 11:00
- May 18, 2011 from 9:00 – 11:00
- June 15, 2011 from 9:00 – 11:00

Applicants may attend one of the following proposal writing workshops:

- March 16, 2011 from 11:00 – 1:00
- April 20, 2011 from 11:00 – 1:00
- May 18, 2011 from 11:00 – 1:00
- June 15, 2011 from 11:00 – 1:00

All interested applicants are welcome to attend these training workshops. However, no more than two persons per organization are allowed to attend due to space constraints. To ensure space availability please contact Ms. Ayat El-Dersh (AELDERSH@USAID.GOV) or Ms. Amani Soliman (ASOLIMAN@USAID.GOV) by email or fax (+20-2-2516-4739/4628) if you plan to attend a specific session.

Please direct questions concerning this APS to the following points of contact at the USAID/Egypt Mission: Dana Rose and Botros Wilson via e-mail: EGAPS@USAID.GOV

Applications should be sent to USAID/Egypt via e-mail: EGAPS@USAID.GOV. Please contact the USAID Mission if there are technical or other difficulties with submitting the application by e-mail.

There will be an Arabic version of this Annual Program Statement. It will be issued within one week of the date of this announcement.

This APS will be open until March 08, 2012.

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

II. ELIGIBILITY

A. Type and Nationality of Applicant

Egyptian, U.S. and international nongovernmental organizations (NGOs), public international organizations, private sector entities, business and trade associations, and quasi-governmental organizations (e.g. Chambers of Commerce) are eligible to submit applications under this APS. Proposals that anticipate partnering at the local and Governorate levels with the GOE will be considered. Organizations may submit applications individually or in partnership with other international or local organizations.

B. Cost Share

Cost share is encouraged under this APS to demonstrate goodwill and commitment of partners. Any cost share may be in-kind (such as volunteer labor or use of equipment/facilities at no cost to USAID) or cash investments or a combination of the two. A significant cost-share (10% or above) shows commitment and will improve the likelihood of a successful bid.

III. FUNDING

Subject to the availability of funds, a total of up to \$100 million is expected to be available to support programs under this APS. Of this \$100 million, \$75 million will be directed toward economic growth / job creation activities and \$25 million toward investments in people, including dealing with those directly affected by the conflict or those facing shortages of food or medical care, among other things. This amount may be adjusted. However, this APS will not accept proposals that request the payment of cash directly to individuals. USAID/Egypt retains the right to fund any or none of the applications submitted in response to this APS. Funds under this APS are available to support both short-term rapid-response programs (generally with duration of three to twelve months) as well as longer-term programs (generally with duration of twelve months up to two years).

It is expected that grants provided through this mechanism will range in value from \$50,000 to \$4,000,000. The period of performance for the grants is expected to range from several months to two years. However, USAID reserves the right to award grants in excess of these limits in certain situations depending on the grant timeframe, the applicant's institutional capacity, the geographic scope of the proposed program, and the type and extent of partnership or other teaming arrangements that are proposed.

USAID/Egypt anticipates making up to 60 grants through this APS. However, USAID reserves the right to make more awards as circumstances permit.

IV. OBJECTIVES AND AREAS OF INTEREST

A. Background

The recent revolution in Egypt has launched an unprecedented political and social transformation. The root causes are varied, but the economic disparity and lack of opportunity faced by the majority of Egyptians today were certainly contributing factors. Many are unemployed or in low-wage jobs, millions live in poverty and there is a growing social and economic gap between wealthy Egyptians and poorer Egyptians who represent the majority of the population. While the transformation in politics and society represent a tremendous new opportunity to accelerate equitable economic growth and innovation, the immediate impact of the unrest will be economic decline especially in sectors most affected by the protests.

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

Short-term economic wins, which include minimizing job-loss and maintaining household income levels, are critical to stabilizing Egypt's economy now. Nevertheless, these short-term goals should be achieved in a broader economic framework that will position the Egyptian economy for growth in response to political and social reforms resulting from the transformation presently underway.

This APS is targeting a wide range of potential beneficiaries who have been adversely affected by the recent political and economic turmoil. Specifically this refers to those who have lost their jobs, or are now underemployed, due to the recent unrest. In addition, because of secondary impacts of the unrest, including capital flight, inflation, and higher food prices, specific economic sectors may be of more interest to USAID in this APS. Sectors of interest may include, but are not limited to, tourism, agriculture, logistics, light manufacturing, food processing or small scale construction. Finally, certain groups of people, particularly those with dependents and who are consistently among the lower income groups are also targeted, including female-headed households, those from urban neighborhoods or informal settlements and the rural poor. This reference to targeting does not mean USAID will not consider proposals that do not work with these groups nor does it imply that USAID is not interested in working with others not specifically targeted.

Applicants can find information on current USAID programs at <http://egypt.usaid.gov> and at <http://usaideconomic.org.eg>.

B. Approach

In developing approaches to program activities, USAID strongly encourages applicants to consider the following goals and cross-cutting practices.

Goals

Employment and Job Creation

Immediate job creation, especially for Egypt's youth, is urgently required in order to alleviate the impact of the recent political unrest and address unemployment and underemployment problems. Applicants are encouraged to consider activities that directly create jobs and/or minimize job cuts through a variety of means. Of particular, but not exclusive interest, are job creation activities with immediate and very near-term impacts and programs that encourage or facilitate retention of employees who are currently employed but risk being laid off. The immediate need for job creation should be balanced with an approach aimed at workforce development issues and job growth.

Investing in People and Innovation

The people of Egypt and their ability to compete in an international marketplace will be the engine of economic growth. Investing in human capacity development and support to entrepreneurs will raise Egypt's global competitiveness. Applicants are encouraged to consider capacity building and training, entrepreneurship, and innovation where these approaches can be applied to accelerate short-term job creation.

Cross-cutting Practices

Build on Prior Experiences

USAID strongly encourages proposals that build on ongoing and prior programs in relevant areas, incorporate lessons learned from similar activities, and address specific unmet needs. USAID encourages innovative applications that capitalize on existing opportunities and organizational capacities. Proposals from new entrants are encouraged

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

as well with a vision toward learning from other organizations with relevant experience (see below).

Explore Teaming / Partnership Arrangements

To increase program impact and sustainability, USAID/Egypt strongly encourages applicants to consider partnership, teaming or other arrangements that make best use of existing organizational capacity. Approaches may involve the formal or informal establishment of coalitions, partnerships, consortia or other arrangements of civil society groups, activists and others. Coalitions may involve sub-contract or sub-grant relationships and/or may involve the use of information technology or electronic media for message dissemination, information gathering and sharing, and organizing efforts and activities.

Approaches that connect organizations in different geographic areas and with different skill levels are particularly encouraged. For example, applicants may consider teaming Cairo-based organizations with local organizations outside of Cairo. Likewise, urban-based organizations may consider working with their rural counterparts within the same or a neighboring Governorate. They may consider teaming larger more established organizations with new or young organizations, or linking similar kinds of coalitions from different geographic areas. There are many other options that could be considered as well that draw on the different strengths of different types of organizations.

U.S. and international organizations are strongly encouraged to consider substantive and significant teaming arrangements or partnerships with Egyptian organizations. Any teaming or partnership arrangement should clearly identify the way in which the arrangement would work, how decisions would be made and how resources would be allocated.

C. Program Areas

Under this APS, USAID is making funds available to complement ongoing activities within Egypt, build on programs carried out to date, incorporate lessons learned from prior programs, and meet identified needs in the areas outlined below. Applicants are encouraged to be creative when drafting their proposals, and should understand that the list of Program Areas and Activities below are provided for illustrative purposes only.

The five areas listed below have been identified as those where potential for rapid and sustained economic growth and job creation are possible. Proposals may cover one or more areas within the context of the approach described above. **The five Program Areas are: 1) Micro, Small and Medium-Sized Enterprise Development and Entrepreneurship; 2) Youth Employment and Capacity; 3) Local/Community Development; 4) Engaging the Private Sector in Community Development; and 5) Poverty Alleviation, Gender Equity and Economic Empowerment**

Proposed activities within these areas may include, but are not limited to, direct employment, paid internships or on-the-job training, training, technical assistance, sub-grants, the provision of equipment and supplies, and operating costs. All proposed activities shall directly and predictably relate to the achievement of program goals. Applicants are encouraged to propose the best mix of approaches and activities to achieve program results.

1. Micro, Small and Medium-Sized Enterprise (M-SME) Development and Entrepreneurship

The largest employment segment of the Egyptian economy is the M-SME sector, comprising over 80% of those employed in the economy as a whole and even more in some key labor-intensive sectors, such as agriculture. In addition, Egyptians are characterized by their entrepreneurial

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

skills and willingness to start a new business. Growth of the M-SME sector, as well as the promotion of entrepreneurship in the economy, will create a more dynamic private sector and increase job creation. Proposals may address key constraints to starting and running a business such as access to finance, training in business processes and services, trade promotion, market information, improved customer knowledge and access, improved market linkages and so on.

Illustrative examples of activities that may be supported include, but are not limited to:

- Assisting in the expansion of M-SMEs within specified value chains, with the aim of job creation and to accelerate growth in sectors that have good growth potentials such as agriculture, tourism, or ready-made garments. Assistance could be provided in a variety of ways, including trade promotion, developing links to financial firms, increasing access to finance through the value chain (asset-based finance), and technical assistance.
- Supporting agricultural producers, producers associations and agribusinesses to increase agricultural production and manage the value chain. Activities may focus on key constraints in the value chain including product distribution, processing and market access. For instance, contract farming approaches and expansion of market intelligent solutions that match products with export markets may be considered. (Other sectors may be considered, such as tourism or ready-made garments.)
- Supporting the construction sector through provision of low-income housing and small-scale community services (water, sanitation, electricity, and transportation).
- Identifying and/or providing assistance to promising start-ups, growth companies, and other M-SMEs, by helping them overcome persistent obstacles, such as registration, business licensing and rent seeking, or identifying opportunities through marketing or advertising.
- Supporting green jobs development, including support to enterprise start-up, workforce preparation and promotion of recycling, reuse, renewable energy, solid waste management and green building businesses.
- Providing assistance in making finance available to new or ongoing M-SMEs (including microfinance institutions). This may include such activities as establishing an angel investors network, creating a database of financing institutions, assisting firms to make loan applications with banks, or providing conditional grant funding with technical assistance to improve institutional capacity, cover operational costs, and stimulate lending, etc.
- Providing entrepreneur-related services such as training programs, access to finance tools, marketing skills and tools, startup technical assistance, and business planning.
- Supporting institutions that facilitate the provision of both financial and non-financial services to micro and small enterprises both new entrants, particularly youth, and existing ones. This may include risk and cost sharing to tap into risky products, industries/sectors, and others. Activities targeting women, particularly heads of households in disadvantaged areas, are highly encouraged.

2. Youth Employment and Capacity

Youth comprise a large segment of the unemployed in Egypt so addressing youth unemployment is a fundamental step toward stabilization. Many have noted that the revolution was driven in large part by, and through, the anger and disaffection of the youth, which in turn energized the entire movement. Those youth who have been, in the short run, most negatively affected by the unrest will be a priority for consideration. In addition, poor youth in urban neighborhoods, rural areas or in particular segments of the labor force, such as service sector or agriculture, are emphasized. Other important considerations include gender, whether a young person is a household head, educational level, and so forth. Proposals that engage youth in design and implementation, or are designed by youth themselves, will be viewed favorably.

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

Activities may include temporary direct employment of young people in renovation of public places (e.g. parks), or permanent employment in the private sector, and community-led construction and rehabilitation. Skills development may include such things as paid internships, technical training in specific technical areas, general soft skills that many businesses require (e.g. basic computer skills), business services and literacy and English language training for job skills. Those productive items that young people may utilize to start a business could be included such as a microloan as start up finance, mentoring, capital intensive machines, etc. Human capacity development may also be considered in areas such as targeted work in technical/vocational school or on-the-job training or mentoring. Activities in this area should clearly identify the skills needed for the job market, how those skills will be transmitted to the recipient and an explanation of how this will help the recipient to eventually find employment. Proposals that provide direct employment or convincingly describe a path to employment for targeted youth will be given highest priority. This APS will follow the Egyptian National Youth Council definition of youth as individuals 35 years of age and younger.

Illustrative examples of activities that may be supported include, but are not limited to:

- Directly employing youth in community based activities that enhance their skill base and meet specific community needs. Examples include, teaching young children to read, repairing a community center, meeting places, painting murals on public walls, cleaning parks, etc.
- Linking university students/graduates, technical school students, or regular high school students with employers for internships and job placement. Encourage private sector partners to provide paid internships to students.
- Establishing employment centers that liaise between job seekers and employers. This center may also facilitate matching of productive resources, such as capital, to innovative youth with a business idea.
- Establishing youth day or after school programs that address basic literacy and numeracy and soft skills required of employers, including the culture of work, the importance of timeliness, and reliability. Hire unemployed graduates to teach and mentor younger students in the community.
- Initiating an employment center based on utilization of new media, particularly web-based applications, in the service of business, e.g. sector based websites, market prices, to employ young computer literate university graduates. Encourage private sector partners to pay for the development and distribution of the service.
- Supporting the cooperation between local businesses and vocational schools in the administration of a business-education linkage for improvement in the quality of graduates and a better fit between local business needs and the academic institutions.
- Providing technical training in different skill areas, with specified and agreed-to linkages to private sector partners for practical training and to expand career development opportunities for technical, agricultural, and industrial graduates. This may include renovation of technical schools.
- Establishing and/or supporting youth groups and their networks to assist youth to link their interests and entrepreneurial skills to employment opportunities.
- Developing and using social media (e.g. internet-based applications, TV) for youth communication, networking, identification of opportunities, and sharing experiences. This can be linked with existing opportunities in the local job market.
- Supporting groups that assist youth in identifying their skills, experience, and interests to determine a career path and the additional education/expertise required to fulfill their goals.

3. Local/Community Development

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

A productive and growing economy requires human, institutional, and physical support to function effectively. It is rare that any community has the optimal combination of inputs for maximum economic output. Community members usually recognize the deficiencies that hinder increased employment in their own locality or sector but they often do not have the resources to effectively deal with those constraints. Working with communities, proposals should identify and describe the community, clearly articulate those constraints that limit business efficiency, productivity or employment, and demonstrate how the proposal will address those constraints and impact individual employees, firms, or sectors. Oftentimes, indirect costs, such as wage earners missing days from work due to illness, are as great as or greater than those associated with direct impacts on employers, such as higher input costs. Proposals that clearly illustrate the link between temporary job-creating activities and beneficial medium-term economic impacts will be given highest priority.

Illustrative examples of activities that may be supported include, but are not limited to:

- Supporting community-based institutions that can identify community needs and develop the local capacity to implement a specific project that meets that need. This may include the provision of specific public goods and the monitoring of its implementation.
- Upgrading of substandard community or household resources and services in order to increase short term jobs. Activities may involve rehabilitation of local roadways, bridges, canals, housing, sewerage and septic systems, solid waste disposal, water connections, and electricity. There will be a priority for using appropriate locally available labor and building materials.
- Supporting community-led environmental response including but not limited to beautification, trash collection, canal cleaning and systematic removal and disposal of waste.
- Creating capacity at the local level to provide advocacy on economic issues, particularly as it relates to business licensing and changes in relevant local business regulations.
- Assisting communities and local institutions to more effectively manage government assets through concessions or leases or other partnership arrangements.

4. Engaging the Private Sector in Community Development

Partnerships between employers and local communities can be an effective mechanism to mobilize resources for community improvement. The most benefit is derived from these partnerships when the local community has a direct and meaningful voice in the process of determining the partnerships, the goals or outcomes of the partnerships, the process of delivering services or benefits, and the ways in which these benefits are communicated to a wider audience. Typically, a catalyst or broker organization is needed that can help communities define community priorities and bring the important players to the table. Highest priority will be given to proposals that clearly state why a participating private sector partner (e.g. businesses) is interested in a particular community and why the outcomes are important to both partners. In addition, all private sector partners will be expected to make both cash and in-kind contributions to the partnership. Proposers should be able to identify the impacted community and their needs, the detailed description of the process in which the needs were identified, and a set of concrete and achievable goals.

Illustrative examples of activities that may be supported include, but are not limited to:

- Supporting the partnership between a local employer (food processor, hotel, garment manufacturer) and a community to achieve a mutually agreed to goal that employs people, improves public spaces, or trains youth.

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

- Encouraging employers to partner with technical education centers for internships and on-the-job training partnerships.
- Support dialogue between private sector entities and local government authorities to reduce transaction costs in business operations in business registration, licensing, and permitting.
- Promoting a coordinated plan between localities and private sector partners that improves private sector service provision.
- Promoting investment by overseas Egyptians in humanitarian response, training, direct service supply, etc.
- Coordinating sector-based trade groups (e.g. Food Industry Group) to come together and agree to delay any layoffs for a specified period.

5. Poverty Alleviation, Gender Equity and Economic Empowerment

Poverty alleviation addresses those individuals and/or households not historically integrated into the local economy. Support to the poorest segments of the population has an added urgency during times of social and political change when those public sector support institutions are not able to deliver services. Activities may include direct, short-term employment in specified areas, grants to households to pay for school fees, microfinance and business services to micro-businesses.

Illustrative examples of activities that may be supported include, but are not limited to:

- Providing assistance for those directly affected by the conflict, which may include medical assistance for those with injuries resulting from the conflict, food assistance in the face of shortages or increased food prices, and social assistance to deal with the stresses resulting from the recent situation and labor dislocation affecting Egyptians.
- Providing basic health and education services to the poor households and mobilizing and training community members to provide those services in the future.
- Supporting small community projects including household upgrading, public area and roads improvement, and water and electrical service upgrading to create local jobs and increase vocational/technical skills within the local workforce and employ the poorest or most disenfranchised members of the community.
- Promoting business, and employment opportunities for low income groups in agriculture, herding, construction, handicrafts, or natural resources management.
- Improving awareness and advocacy capacity among poor and low-income groups on government plans for better rationalization of food and utility subsidy to better target the poor and low-income.
- Designing and facilitating creative finance models and/or value chains that increase incomes of poor families by working with women producers.
- Assisting microfinance institutions in developing microfinance plus programs to increase access to finance and improve the quality of products produced and linkages to profitable end markets or middle people.
- Designing/using social media platforms (blogs, discussion boards, Facebook, Twitter), TV dramas, and radio programs that discuss gender roles in the workplace and gender inequality issues (e.g. women working outside the home after marriage).

V. APPLICATION PROCESS

Proposed programs should have an estimated value and performance period that is within the parameters described in APS Section III entitled Funding and the interest areas described in Section IV. USAID/Egypt may opt to exclude from further consideration any submission that is

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

not within these parameters. No program expenditures will be paid by USAID/Egypt, except those covered in a grant signed by the USAID Agreement Officer. USAID reserves the right to fund any or none of the applications received.

A. Step One: Submit Application (not to exceed 12 pages in total)

Eligible organizations interested in applying for a grant in response to this APS are invited to submit an application and budget summary via e-mail to EGAPS@USAID.GOV. Applications and all supporting materials must be submitted in English using font size 11 or larger.

A recommended template for the application and the budget submission are attached. In developing the submission, the applicant should carefully consider all information contained in this APS. **Applicants who would like assistance with translating Arabic proposals under this APS into English may send the final Arabic application to the Egyptian Civil Society Support project at: translation@css-egypt.com. The applicant bears full and sole responsibility for the final application submitted to USAID.**

For Step One, the applicant should submit:

1. Program Summary (Attachment 1) (not to exceed 10 pages) including:

- a. Strategy - Explain the specific problem to be addressed, the expected goals to be achieved, how this program supports the goals in this APS, and a short description of the strategy/approach to be used to achieve the proposed goals.
- b. Beneficiary Population, Geographic Range of the Program, and Gender - Define the expected numbers and type of beneficiaries of this program, and the geographic area in Egypt in which the proposed program will be conducted. All applications should include a statement addressing any gender issues, such as how the program benefits or includes women or how the applicant proposes to address gender disparity.
- c. Development Plan and Activity Description - Include a concise description of the activities that will be undertaken to achieve the proposed results and goals, and provide a general time line.
- d. Expected Output, Outcome and Impact - Applicants are encouraged to quantify expected results to the best of their ability in a monitoring plan for activities and achievement of results. For example, the number of jobs created (or protected), the US dollar equivalent of economic value added, and so forth. Proposers should clearly state how the results, impacts, progress, achievement, and sustainability, are measured and monitored. Offerors should also address project assumptions, risks and constraints.

2. Technical / Administrative Capabilities (See Attachment 1) (not to exceed 1 page):

Describe your organization's technical and administrative capabilities and past experience in conducting programs similar to the one proposed. Describe any partnership, consortium or coalition arrangements for the purposes of achieving the proposed program.

3. Past Performance (Attachment 2) (no page limit)

In a separate attachment, the application must list any similar or related programs conducted by the applicant or its partners over the past three years and include a brief statement of work

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

performed. Past performance information can be provided in a separate attachment, with no page limits. Reference information must include the location, award numbers (if available/applicable), a brief description of work performed and a point of contact for the award with current telephone numbers and/or e-mail. References other than those provided by the applicant may be contacted. A recommended template for providing past performance information is attached.

4. Budget Summary (Attachment 3) (not to exceed 1 page):

Provide a one-page budget summary that includes, at a minimum, the total funding requested from USAID/Egypt and the proposed cost share contribution (e.g. amount and whether in cash or in-kind). In addition, in the cases where there is a partnership with the private sector, please highlight the amount leveraged (cash and in-kind). Budgets should be presented in US dollars. (Budget templates are attached with this APS.)

Successful applicants will be expected to implement activities in compliance with USAID regulations defined in [Title 22, Code of Federal Regulations, Part 216 \(22 CFR 216\)](#). Prior to award, USAID will prepare an Initial Environmental Examination (IEE) covering the types of activities expected to be implemented under this APS. The IEE will provide guidance to applicants regarding which activities can be implemented without additional consideration and which may require consideration of additional environmental analysis, monitoring and/or mitigation measures. For more information regarding USAID's environmental compliance regulations, applicants are referred to the web-site:

http://www.usaid.gov/our_work/environment/compliance/regulations.html

B. Step 2: USAID Review of Application

A successful grant application will propose a program or project that is responsive to the stated purpose of this APS, and is evaluated favorably in light of how the activity will advance one or more of the following goals:

- 1) the proposed program creates short- or long-term jobs or can be demonstrated to minimize layoffs in a specific location;
- 2) the proposed program mitigates immediate and short-term financial risks or potential failure to individuals or Egyptian businesses; and
- 3) the proposed program increases the productivity or employability of a specific employed or unemployed members of the workforce.

The three main evaluation factors are listed in descending order of importance: Technical Merit, Organizational Capability and Past Performance are significantly important throughout the evaluation process and are relatively more important than the Cost Effectiveness factor.

1. Technical Merit

For Technical Merit, Technical Approach (as described below) is the most important sub-factor. The other sub-factors are Strategic Fit, Sustainability, and Gender.

Often, though not always, a grant application representing a partnership or consortium between two or more organizations, with a primary applicant in the lead, greatly enhances the evaluated technical merit of a proposed program. Partnerships that build on the relative strengths of participating organizations, with clearly defined roles and responsibilities of each organization in the proposal, may positively affect the evaluated merit of a proposal. All applicants are encouraged to consider partnerships and coalitions, as appropriate, to broaden geographic diversity of participating organizations and implemented activities and promote greater inclusion. Where such partnerships and

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

consortia include sub-grant relationships, the terms and conditions of such sub-grants should be clearly described in the proposal as well as the organization's capacity and experience in managing sub-grants.

- a. **Technical Approach:** The extent to which the proposed technical approach can reasonably be expected to produce the intended results in a specific timeframe. In most cases this will mean either additional or sustained employment among some defined population, an improvement in the employability of a specific population, and/or an increase in the competitiveness of the local economy.
- b. **Strategic Fit:** The degree to which the program will make a significant contribution towards achieving output, outcome, or impact (see above) in the areas of interest and addressing a specific unmet need.
- c. **Sustainability:** The probability that the program will continue beyond the life of the USAID/Egypt grant, and without USAID/Egypt funding, as applicable. Not all programs are expected to be sustainable. This will depend on the type of activities proposed.
- d. **Gender:** The effectiveness of the applicant's approach to gender issues pertaining to the proposed program and how the applicant proposes to address the issues. The technical approach in the proposal should also include gender considerations with a focus on the participation and benefits to each gender group.

2. **Organizational Capability**

Organizational Capability: effectiveness in terms of internal structure, technical capacity, key personnel, and monitoring plan in meeting its proposed project goals. Partnership arrangements, if any, with other organizations, which enhance the effectiveness and capabilities of program implementation, should be noted. Applicants are also encouraged to propose capacity building for partners for institutional strengthening and to contribute to program implementation and for the achievement of results and impacts, as applicable.

3. **Past Performance**

Past Performance: All applicants will be subject to a past performance review, with emphasis on prior projects, if any, which are similar to the project which is proposed. If the applicant has no past performance history, the applicant will receive a neutral rating.

4. **Cost Effectiveness**

Cost effectiveness is a significant factor but of relatively less importance than either Technical Merit, Organizational Capability, or Past Performance. A proposal may be recommended for funding based predominantly on the other. The cost effectiveness factor will be fully addressed before a final funding decision is made. However, applicants are also encouraged to consider partnership arrangements that enhance the cost effectiveness of program implementation and provide other important benefits as well.

A realistic commitment to cost share is generally viewed as enhancing the evaluated cost effectiveness of a program. The payment of any local taxes and fees shall be included as a cost share. **Please note that cost share is specifically tracked by USAID during program implementation to ensure compliance.**

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

Step Three: Negotiation and Agreement of Grant Terms

If USAID's review results in a recommendation for funding, then the organization and USAID/Egypt will enter final discussions to ensure all pre-award requirements are met and significant grant terms are negotiated and agreed. The exact details of this phase will vary according to the circumstances pertaining to each application; however, the following are common areas that require discussion and agreement prior to award:

1. Branding Strategy and Marking Plan

The organization will be requested to propose a branding strategy and marking plan that provides for appropriate acknowledgment of USAID/Egypt support, and will become a material element of the grant. It should be noted that USAID/Egypt maintains flexibility in branding approaches depending upon the type of activities proposed and the specific conditions of program implementation. For example, a statement of acknowledgment of support could be used when both the organization and USAID deem this to be appropriate.

Important, useful information on USAID's branding and marking policy can be found in USAID's on-line Automated Directive System (ADS) Chapter 320. ADS Chapter 320 sections concerning "assistance" apply to this APS. ADS Chapter 320 sections concerning "acquisition" do not apply to this APS. ADS Chapter 320 can be found on the USAID website: <http://www.usaid.gov/policy/ads/300/320.pdf>

A helpful list of Frequently Asked Questions (FAQs) about branding and marking can also be found on the USAID website:

http://www.usaid.gov/branding/marketing_faq.html

2. Monitoring & Evaluation

A preliminary Performance Management Plan (PMP) will be prepared by USAID/Egypt to measure the anticipated results under the APS. Individual grant PMPs must contribute to the overall APS PMP. Each grant that is awarded under the APS will be required to have a section on monitoring and the process of data collection. Each grant that is equal or exceeding \$4,000,000 will have both a monitoring and an evaluation section. The monitoring and evaluation section shall spell out in detail the required actions and activities to be undertaken by the awardee or recipient to guarantee that evaluation planning, baseline data gathering, periodic monitoring, adequate periodic performance reporting and other activities to facilitate the implementation of evaluations. The evaluations will examine the extent to which activities have achieved their intended results, estimate the overall development impact of USAID-financed activities and recommend any activity modifications needed to improve performance.

3. Payment Terms may include payment through the provision of advances, or payment through fixed obligation grants based on the establishment of program benchmarks.

4. Administrative Procedures may include items concerning administrative reporting and logistical requirements for the program including training components.

5. Cost Sharing Terms where applicable include any customs duties, sales taxes, social insurance taxes or other applicable local taxes and fees paid by the applicant that are directly related to the proposed grant will be included as a cost-share for the grant. Other cost share contributions are encouraged.

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

6. USAID-Desired Involvement during the implementation of the award, if it is substantial, a 'cooperative agreement' form of grant may be awarded, which will contain the details of USAID's involvement.

7. Other Award Terms may be included, such as audit, special provisions and/or special award conditions.

VI. USAID EVALUATION AND FUNDING DECISION

A. Schedule of the Evaluation Process

USAID will review applications on a rolling basis. USAID/Egypt will inform unsuccessful applicants in writing, explaining briefly why the concept application was not selected for funding. Applicants may request an oral briefing within 10 days of receiving this notification.

B. Pre-Award Responsibility Determination

A pre-award evaluation will be conducted and will include an examination of the application's budget details to ensure it is a realistic financial expression of the proposed program and does not contain estimated costs that may be unreasonable or unable to be charged under the program. Staff salaries will be considered reasonable to the extent that they are comparable to that paid for similar work in the relevant labor market; salary history will not be used to determine the salary range for a particular job category.

An additional pre-award 'survey' or assessment may be conducted if there is uncertainty about the organization's capacity to perform financially or technically, or if the organization has never had a USAID award, has not had any US Government award over the last five years, or if for any other reason the Agreement Officer determines a pre-award survey is in the best interest of USAID. The areas covered by a pre-award survey or assessment will vary according to circumstances, but may include reviews to ensure the organization meets the necessary standards for financial management, program management, property, procurement, reports and records, internal controls, is in good financial standing, and has the technical capacity to conduct the proposed program.

VII. OTHER INFORMATION

A. Policy and Procedure

USAID Automated Directive System (ADS), Chapter 303, contains USAID policy and procedures concerning "Grants and Cooperative Agreements to Non-governmental Organizations" and is available on our agency website: <http://www.usaid.gov/policy/ads/300/303.pdf>.

Awards will include language prohibiting transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism; the same will be required in all subcontracts and sub-awards.

Copies of referenced documents may be found via USAID ADS Chapter 303, including links to other websites. Copies of the referenced documents may also be requested from the points of contact listed in this APS.

B. A grant application will not be viewed as more desirable over another simply because it has a higher budget. Programs with modest scope and budget, which are viewed as having a strong

ANNUAL PROGRAM STATEMENT
TITLE: EGYPTIAN ECONOMIC SUPPORT
NUMBER: USAID-Egypt-263-11-005-APS

potential for positive impact and results, are preferred over more expensive, less effective programs.

There are numerous firms and organizations that offer to provide assistance in preparing concept papers and grant applications. The utilization of such services is at the sole discretion of the grant applicant. USAID does not endorse any of these or require their use with respect to this APS. Further, any costs incurred for such services would not be reimbursable by USAID, in the event a grant was issued.

It is possible that a proposal recommended for funding does not actually result in a grant award, due to insufficient availability of funding, or because an the organization is deemed not sufficiently capable of managing a USAID grant, or for other reason(s), which will be provided to the applicant.

A decision not to fund a program may occur at any phase of the evaluation process. No program expenditures will be paid by USAID/Egypt, except those covered in a grant signed by the USAID Agreement Officer. USAID reserves the right to fund any or none of the applications received.

C. Environmental Compliance

Successful applicants will be expected to implement activities in compliance with USAID regulations defined in [Title 22, Code of Federal Regulations, Part 216 \(22 CFR 216\)](#). Prior to award, USAID will prepare an Initial Environmental Examination (IEE) covering the types of activities expected to be implemented under this APS. The IEE will provide guidance to applicants regarding which activities can be implemented without additional consideration and which may require consideration of additional environmental analysis, monitoring and/or mitigation measures. For more information regarding USAID's environmental compliance regulations, applicants are referred to the web-site:

http://www.usaid.gov/our_work/environment/compliance/regulations.html