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RFA Issuance Date: August 31, 2012
Deadline for Receipt of Questions: September 11, 2012
Deadline for Receipt of Applications: October 15, 2012, 12noon, Manila local time

Subject: Request for Applications (RFA-492-12-000031): Philippine-American Fund for Entrepreneurship and Local Assistance for Development (PAUNLAD) Project

Dear Prospective Applicant:

The United States Agency for International Development Mission in the Philippines (USAID/Philippines) is seeking applications from eligible local Philippine organizations for a cooperative agreement in support of a five-year project entitled, "Philippine-American Fund for Entrepreneurship and Local Assistance for Development (PAUNLAD)", as fully described in this Request for Applications (RFA).

The PAUNLAD Project looks to establish a grant-making facility that provides seed grants to support business start-ups, promote innovation through entrepreneurship, and advance citizen advocacy for greater public accountability, transparency and integrity. The PAUNLAD Project, also referred to as the PAUNLAD Grant Facility, will oversee and manage the fund on behalf of USAID/Philippines. This grant administration entails issuing solicitations to local organizations, reviewing and pre-screening applications, awarding grants, monitoring and evaluating grant performance, closing out grants, and reporting to USAID. Qualifying sub-grantees of this seed funding must be chosen through local competitive processes. Individual sub-grants are expected to be at least ₱10,000,000. Sub-grants of smaller amounts may also be considered for innovative proposals that meet USAID objectives.

The PAUNLAD Project carries a total estimated budget of US$15,000,000 over a five-year grant-making and disbursement period. Approximately 80% of the PAUNLAD budget should be allocated towards sub-grants.

This funding opportunity is posted in Grants.gov, the U.S. government-wide portal for grant and cooperative agreement opportunities. This RFA, complete with the application package, can be downloaded by interested applicants from www.grants.gov. The RFA package consists of this cover letter and the following:

Section I – Funding Opportunity Description;
Section II – Award Information;
Section III – Eligibility Information;
Section IV – Application and Submission Information;
Section V – Application Review Information;
Section VI – Award and Administration Information;
Section VII – Agency Contacts; and
Section VIII – Annexes.

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It is the Applicant's responsibility to ensure that the RFA is downloaded in its entirety, including any future amendments. USAID bears no responsibility for data errors resulting from transmission or conversion processes.

Subject to the availability of funds, USAID intends to award a cooperative agreement to the successful applicant. USAID reserves the right to fund any or none of the applications received.

An applicant being considered for award who has never had a USAID grant, cooperative agreement, or contract, or has not received an award from any other U.S. agency within the last five years, will be subject to a pre-award survey to determine whether it has the necessary organization, experience, accounting and operational controls, and technical skills in order to achieve the objectives of the program.

All applications must be in the English language and must be received by the Regional Office of Acquisition and Assistance, USAID/Philippines, 8th Floor PNB Financial Center, Pres. Diosdado Macapagal Boulevard, Pasay City no later than the deadline date and time indicated at the top of this cover letter and in accordance to the instructions contained in this RFA.

Applicants must submit one (1) original and three (3) copies of the technical application, and one (1) original and one (1) copy of the cost application. Technical and cost applications must be kept separate and identified as such, with the name and address of the applicant, and the title and number of the RFA inscribed thereon. Late or incomplete applications will not be considered in the review process.

In addition to hard copies, the applications must be submitted in electronic form via email to manilapaunlad@usaid.gov with a copy to orpmailbox@usaid.gov. Receipt of applications via email will be confirmed. Note however that applications received only in electronic form will not be considered.

Any questions on the information contained in this RFA must be sent to Ma. Belinda de la Torre, Senior Acquisition and Assistance Specialist, at manilapaunlad@usaid.gov with subject line: "Questions on PAUNLAD RFA from [Name of Organization]" by the specified due date above. If it is determined that the answers to any questions are of sufficient importance to warrant notification to all applicants, a Questions and Answers document, and/or if needed, an amendment to the RFA will be posted at www.grants.gov.

A pre-application conference will be held on September 14, 2012, 2:00 pm at the Main Conference Room, USAID/Philippines, 8th Floor, PNB Financial Center, Pres. Diosdado Macapagal Boulevard, Pasay City. Interested applicants who wish to attend the pre-application conference must send an email with the names of representatives and their position titles to manilapaunlad@usaid.gov with the subject line: "Interested Applicant – [Name of Organization]". Since space is limited, only two representatives from each organization will be allowed.

The issuance of this RFA does not constitute an award commitment on the part of USAID, nor does it commit USAID to pay for costs incurred in the preparation and submission of an application. In addition, final award of any resultant agreement cannot be made until funds have been fully appropriated, allocated and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award.

Applications are submitted at the risk of the Applicant. Should circumstances prevent award of a cooperative agreement, all preparation and submission costs are at the Applicant's expense.

Thank you for your consideration of this USAID initiative. We look forward to your organization's participation.

Sincerely,

/s/
Sallie H. McElrath
Agreement Officer

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LIST OF ACRONYMS

ADS	USAID's Automated Directives System
AO	Agreement Officer
AOR	Agreement Officer's Representative
ADB	Asian Development Bank
BIP	Branding Implementation Plan
CCR	Central Contractor Registration
CDI	Cities Development Initiative
COMPETE	Advancing Philippine Competitiveness Project
COP	Chief of Party
CFR	U.S. Code of Federal Regulation
CSO	Civil Society Organization
D&B	Dun and Bradstreet, Inc.
DCA	Development Credit Authority
DOF	Philippine Department of Finance
DUNS	Data Universal Numbering System
FPI	Facilitating Public Investment
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GPH	Government of the Philippines
I3	Integrity for Investments Initiative Project
IPR	USAID Forward's Implementation and Procurement Reform
INVEST	Investment Enabling Environment Project
JUSTICE	Judicial Strengthening to Improve Court Effectiveness Project
LPG	Loan Portfolio Guarantee
M&E	Monitoring and Evaluation
MCC	Millennium Challenge Corporation
NICRA	Negotiated Indirect Cost Rate Agreement
NGO	Non-Governmental Organization
OMB	U.S. Office of Budget and Management
PAUNLAD	Philippine-American Fund for Entrepreneurship and Local Assistance for Development Project
PDP	Philippine Development Plan
PFG	Partnership for Growth
PGRB	PAUNLAD Grants Review Board
PHP	Philippine Peso
PMP	Performance Monitoring Plan
POC	Point of Contact
PWD	People with Disabilities
RFA	Request for Application
SEC	Philippine Securities and Exchange Commission
SME	Small and Medium Enterprise
TRADE	Trade-Related Assistance for Development Project
USAID	United States Agency for International Development
USD	United States Dollar
USG	United States Government
VC	Venture Capital

SECTION I – FUNDING OPPORTUNITY DESCRIPTION

A. PROGRAM DESCRIPTION FOR PAUNLAD PROJECT

1. Introduction

1(a) Background

The United States Agency for International Development, Philippines (USAID/Philippines) looks to establish the Philippine-American Fund for Entrepreneurship and Local Assistance for Development (PAUNLAD) to finance local partnerships that support the economic growth and good governance objectives of the Partnership for Growth (PFG) Initiative. The PFG seeks to address the most serious constraints to economic growth and development in the Philippines. The PAUNLAD Project will provide seed grants that support business start-ups, promote innovation through entrepreneurship, and advance citizen advocacy for greater public accountability, transparency and integrity. The PAUNLAD Project, also referred to as the PAUNLAD Grant Facility, will oversee and manage the fund. PAUNLAD will complement other support being given by the United States Government (USG) to the Government of the Philippines (GPH) in advancing the goals of the PFG. By working through a local implementing organization, and providing sub-grants to local organizations, PAUNLAD also contributes to USAID's goals for working more with host country systems in line with the agency's *USAID Forward* reform agenda.

The PAUNLAD Project will establish a grant-making facility to provide seed funding to qualifying sub-grantees through a local, competitive process. USAID/Philippines seeks proposals from Applicants to manage and administer this grant facility on behalf of USAID through a cooperative agreement. This grant administration entails issuing solicitations, reviewing and pre-screening proposals, awarding grants, monitoring and evaluating grant performance, closing out grants, and reporting to USAID. By issuing sub-grants that support inclusive growth, the PAUNLAD Project will contribute to two broad components contemplated under the PFG: governance and enterprise development. Subject to USAID approval, awards made under the facility will fund local, non-sovereign entities (private enterprises and civil society organizations) in efforts to reduce levels of corruption, accelerate employment generation, and contribute to a more competitive, market-driven economy.

1(b) The Partnership for Growth and the USAID/Philippines Country Strategy

The PAUNLAD grant mechanism, along with PFG planned technical assistance across areas of economic growth and governance, will assist the Philippines achieve the goal of moving from a low growth path to a higher, sustained and more inclusive growth trajectory on par with other high-performing emerging economies. PAUNLAD will contribute to Development Objective 1 ("broad based and inclusive growth accelerated and sustained") of USAID/Philippines' draft Country Development Cooperation Strategy.

Partnership for Growth (PFG)

USAID will play a leading role in implementing the USG-GPH PFG in the Philippines. An inter-agency effort under the US Presidential Policy Directive on Global Development, the PFG advances economic growth in countries committed to good governance.[1] The goal of the PFG bilateral engagement is to shift the Philippines from a low growth path to a higher, sustained and more inclusive growth on par with other high-performing emerging economies. The GPH and USG plan to work together to accomplish this goal through the following objectives:

[1] For more information on the PFG, visit http://www.state.gov/r/pa/prs/ps/2011/11/177225.htm.

- Create a more transparent, predictable, and consistent legal and regulatory regime in the Philippines, one that is less encumbered by corruption;
- Foster a more open and competitive business environment with lower barriers to entry;
- Strengthen the rule of law that is grounded in an efficient court system capable of delivering timely justice; and
- Support fiscal stability through better revenue administration and expenditure management.[2]

The PFG will provide USG assistance and non-assistance resources over the next five years to assist the Philippines overcome binding constraints to investment expansion and capital formation for increased employment and higher incomes.[3] The implementing partner for the PAUNLAD Project will have considerable interaction and coordination with implementers of other parts of the PFG, including implementers of the other USAID-managed projects and other USG agencies participating in the PFG.

Cities Development Initiative (CDI)

Some PAUNLAD sub-grants will support activities that complement other USAID project objectives in specific geographical areas where USAID/Philippines is implementing the Cities Development Initiative (CDI). This Initiative begins with the assumption that growth trajectories of nations are closely linked to the urban environment, where cities act as engines of economic growth. In line with the PFG, CDI seeks to assist the Philippines to promote higher, sustained and more inclusive growth by providing a range of development interventions in targeted cities. Activities aim to:

- Improve the investment climate by fostering a more open and competitive business environment less encumbered by corruption and regulatory burdens;
- Support investments in high-value industry clusters;
- Facilitate infrastructure improvements and public service delivery; and
- Enhance human capacity resources to take advantage of emerging economic opportunities.

This initiative embodies a cross-cutting development intervention that takes a whole-of-Mission approach to work strategically in targeted cities. To maximize USAID's contribution and impact, USAID/Philippines' resources will be leveraged and (re)directed to support economic development in priority cities ripe for higher growth. Designed in collaboration with local partners, a development assistance package will be launched, comprising a series of mutually re-enforcing development interventions cutting across all the technical offices.[4] These development interventions derive from existing projects (reprogrammed to prioritize targeted cities) and future interventions currently in the design phase. Criteria for city selection includes: an enabling environment for growth; credible city government commitment to economic reforms and good governance; committed local partners; engaged private sector community; and likelihood of producing impact. Pilot cities (Batangas, Cagayan de Oro, Iloilo) have been chosen to test this innovative approach to USAID programming in support of

[2] Informed by current research and field assessments, a USG and GPH economic team conducted an analysis of the binding constraints to growth in the Philippines to prioritize key interventions to be undertaken by the PfG. The growth diagnostics and constraints analysis study provided a guide in developing a focused strategy intended to maximize the impact of development efforts. This assessment identified weak governance and narrow fiscal space as the two binding constraints to growth. Joint USG-GPH Technical Team, *Constraints Analysis* (Manila: Partnership for Growth: Philippines, 2011).

[3] The Joint Country Action Plan for Implementing the PFG is a public document available on the USAID website: http://philippines.usaid.gov/sites/all/themes/sample/docs/Philippines-PFG-JCAP_public-final_11-29-11.pdf.

[4] These technical offices include: the Office of Economic Development and Governance, Office of Education, Office of Energy, Environment, and Climate Change, and Office of Health.

inclusive growth and development. The initiative will be scaled and expanded to additional cities in subsequent years.

USAID Forward – Implementation and Procurement Reform (IPR)

USAID has embarked on an ambitious reform effort, USAID Forward, to change the way the Agency does business. USAID Forward aims to modernize and strengthen USAID so that it can meet the most pressing development challenges and work more efficiently towards its ultimate goal—creating the conditions where USAID involvement is no longer needed.

As part of the reform efforts under USAID Forward, the Agency is committed to changing its business processes by contracting with, and providing grants to, more and varied local partners through Implementation and Procurement Reform (IPR). Integral to USAID's IPR, the PAUNLAD Project seeks to build more local capacity, while also streamlining Agency procedures so that USAID can work with a broader range of partners and increase procurement competition. As a leading implementer of IPR for the agency, USAID/Philippines aims to establish true partnerships to create the conditions where aid is no longer necessary in the country. As envisioned by the PAUNLAD Grant Facility, this important USAID Forward reform initiative seeks to reestablish implementation mechanisms that permit USAID to engage directly with local partner entities (enterprises and organizations). The undertaking is crucial to achieving the permanent and transformational development results that the USG seeks to advance. This approach ensures that a greater share of development dollars are directed to the Philippine economy and that local institutions will have a stronger capability for contributing to and sustaining the country's development. Specifically, the PAUNLAD Project will support IPR Objective 2: strengthen local civil society and private sector capacity to improve aid effectiveness.

1(c) Relationship to Development Priorities of the Government of the Philippines

The PAUNLAD Project seeks to fulfill the goals of the 2011-2016 Philippine Development Plan (PDP) of improving the country's national competitiveness by, among others, catalyzing entrepreneurship in priority, high-growth sectors of the economy. The Project also aims to promote the PDP's normative standards of good governance by fostering participation, ensuring transparency, demanding accountability, promoting efficiency, and upholding the rule of law in economic, political, and administrative institutions and processes.[5]

2. Problem Analysis and Overview

2(a) Unmet Socio-economic Promise

In the early years following World War II, the Philippines seemed poised for long-term economic success. Within Asia, only Japan had a higher standard of living. By the early 1990s, the country was routinely dismissed as being behind other economies in a fast-growing region. Over the years, economic gains have proven relatively modest, short-lived, and unevenly distributed. As some suggest, the Philippines contains all the ingredients for developmental success: a rich endowment of natural resources; entrepreneurial talents; an educated and Anglophone workforce; a community of economists and development specialists; and abundant overseas assistance. Yet, the country has been unable to convert its substantial developmental assets into economic success.

Poverty continues to be a problem, especially in the rural countryside,[6] despite moderate economic growth in recent years. Hindering the positive impact of growth on poverty reduction, inequality

[5] Government of the Philippines, *Philippine Development Plan 2011-2016* (Manila, 2011).

[6] As of 2009, poverty headcount ratio at national poverty line (% of population) stood at 26.5%. World Bank, *World Bank Database*, data.worldbank.org/country/philippines. For a recent discussion of poverty in the Philippines, see

remains stubbornly high, limiting sustained growth and the country's overall development. In short, growth has not been inclusive.[7] As a result, the Philippines continues to suffer from a dualistic economic structure marked by a small industrial base, on the one hand, and the relatively unproductive agricultural and services sector, on the other.[8] The country's stagnant industrial sector translates into a chronic deficit in productivity growth, high unemployment, slow poverty reduction, and low investments in comparison to its regional neighbors.[9]

Structural dualism in the economy has severe consequences, particularly on job creation in the formal sector. Despite the need for highly skilled workers in the urban industrial sector, for example, the unemployment rate for college-educated persons is higher than less educated workers.[10] Ironically, the country faces an emerging skills gap, particularly in the service and manufacturing sectors.[11] Over the past decade, an average of 846,000 Filipinos enter the workforce each year; but the economy lacks the capacity to create quality jobs to absorb this labor market. Recent projections also paint a gloomy outlook for the labor force, which is projected to increase by over 50% from 34 million (in 2005) to 52 million (in 2030). In the Philippines, unemployment has been characterized as a 'time bomb.'[12] Even with access to overseas job market, the Philippines will need to attract major investments to create employment domestically. Local business leaders stress that creating new jobs and training workers with skills needed in existing and emerging industries are the two most serious challenges for the Philippine economy in the coming decades.[13]

In the view of some, the close overlap between politics and big business has created roadblocks for outsiders and new market entrants in their efforts to gain access and influence, resulting in a political economy that impedes Philippine development.[14] As a result, high income-inequality thwarts the aspirations of a narrow middle-class whose response to economic incentives often leads to out-migration.

Asian Development Bank, *Poverty in the Philippines: Causes, Constraints, and Opportunities.* (Mandaluyong City: Asian Development Bank, 2009).

[7] As measured by the Gini coefficient, income distribution in the Philippines is highly uneven. The country's Gini coefficient of 43.0 is among the highest in Asia. World Bank, *World Bank Database*, data.worldbank.org/country/philippines. A Gini index of 0 denotes perfect equality, while an index of 100 implies perfect inequality.

[8] See Paul Krugman, J. Alms and E. Remolona, *Transforming the Philippine Economy* (Quezon City: APO Production Unit, 1992); and John V.C. Nye, *Taking Institutions Seriously: Rethinking the Political Economy of Development in the Philippines*, Vol. 28, 1 vols. (Asian Development Review).

[9] Nori Usui, *Transforming the Philippine Economy: "Walking on Two Legs"*, Asian Development Bank (Mandaluyang City: ADB Economics Working Paper Series No. 252, March 2011).

[10] Nye, *Taking Institutions Seriously*.

[11] Human Development Department, East Asia and Pacific Region, *Philippines Skills Report: Skills for the Labor Market in the Philippines* (World Bank, March 2010).

[12] Jesus Felipe, *Growth, Full Employment, and Structural Change: Implications and Policies for Developing Asia* (Mandaluyang: Asian Development Bank, 2010).

[13] Joint Foreign Chambers of Commerce of the Philippines, *Arangkada Philippines 2010: a Business Perspective* (Makati City: American Chamber of Commerce of the Philippines, Inc., 2010).

[14] Paul D. Hutchcroft, *Booty Capitalism: The Politics of Banking in the Philippines* (Ithaca, NY: Cornell UP, 1998). Through an examination of interactions between the state and the major families of the oligarchy in the banking sector since 1960, the book highlights the Philippines as an archetypal relationship between political and economic development in the modern Third World.

2(b) Philippine Citizenship in the Face of Economic and Power Asymmetries

The Philippines boasts one of Asia's oldest and liveliest democracies, in terms of public interest and participation in the electoral process. Framed in 1987 following the ousting of dictator Ferdinand Marcos, the current constitution guarantees 'life, liberty, and property' in a US-style bill of rights. The success of the Philippines first automated polls in the 2010 contributed to greater trust in the electoral process and in the credibility of the Commission on Elections.[15] By some estimates, the Philippines benefits from a vast community of civil society, think tank, media, academic, and private sector organizations.

Despite a long tradition of democracy, the Philippines experiences weak governance, inconsistent rule of law, and widespread corruption. Deep social and political divisions continue to persist alongside problems of inefficiency and corruption in government. Governance issues present binding constraints to broad-based economic growth in the Philippines. In 2011, the Philippines ranked 129th, below 70 percent of all countries surveyed in the Corruption Perceptions Index, which measures the perceived level of public corruption in 178 countries.[16] According to the World Governance Indicators, the Philippines has consistently ranked in the lower half of six dimensions of governance.[17] Corruption continues to undermine the faith of its citizens in local and national government institutions and hampers the ability of these institutions to deliver public services, improve people's welfare, and protect their rights. In effect, weak governance poisons the implicit social contract of citizenship. Moreover, political instability, corruption, and weak rule of law have severe negative effects on investments. Corruption increases the cost of doing business, deters both foreign and domestic investment and pre-empts competition. The Global Competitiveness Index (GCI) ranked the country 75th out of 142 economies in 2011-2012. The GCI Report listed corruption and inefficient government bureaucracy as the two most damaging factors to doing business in the Philippines.[18]

While economic gains in early 2012 are encouraging (with GDP growth of 6.4% in the first quarter of 2012), [19] more sustained efforts are needed to produce inclusive, broad-based growth in the Philippines. Over 10% of the population live and work abroad.[20] According to surveys, a staggering one in five Filipinos wants to migrate.[21] In such an environment of limited economic opportunity, the vibrant Philippine democracy settles into an uneasy and unstable truce in a clan-patronage system lacking meaningful countervailing forces and interest groups to balance competing claims upon the state.

Nonetheless, the political outlook for the country points to improving governance, with multiple signs of improved accountability and much needed reforms.[22] The Aquino administration has made a point of placing the fight against corruption at the top of his agenda, and this commitment is also reflected in the Good Governance and Rule of Law Chapter of the PDP. In this Plan, the GPH lays out its commitment to

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[15] Social Weather Stations, June 28, 2010. *Second Quarter 2010 Social Weather Survey: 75% of Filipinos satisfied with the conduct of the May 2010 Elections.*

[16] See www.transparency.org

[17] See info.worldbank.org/governance/wgi/sc_country.asp

[18] GCI defines competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. A copy of the report is available at http://reports.weforum.org/global-competitiveness-2011-2012/

[19] http://www.nscb.gov.ph/

[20] Oxford Business Group, 2009. The report: The Philippines 2009.

[21] Walden Bello, Herbert Docena, Marissa de Guzman and Marylou Malig, *The Anti-Development State: the Political Economy of Permanent Crisis in the Philippines* (New York: Focus on the Global South, 2004).

[22] Business Monitor International, *Philippines Business Forecast Report Q1 2012* (London: Business Monitor International).

decisively curb corruption by ensuring the speedy resolution of large-scale corruption cases, strictly enforcing anticorruption laws and policies, intensifying corruption prevention efforts, and strengthening integrity mechanisms. The PDP outlines a legislative and policy agenda intended to improve the legal framework for anticorruption, and pledges to expand and harness private sector initiatives that promote good corporate governance. Efforts already underway indicate a commitment to greater transparency and accountability in government, and recognition of good governance practices, at the local and national levels. Furthermore, the judiciary has demonstrated a continued commitment to implementing reforms to promote efficiency and reduce delay, fill-up court vacancies, develop the capacities of judges and court personnel, reward good performance, and enforce discipline on erring personnel.

Efforts to support and empower civil society organizations (CSOs) need to be deepened, strengthened, and strategically directed in reform areas that redress the dualist nature of country's political economy. As a manifestation of political and economic competition in the market-place for ideas, these interest groups provide key tools to check the integrity of public offices and a fundamental counterbalance to bolster reforms in the public sector and the wider political economy.

Capacity is robust in the civil society sector of the Philippines. Filipino CSOs are among the most vibrant and diverse in the region and have made great strides in pushing reform over the last two decades, including in the areas of procurement, corruption, elections and local governance. The business sector likewise participates in policy-making; many foreign and local businesses make their views known through the trade and industry associations around the country. In the Philippines, CSOs have become involved in monitoring public budgeting and expenditures, analysis of public perceptions on corruption, online reporting of corruption, and monitoring of compliance on regulations such as public disclosure and third party oversight of government contracting processes. In terms of procurement, civil society oversight is required by law.[23] Media freedom is guaranteed in the Philippine Constitution, and there are no licensing restrictions and few legal limitations for journalists, at local and national levels, who freely cover even controversial governance issues, including corruption. These CSO efforts need to be deepened and strengthened, as they are key tools to check the integrity of offices and a fundamental counterbalance to public sector reform efforts. They can promote greater transparency, and sunshine policies that improve society's access to information.

3. Goal and Objectives

The ultimate goal of PFG is to shift the Philippines from a low growth path to a higher, sustained and more inclusive growth trajectory on par with other high-performing emerging economies. The PAUNLAD Grant Facility will support non-State actors in activities that contribute to this overarching goal of the PFG. PAUNLAD sub-grants seek to improve government accountability and transparency, strengthen the trade and investment environment, catalyze entrepreneurship, support business start-ups, and fortify the underutilized potential of the Philippines' human, economic and natural resources. PAUNLAD sub-grants aim to engage citizen participation and advocacy, and unfetter the country's entrepreneurial spirit for economic empowerment that eventually leads to a broader middle class able to advance more enforceable claims of citizenship.

[23] The Philippines' primary statute on public procurement is Republic Act (RA) No. 9184, called the "Government Procurement Reform Act of 2003." Section 13 of the GPRA indicates that at all stages of procurement, the Bids and Awards Committee (BAC) is required to invite observers, those being from a duly recognized professional organization in a sector or discipline relevant to the procurement at hand, or from a non-governmental organization.

4. Program of Work

4(a) Component Activities

As a part of its commitment under the PFG, USAID will award a cooperative agreement that establishes a grant-making facility that funds local, non-sovereign entities (enterprises and organizations) in efforts to advance citizen advocacy for greater accountability and integrity and at the same time promote enterprise development through such initiatives as supporting business start-ups. The PAUNLAD Project will entail creating a grant-making facility and subsequently, administering sub-grants that provide seed funding to qualifying recipients through a local, competitive process.

The Applicant will be responsible for ensuring that sub-grants issued within the PAUNLAD Project are selected and directed such that they contribute to PFG governance and economic growth objectives through achieving desired results such as those detailed below. Furthermore, the eventual implementer of PAUNLAD will be required to strategically focus the sub granting activities such that the sub-grants are proportionate to and substantively reflect the categories of funding allowed for this USAID Project, anticipated to be divided roughly in half between and governance/rule of law and economic growth objectives.

In order to facilitate monitoring and for consistency in the evaluation of applications to manage the PAUNLAD Grants Facility, USAID requests Applicants to use these components in their application:

Component #1: Governance Sub-Grants to Advance Integrity and Transparency

USAID supports more legitimate, inclusive and effective governments that are responsive to the needs of their people. In line with other efforts to strengthen rule of law and improved governance within the Partnership for Growth, the "governance" sub-grants within this component of the PAUNLAD Project will promote effectiveness as well as transparency, accountability, and citizen participation in government institutions and public policy reform processes. The existence of diverse and competing interests forms the basis for stronger checks and balances to the benefit of an efficient market economy. Greater integrity and accountability on the part of government institutions will reduce room for corrupt practices and their consequences, thereby resulting in more efficient delivery of public services, a better perception of government, and consequently, improved confidence by citizens and investors in the Philippine economy and state.

This component of the grant-making facility will focus on supporting civil society efforts to combat corruption, promote rule of law, promote market-enabling institutions, bolster corporate integrity, and contribute to a more vibrant, broadly participatory Philippine democratic political culture.

Governance grants will be used to strengthen and deepen the transparency and integrity initiatives of civil society (including private sector business organizations, media associations and academic institutions) for advancing key economic and anticorruption reforms, corporate integrity measures, , and citizen oversight of public institutions. By mobilizing private sector and public support, these organizations help to insulate reforms from political interference, leaving them more likely to succeed in passage and implementation.

To improve oversight and advocacy throughout the economy, the PAUNLAD Project, in close cooperation with the CSO Project, aims to increase the breadth and latitude of civil society groups for pushing reforms, promoting integrity and accountability, and discouraging corrupt practices. Activities supported through sub-grants should directly contribute to indicators of governance and economic growth within PFG such as reducing corruption and expanding establishment of new businesses.

Sub-grants for governance themes could take the following forms:

- **Advocating for government accountability, effectiveness and transparency.** Civil society efforts to promote improved government performance and accountability, such as CSO initiatives to: perform budget monitoring of individual government agencies including local government units (LGUs); monitor financial flows from tax collection to disbursement; help to establish public accountability tools such as government agency performance scorecards; engage local government on development planning and execution, in areas such as infrastructure development and disaster mitigation; strengthen the oversight of public procurement reforms already underway and help set-up of a monitoring system to publicly track budget items considered to be high-risk in terms of corruption and wastage. Other CSO efforts that can be supported include those which perform citizen oversight and advocacy for greater accountability in the courts, and more effective and efficient delivery of justice; CSOs may monitor (and report on) progress of specific corruption cases or of judicial issuances (e.g. temporary restraining orders & rulings on commercial disputes); and they may also perform watchdog type actions over controls for quality and performance in the courts such as selection, appointment, and performance evaluation of judges.
- **Strengthening efforts to improve integrity and transparency.** Relevant activities include innovative initiatives by private sector, research, academic, and other non-governmental organizations that build public support and strengthen measures that raise the cost of corruption. Examples of activities in this area are: bolster enforcement efforts by monitoring/reporting corrupt practices and by voicing outcry about stalled high profile corruption cases; support business and professional associations and chambers of commerce to champion professional standards and good corporate governance practices; create more opportunity for individual action by innovating social media, cell phone or other technology that broaden public participation in the fight against corruption; and support campaigns that highlight the link between corruption and poorer public services, lower investment, slower growth rates, and social/economic inequity, while also articulating procedures for reporting corrupt practices.
- **Mobilizing constituencies for reform.** Because political and economic reform generally occurs in response to civic action and engagement with government, activities that can be supported by USAID in this thematic area include efforts of civil society and advocacy organizations that give voice to citizens and increase their influence on political processes and market reforms. These organizations may include rights and pro-democracy groups, professional associations, business associations, consumer advocacy groups, and informal groups such as student movements.

Applicants may propose other activities that address the objectives as well. For this component, the Project expects to make several multi-year grants to Philippine nongovernmental organizations to promote greater transparency and mitigate corruption in areas relevant to creating a stable investment climate. Award preference will be given to proposals that complement USAID's governance portfolio. Close to half of all funds awarded under the PAUNLAD Grant Facility is expected to support this sub-component.

Component #2: Economic Growth Sub-grants to Promote New Business and Entrepreneurship

In Philippine industry, micro-enterprises account for 92% of all firms, large-scale firms 0.3%, and SMEs less than 8%. The massive expansion of SMEs, also referred to as the "missing middle," will play a vital role in the country's efforts to promote broad-based economic growth. This PAUNLAD component focuses on sub-grants to promote competitiveness, innovation, and development of entrepreneurial spirit in the economy as key drivers of economic growth. The strategic focus of sub-grants under this component could take the following forms:

- **Support Business Start-ups and Incubators.** In this grant category, USAID encourages business start-ups, particularly SMEs, with the potential to generate lasting employment. PAUNLAD grants will provide a direct funding source for SMEs to support economic growth. USAID is keen to provide opportunities to those with the skills and burning desire to turn their bright ideas into viable businesses. PAUNLAD grants may also fund business incubators to assist the development of entrepreneurial companies through an array of business support services and resources. The following activities are eligible for sub-grant awards: provision of seed capital to support local enterprises with innovative ideas for commercial success; establishment of business incubator programs; facilitation of start-up businesses from ideas to investment readiness through intensive mentoring from industry experts and access to markets and investors; promotion of vocational training and internship programs for youth (or young adults) including apprenticeship and job placement schemes.
- **Expand the availability of venture capital (VC) funds and other non-bank financing for SMEs.** A sub-set of private equity, VC refers to financial capital provided to early-stage, high-potential, high risk, growth startup companies. In developed capital markets, VC generally appeals to new companies with limited operating history (and thus unable to secure bank loans or complete a debt offering) and too small to raise capital in the public markets. In developing countries, fully developed market institutions remain lacking; and problems of corruption, transaction costs, and secure property rights for investors and venture capitalists increase the overall risk premium. The VC industry in the Philippines remains small, where investments typically target family-run businesses. Such family-run businesses may lack technological proficiency, financial transparency, and business planning skills required by venture capitalists for their own due diligence.[24] The following VC activities are eligible for sub-grant awards: promote an enabling policy and regulatory environment to encourage the operations of VC funds; review and establish rules that facilitate equity financing in SMEs in tourism and agri-related businesses; leverage resources of existing VC arrangements through public-private alliances; support and expand VC networking and co-investing arrangements; promote greater SME awareness of equity financing and conduct dialogue with stakeholders to better understand constraints to industry development; review exit mechanisms available to venture capitalists, including constraints to the development of the small board exchange for listing of small businesses; and improve financial transparency of investee companies.
- **Enhance business networks and public-private alliances**. Expected to bring significant new resources, ideas, technologies and/or partners to confront development problems, private sector alliances leverage limited USG funds with private sector resources to co-invest in a public good. In addition, such partnerships will harness private sector capabilities to address key economic development issues in the Philippines. The following activities are eligible for sub-grant awards: strengthen business networks; support for corporate integrity, business advisory services, access to markets, and industry mentoring; facilitate international and domestic linkages to promote investment and trade; promote agribusiness though value adding services and markets development; link research and development institutions (such as universities) with the private sector; strengthen business roles in development; promote shaping successful corporate/private business development strategies aligned with the PFG development goal; provide matching grants (leveraging of resources where possible) to support private-public alliances that prioritize issues of concern, develop potential solutions and enter into dialogues with government counterparts to implement joint reforms.

[24] Scheela, William, and Ronald Chua. Venture Capital in a Development Country: the Case of the Philippines. Unknown, n.d.

Applicants may propose other activities as well. For this component, the Project expects to make several multi-year grants to Philippine enterprises and business associations to support efforts to generate lasting employment and living wages, with an emphasis in promoting the expansion of businesses in the priority sectors identified in the PDP and USAID's anticipated COMPETE Project. Award preference will be given to market-based and sustainable solutions that catalyze entrepreneurship, seed capital to support local enterprises with bright ideas for commercial viability, business start-ups with strong multiplier effects, innovative business ideas with forward and backward linkages in the economy, scalable activities that show promise to create jobs in high-growth, priority sectors, activities with a geographic emphasis in areas of greatest growth potential (such as the regions selected for the USAID's CDI), and proposals that complement USAID's economic growth portfolio. Over half of all funds awarded under the PAUNLAD Grant Facility is expected to support this sub-component.

4(b) Sub-Grants

The Applicant will conceptualize and develop a grant-making facility that will provide the seed funding necessary to qualified PAUNLAD sub-grantees for activities that lead to the desired results of PFG, as described above. Individual sub-grants are expected to be at least ₱10,000,000 (10 million PHP) . Sub-grants of smaller amounts may also be considered for innovative proposals that meet USAID objectives. The PAUNLAD Project carries a total estimated budget of US$15,000,000 (15 million USD) – subject to the availability of funds – over a five-year grant-making and disbursement period. USAID anticipates that approximately 80% of the PAUNLAD award budget will be allocated towards sub-grants. Applications will be evaluated in part, on the efficiency and value proposed for the management structure, such that the Project will ensure a strong grants management team and system, but will also maximize the opportunities for grant-making as the primary use of the Project funding. Support will be provided primarily for projects that address the illustrative activities and results as described in this RFA.

The Applicant should be familiar with the rules and regulations governing USAID grant-making mechanisms, particularly as they apply to the solicitation and administration of sub-grants. The Applicant is not limited to the procurement mechanisms used by USAID, but may take into consideration the types of solicitation and procurement processes the agency employs (e.g. Requests for Application, Annual Program Statements (APS's), Fixed Obligation Grants (FOG's).[25] The implementing partner of the PAUNLAD Project is responsible for ensuring that all USG guidelines and regulations related to the issuances of grants are followed and strictly adhered to. Applicants must familiarize themselves with these regulations, which flow down to the awarding of sub-grantees under the PAUNLAD grant mechanism. PAUNLAD sub-awards will be locally competed and will be subject to USAID approval.

The grant-making facility will use a local, competitive process for award of sub-grants. Occasional, sole source sub-granting opportunities that satisfy the requirement of meeting PFG objectives may be considered on an exception basis. In addition, the Applicant will have to ensure that sub-grantees have their own structured, auditable systems and procedures of accounting and activity management. To support the requirement of sub-grantees to have structured, auditable systems and procedures of accounting and activity management, the Project may attribute a small portion of the overall sub-grant budget toward capability-development assistance for sub-grantees. Pre-screened and pre-selected sub-award applicants for USAID's review must (i) demonstrate significant likelihood for development results and (ii) encompass geographic diversity and gender considerations in line with Project objectives.

[25] USAID's internal guidance, policy directives, required procedures, and standards for the award and administration of USAID grants and cooperative agreements can be found in the Automated Directives System (ADS) Chapter 303: Grants and Cooperative Agreements to Non-Governmental Organizations.

An important component of the PAUNLAD Project is effective sub-grant administration. The PAUNLAD Project will fulfill a range of program-related and administrative functions. As a grant-maker, PAUNLAD will be responsible for: 1) developing procurements and solicitations; 2) receiving and logging proposals; 3) vetting potential sub-grant recipients; 4) ensuring that proper administrative and financial controls are in place to administer funds and ensuring compliance with applicable regulations; 5) coordinating a review and approval process with USAID's representative of this program; 6) working with winning sub-grantees and with USAID's representative for the organization and implementation of appropriate signing ceremonies and events to publicize the sub-grant in question and USAID's support; 7) monitoring and reporting (both internally to USAID and for public outreach) on grant implementation; 8) closing out sub-grants; and 9) providing limited capacity building support to PAUNLAD sub-grantees where necessary and appropriate.

The effectiveness of the Applicant as a grant-maker is of paramount importance. On-going support to sub-grantees is crucial to enhancing impact. Moreover, the Applicant's proposal must ensure that the time to apply for and report on the sub-grant is commensurate with the grant size/period. For that reason, the last issuance of sub-grants will have to take place well before the conclusion of this Cooperative Agreement, i.e., one year prior to agreement end, for example. By and large, USAID recommends that sub-grants issued by the implementer not be for periods less than 12 months of performance, and that they not exceed three years.

4(c) Critical Issues and Considerations

The following implementation issues should be considered in the development of the application:

- Organization and Deployment. The Applicant will make sub-awards in support of Project components. As such, the Applicant's organization in the proposal will need to demonstrate the capacity to confer and administer such sub-awards. The Applicant should consider options of how to organize and deploy its implementation staff most effectively. Potential Applicants may be comprised of a prime organization with a significant grant-making arm, a consortium of organizations, or a partnership that combines grant-making or other pertinent expertise relevant to successful Project implementation. If, in the process of Applicant selection, USAID determines that the apparently successful Applicant organization requires strengthening in specific areas of financial or organizational management, steps will have to be taken, or provisions included in the Cooperative Agreement, that ensure that the PAUNLAD implementer will have the capability to adequately manage and account for USAID funds.

- PAUNLAD Grants Publicity and Promotion. The Applicant must demonstrate a credible plan to publicize, promote, and solicit applications widely for sub-awards under the Project. Pre-screened and pre-selected sub-award applicants for USAID's review must (i) demonstrate significant likelihood for development results and (ii) encompass geographic diversity and gender considerations in line with Project objectives.

- Private Sector Buy-in and Commitment. The Applicant's grant-making plans should include efforts to leverage the vast resources of the private sector to expand the impact of the PAUNLAD sub-grants.

- Profit Resulting from Sub-grants. Guidance in ADS is explicit about the prohibition of recipients

or sub-recipients of USAID assistance to generate any profit.[26] As per the 22 CFR 226.81, "Prohibition Against Profit," prohibits profit to recipients and sub-recipients of USAID assistance awards. While 22 CFR 226 is specific to U.S. Non-Governmental Organizations (NGOs), its principles are more broadly applicable and the USAID standard provisions for non-U.S. NGOs include the prohibition against profit for recipients and sub-recipients. If the sub-grants result in generation of profit, those proceeds must be used in accordance with 22 CFR 226.24 and with the approval of the Agreement Officer, USAID should consider the best uses of program income.

- Program Income. The Recipient shall account for all Program Income in accordance with 22 CFR 226.24 (or the Standard Provision entitled Program Income for non-U.S. organizations). Program Income earned under this award shall be added to the project.[27]

- Capacity Development and Sustainability. The Applicant should describe approaches to accomplishing sustainability. The Applicant should include in the discussion its approach to civil society and private sector capacity building for continuation of activities such as those supported by PAUNLAD sub-grants, even after such sub-grants have closed. This capacity development may include assigning a portion of the project budget for enabling sub-grantees to contract services that strengthen their internal systems for better effectiveness – in such areas as financial and administrative management capability, procurement and human resource guidelines, among others.

- Inclusive Development. USAID is committed to the inclusion of people who have physical and cognitive disabilities and to provide support to organizations that advocate and offer services for people with disabilities (PWDs). USAID focuses on improving access of PWDs to development programs and on removing barriers that cause exclusion. All its grants, cooperative agreements and contracts have provisions on the inclusion of people with disabilities. In line with the USAID Disability Policy, the PAUNLAD Project will promote the participation and equalization of opportunities of individuals with disabilities, increase awareness of issues of people with disabilities both within USAID programs and in host countries; foster a climate of nondiscrimination against people with disabilities; and support international advocacy for people with disabilities.

- Gender Considerations. Gender equality and female empowerment are essential for achieving USAID's development goals. The new USAID Gender Policy advances equality between females and males, and empowers women and girls to participate fully in and benefit from development, through the integration of gender in the entire project cycle -- from project design and implementation to monitoring and evaluation. This integrated approach focuses on achieving three overarching outcomes: 1) Reducing gender disparities in access to, control over

[26] http://www.usaid.gov/policy/ads/300/303sai.pdf

[27] According to 22 CFR 226.2, ***Program Income*** means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award (see exclusions in §§ 226.24 (e) and (h)). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in USAID regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

and benefit from resources, wealth, opportunities, and services – economic, social, political, and cultural; 2) Reducing gender based violence and mitigate its harmful effects on individuals and communities, so that all people can live healthy and productive lives; and 3) Increasing the capability of women and girls to realize their rights, determine their life outcomes, and influence decision making in households, communities, and societies.

To operationalize these overarching outcomes, the Project is expected to adopt any one of the seven output and outcome indicators, as appropriate, on gender equality, female empowerment, and gender-based violence in USAID's Gender Equality and Female Empowerment Policy.[28] The Project shall also develop a strategy for ensuring the integration of gender considerations into the work plan and the Monitoring and Evaluation (M&E) Plan, and for reporting on how the project benefited men and women. Progress of all related activities will be measured and verified using gender-sensitive performance indicators that will be part of the PMP. All people-level indicators must be disaggregated by sex, and included in project reports.

Project activities will be implemented in a manner that promotes fair, equitable, and meaningful inclusion of both men and women in all project activities. As part of the technical application, the applicant should include women in their staff and among target groups in a representative manner as possible, and ensure increased participation of women (from the participating institutions) in project implementation.

To provide greater focus on gender equality and female empowerment in this project, the PAUNLAD Project will prepare a Gender Action Plan that will include the following considerations:

1. Conduct of training for the project staff, partners and cooperators on gender awareness, gender analysis and gender-responsive planning.
2. Collection of sex-disaggregated data for baselines and monitoring of all people-level indicators and use of gender analysis tools to identify potential gender gaps and constraints,
3. Conduct gender-responsive consultations to encourage the active participation of women and ensure that the voices of women are heard and reflected in (U.S. Agency for International Development) project plans and activities.

The preparation of the Gender Plan of Action should be guided by the USAID gender guidance and be compliant with GPH's Harmonized Gender and Development Guidelines.[29]

- Environmental considerations. The PAUNLAD Project, by virtue of its grant-making function, will support a wide range of activities, the bulk of which are anticipated to be education, technical assistance, analyses, document transfer or training, determined to have a Categorical Exclusion to environmental assessment. However, some of the sub-grants may support grantees that purchase small commodities for business start-up, such as agricultural inputs; small-scale agricultural or motorized equipment for farming, irrigation, or transport; or small-scale manufacturing or processing equipment, all of which are determined to have Negative Determination and include Conditions. Those Conditions will be reviewed and incorporated into work-planning and project management as required of the PAUNLAD Project implementer in

[28] See http://www.usaid.gov/what-we-do/gender-equality-and-womens-empowerment
[29] See neda.gov.ph/hgdg/homepage.html.

adherence with existing USAID guidance. (See "9. Environmental Compliance" of this program description.)

- Life of Project Funding. Subject to the availability of funding, USAID anticipates project funding of 15 million USD over five years. The vast bulk of this funding will directly support sub-grants made under the Project. All efforts should be made by the Applicant to present a management plan and cost structure that maximizes the ability to award sub-grants.

5. Anticipated Results and Recommended Indicators

5(a) Sub-Grants for Governance Themes

Anticipated Result: At the end of the Project, USAID expects to see greater political and economic competition from an empowered civil society that advances the public interest. The number of vocal and informed interest groups in priority sectors of the economy will be increased. Ultimately, the results achieved should lead to increased investor confidence in the Philippines as a credible place to do business and increased advocacy for transparency and integrity by civil society groups.

A required indicator for governance sub-grants is:

- Number of mechanisms for external oversight of public resource use supported by USG assistance (standard).[30]

Illustrative indicators for governance sub-grants include the following:

- Improved involvement of businesses to support anticorruption efforts;
- Improved perceptions on corporate governance in the public and private sector;
- Increased transparency and compliance with disclosure requirements by government agencies;
- Improved performance in doing business/competitiveness rankings, specifically in sub-factors relating to corruption;
- Enhanced public awareness of and confidence in the judiciary;
- Increased opportunities for and influence of civil society organizations to engage political processes and market reforms;
- Increased number of business firms adhering to corporate governance standards, and;
- Enhanced involvement of civil society organizations in partnering with local government.

5(b) Sub-Grants for Economic Growth Themes

Anticipated Result: At the end of the Project, USAID expects to see more business start-ups and employment as a result of the PAUNLAD grant-making.

A required indicator for economic growth sub-grants is:

- Increased number of new businesses established.

Illustrative indicators for economic growth sub-grants include the following:

- Lower skills gap in the key priority sectors of the economy;
- New jobs created;
- Expanded availability of VC funds and other non-bank financing for SMEs;

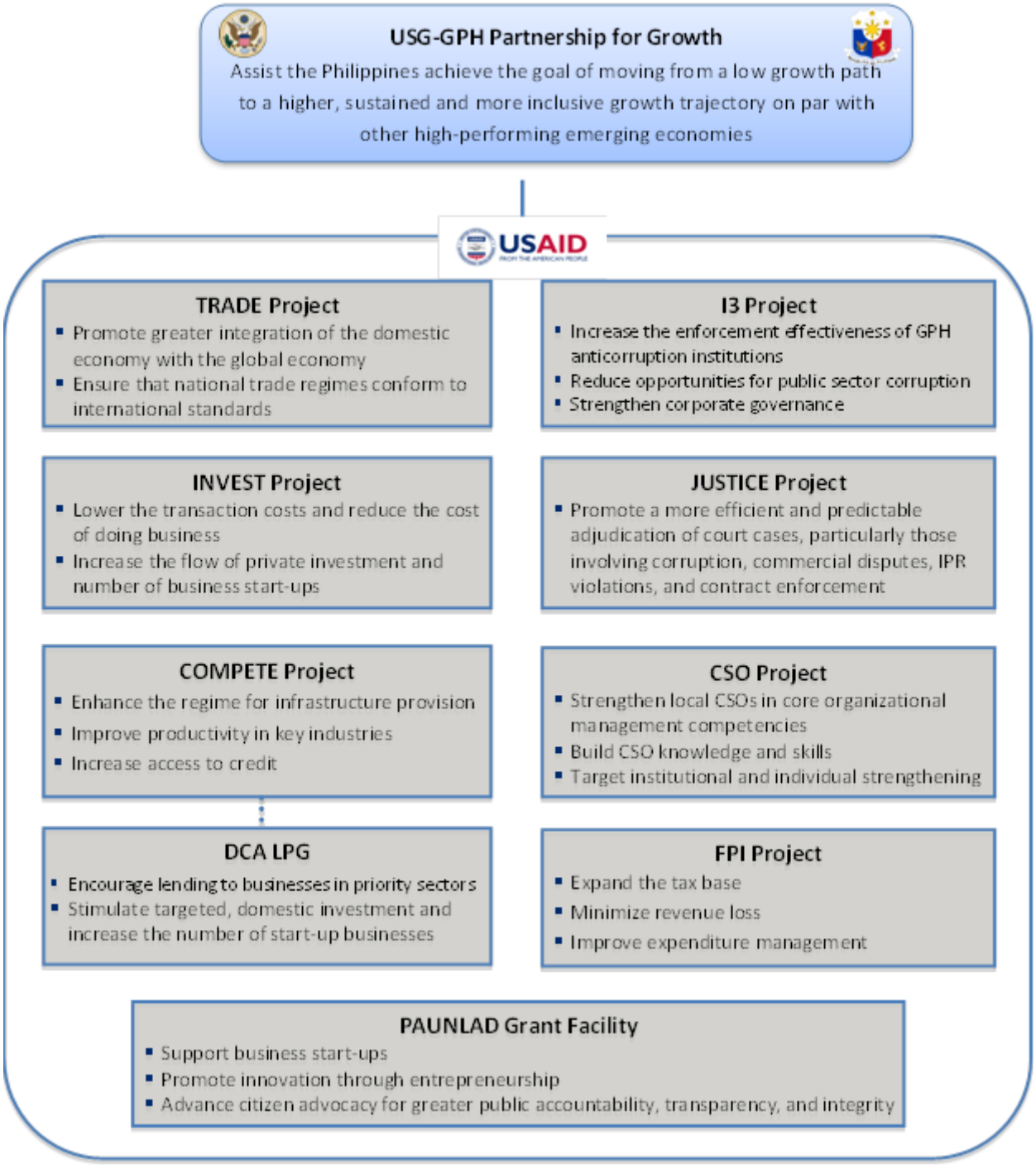
[30] The US Foreign Assistance Framework provides a list of standardized indicators for reporting on US Government foreign assistance uniformly. This indicator falls within the Framework Program Element 2.2.4. for Anti-Corruption reforms. http://www.state.gov/f/indicators/index.htm

- Strengthened public-private alliances in support of development goals identified in the Partnership for Growth; and
- Improved performance in doing business/competitiveness rankings, specifically in sub-factors relating to corruption.

6. Relationship with Other USAID Activities in Support of the PFG

As one of several implementing mechanisms, the PAUNLAD Grant Facility will directly support USAID's efforts to achieve the unifying goal of the PFG. See Figure 1. Where other PFG projects address the larger macro issues, business climate, policy reforms, and GPH capacity needed to address the goal of the PFG, the PAUNLAD Project will complement these efforts by addressing more micro-level concerns such as citizen engagement, job creation, and entrepreneurship.

Figure 1. Schematic Overview of USAID/Philippines Programming for the PFG



6(a) Trade-Related Assistance for Development (TRADE) Project

The project seeks to promote greater integration of the domestic economy with the global economy and ensure that national trade regimes conform to international standards. Technical assistance provided under the TRADE Project will focus on identifying and addressing:

- Policy reform to implement binding commitments under the ASEAN Economic Community Blueprint, advance the country's eligibility in Trans-Pacific Partnership, and meet its World Trade Organization obligations;
- Trade analysis and strategy formulation of proposed adjustment measures and reforms; and
- Gaps in institutional and administrative capacity of the government and other major stakeholders in undertaking trade-enabling measures.

The project will support regulatory, legal and policy reforms that enable the Philippines to meet and implement its obligations under these various trade arrangements. It will seek to strengthen the government's capacity and institutional environment to meet internationally accepted standards. TRADE will seek improvements in areas such as trade in goods, services trade, investment, intellectual property rights, standards conformance, government procurement, competition policy, and other such relevant features of a free trade arrangement.

6(b) Investment Enabling Environment (INVEST) Project

The project seeks to address the key constraints underlying the low level of private investment in the Philippines. Currently working in the cities of Batangas, Cagayan de Oro, and Iloilo, the project is focusing on the following activities:

- Streamline business registration for new and renewals;
- Standardize business inspections;
- Build capacity of the local investment planning and promotions office;
- Review the city's investment code;
- Assist in investment promotion and planning; and
- Support feasibility studies for targeted sectors.

INVEST aims to improve the investment and business climate by: (i) lowering the transaction costs and reducing the cost of doing business involving both national and local level regulations and processes; and (ii) increasing the flow of private investment and number of business start-ups in the Philippines.

6(c) Advancing Philippine Competitiveness (COMPETE) Project

The goal of the COMPETE Project is to assist the Philippines improve its competitiveness to attain higher levels of trade and investment. To this end, the Project will provide technical assistance to enhance the regime for infrastructure provision, improve productivity in key industries, and increase access to credit. Activities will promote efforts to:

(1) Strengthen the institutional framework and regulatory capacity governing infrastructure (transport, logistics, energy) development by the Government of the Philippines (GPH) and promote regulatory reforms in the infrastructure sectors;
(2) Support productivity improvements in priority sectors (specifically, tourism and agribusiness), and
(3) Facilitate the deployment of domestic credit to commercially viable economic activities.

In the infrastructure sectors, technical assistance will (i) enhance the viability of the GPH's public-private partnership infrastructure program, (ii) advance a reform agenda to lower transport, logistics, and energy costs, and (iii) improve regulatory capacity and oversight of infrastructure development. For the

priority tourism sector, activities will support the effective implementation of the 2011-2016 National Tourism Plan, particularly in efforts to develop strategic destination areas and tourism clusters. In agriculture, the COMPETE Project will advance a policy agenda to promote agri-food export competitiveness and provide technical assistance to boost productivity. To promote the use of productive capital, the Project will expand access to credit for small and medium enterprises (SMEs) – particularly with an improved system of credit information for SME lending, wider exploitation of credit guarantees, and overall stronger borrowing capacity for entrepreneurs.

By contributing to improved access to infrastructure, increased growth and productivity in key priority sectors, and better use of productive capital, project activities are expected to improve the country's competitiveness, leading to higher levels of trade, investment, and employment.

6(d) Development Credit Authority (DCA) Loan Portfolio Guarantee (LPG)

The proposed DCA LPG is structured to encourage lending to businesses (predominantly SMEs) in strategically selected, first-class cities in the Philippines as part of USAID's Cities CDI (Batangas, Iloilo, and Cagayan de Oro). The guarantee will serve to stimulate targeted domestic, commercial investment and increase the number of start-up businesses in these cities and their surrounding regions. This DCA LPG will support inclusive growth and employment across the priority sectors of manufacturing, healthcare, energy, construction, tourism, or post-harvest agricultural processing/agribusiness.

6(e) Integrity for Investments Initiative (I3) Project

The project is intended to contribute to inclusive growth by reducing the costs of corruption to investments and trade, thereby promoting open and fair competition. I3 comprises three components:

1) Increasing the enforcement effectiveness of GPH anticorruption institutions;
2) Reducing opportunities for public sector corruption; and
3) Strengthening corporate governance in both the private and public sector.

Activities for the first component are expected to include the following:

- identify and support legal/policy changes that are necessary in effectively detecting and prosecuting corruption, and reduce opportunities for corruption, in line with the anticorruption agenda of the PDP and the priority thrusts of the Ombudsman's Office, the Commission on Audit, and other anticorruption offices;
- work to enhance internal systems necessary in effectively managing corruption cases and ensuring greater transparency and accountability in enforcement operations;
- develop some of the specialized detection, investigation, and prosecution skills needed to bring about effective anticorruption enforcement in priority sectors; and
- strengthen cooperation and coordination among the various anticorruption agencies.

For the second component, I3 will support the Civil Service Commission in monitoring compliance by local governments and GPH agencies with the Anti-Red Tape Law, as well as the corruption prevention program of anticorruption offices, primarily the Ombudsman's Office. In the third component, I3 will assist institutions that oversee both private sector businesses and corporations, and public sector corporations.

Through the I3 Project, USAID will provide tailored assistance to curb corruption and thus contribute to investment climate improvements. These activities to improve anticorruption enforcement are intended to make corruption a high-risk, low-reward activity and reduce the costs of corruption to trade and investment. While the major focus of the project will be on the enforcement institutions to heighten the disincentives for engaging in public sector corruption, the three project components are intended to be mutually reinforcing.

6(f) Judicial Strengthening to Improve Court Effectiveness (JUSTICE) Project

The project will help decrease the cost of doing business and increase investor confidence in the Philippines through the more efficient and predictable adjudication of court cases, particularly those involving corruption, commercial disputes, intellectual property rights violations and contract enforcement. A large portion of project resources will address the need to improve judicial efficiency, particularly: (a) reducing docket congestion, and (b) reducing court delays. USAID has supported programs that have worked successfully toward this end with pilot Philippine courts over the past several years. Through this project, USAID seeks to support greatly expanded coverage of such tested judicial efficiency improvements.

In addition, USAID seeks to support related components that address the Rule of Law objectives of (c) strengthening contract enforcement, (d) strengthening the enforcement of intellectual property rights, and (e) supporting integrity and confidence-building measures for the justice system.

6(g) Strengthening the Capacities of Civil Society Organizations (CSO) in the Philippines Project

The CSO Project currently provides a range of capacity building services[31] to strengthen at least 120 CSOs, including systems and policies, in core organizational management competencies. Activities will concentrate on building the knowledge and skills required to run an efficient, cost-effective, accountable, transparent, and technically proficient organization, targeting both the capabilities of the institution as well as the individuals within the institution. In addition, the project will also be implemented by a consortium of CSO networks and academe consisting of the Association of Foundations, the Philippine Business for Social Progress, the Caucus of Development NGO Networks, the Philippine Council for NGO Certification, and the National College of Public Administration and Governance of the University of the Philippines. Members of the Consortium are leading CSO networks in the country.

6(h) Facilitating Public Investment (FPI) Project

The Facilitating Public Investment (FPI) project seeks to work with the GPH in addressing the tax inefficiencies and public spending limitations that greatly reduce the Philippines' fiscal space and strongly limit the provision of public goods and services necessary to complement and spur private investment. FPI activities will augment the Millennium Challenge Corporation (MCC) Compact's fiscal efforts to help increase the effectiveness of the Philippine tax collection authorities. By supporting tax policy reforms needed to boost the tax effort, and public expenditure reforms to provide greater transparency in budget management, the program will assist the GPH implement fiscal and budgetary reforms to facilitate public investments in the requisite physical and social infrastructure that will complement private sector investments. In complementing MCC's Revenue Administration Reform Project at the Bureau of Internal Revenue (BIR), FPI will focus its activities outside of the BIR on strengthening other efforts at the Department of Finance (DOF) to enhance revenue performance. FPI will support GPH efforts that increase the effectiveness of the tax regime, implement comprehensive rationalization of the public sector, strengthen institutional performance measures at the DOF, and enhance public expenditure oversight functions.

7. Counterparts and Partner Agencies

The implementing partner for the PAUNLAD Project must develop a sound program for reaching out and working with civil society organizations, promising enterprises, business advocacy groups, and other

[31] E.g., assessment of capacity needs, the design of organizational development plans, training, consultancy, mentoring, and internships, among others.

counterpart institutions to achieve the objectives of this grant-making facility. Some suggested institutions include the following:

- National Competitiveness Council, a public-private task force on Philippine competitiveness;
- Trade and Business Associations, such as the Joint Foreign Chambers of Commerce, Philippine Chamber of Commerce and Industry, Makati Business Club; and
- Non-government organizations including, advocacy groups, media organizations, academe and think tanks, which collectively ensure greater public participation in performing analysis, implementing reform and demanding public accountability.

Since USAID is supporting several projects under the PFG in addition to this one, the implementing partner for the PAUNLAD Project will have interaction with other USAID implementers (many still to be determined) for the projects noted in Figure 1. The Project will also consult with select GPH agencies, as appropriate. Regular bilateral meetings are planned to review progress of the overall PFG Joint Country Action Plan. These gatherings are expected to involve key implementers and counterparts.

8. Monitoring and Evaluation Plan

The implementing partner for PAUNLAD will be responsible for ongoing monitoring and evaluation (typically formative and mid-term evaluations) that inform management decisions by assessing whether projects are being implemented as planned, reaching targeted groups, and achieving expected outputs and outcomes. The applicant/Recipient will develop a draft Monitoring and Evaluation Plan (M&EP) that will be finalized following award of the cooperative agreement and before major implementation actions are underway. It will describe the agreed upon framework of goals, outcomes, and outputs for the project/activity, along with indicators, baselines and targets defined for each, gender disaggregated where appropriate. It will also describe the evaluative work that the Recipient will conduct for its own management decision-making, institutional learning, and accountability purposes.[32]

Under USAID's new Evaluation Policy, the primary responsibility for evaluations that assess the overall performance and results from a project or activity rests with USAID. While the implementing partner often provides supporting data and analysis, such evaluations will be designed, implemented and independently contracted by USAID/Philippines to assure objectivity and rigor.

9. Environmental Compliance

The Foreign Assistance Act of 1961, as amended, Section 117, requires that the impact of USAID's activities on the environment be considered and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID's Automated Directives System (ADS) Parts 201.5.10g and 204 (http://www.usaid.gov/policy/ads/200/) which in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities. Recipient's environmental compliance obligations under these regulations and procedures are specified in the following paragraphs of this cooperative agreement.

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

[32] See USAID Evaluation Policy (www.usaid.gov/evaluation/USAIDEvaluationPolicy.pdf) and ADS 203 (www.usaid.gov/policy/ads/200/203.pdf) for more detailed guidance.

No activity funded under this cooperative agreement will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that activity, as documented in a Request for Categorical Exclusion (RCE), Initial Environmental Examination (IEE), or Environmental Assessment (EA) duly signed by USAID's Bureau Environmental Officer (BEO). (Hereinafter, such documents are described as "approved Regulation 216 environmental documentation.")

Initial Environmental Examinations (IEEs), ASIA 12-106 and ASIA 12-137, have been approved for the PAUNLAD Project. The IEEs cover activities expected to be implemented under this cooperative agreement.

USAID has determined that:

i. A "**Categorical Exclusion"** applies to the following activities within PAUNLAD which should have no environmental impacts:

   1) Design and development of grant-making facility, including all aspects of grant-management administration and financial oversight.

   2) Subgrants providing technical assistance, training and information transfer in: government transparency, corporate integrity measures, advocacy for economic and anticorruption reforms; citizen oversight of public institutions and processes (e.g., budget monitoring, court watch).

   3) Subgrants providing technical assistance, training and information that support (a) entrepreneurship and business start-up activities; (b) promotion of financing for business start-ups via venture capital, equity financing and public-private alliances; and (c) enhance linkages of business networks, public-private alliances, and complementary partnerships such as research and development institutions.

   4) Conduct project-end evaluation. These include all types of technical assistance (such as the creation of a grant-making facility and subgrant-supported activities in areas of transparency and advocacy, support for entrepreneurship, business start-up support), education and training programs, analyses, studies, academic or research workshops and meetings, and document and information transfer.

ii. A "**Negative Determination with Conditions"** applies to all activities involving purchase and/or use of small commodities or equipment for business start-up, such as installation or use of inputs; small-scale agricultural or other motorized equipment for farming, irrigation or transport; or for manufacturing or processing equipment that may have negative consequences if environmental considerations are not met. This indicates that if these activities are implemented subject to the specified conditions, they are expected to have no significant adverse effect on the environment. The applicant/recipient will be responsible for implementing all IEE conditions pertaining to activities to be funded under this solicitation/award.

As part of its initial Implementation Plan, and all Annual Implementation Plans thereafter, the Recipient in collaboration with the Agreement Officer Representative and USAID Mission Environmental Officer, as appropriate will review all ongoing and planned activities under this cooperative agreement to determine if they are within the scope of the approved Regulation 216 environmental documentation.

If the Recipient plans any new activities outside the scope of the approved Regulation 216 environmental documentation, it will prepare an amendment to the documentation for USAID review and approval. No such new activities will be undertaken prior to receiving written USAID approval of environmental documentation amendments.

Any ongoing activities found to be outside the scope of the approved Regulation 216 environmental documentation will be stopped until an amendment to the documentation is submitted and written approval is received from USAID.

When the approved Regulation 216 documentation is (a) an IEE that contains one or more Negative Determination with conditions and/or (b) an Environmental Assessment (EA), the Recipient will:

i. Unless the approved Regulation 216 documentation contains a complete environmental mitigation and monitoring plan (EMMP) or a project mitigation and monitoring (M&M) plan, the Recipient will prepare an EMMP or M&M Plan describing how the Recipient will, in specific terms, implement all IEE and/or EA conditions that apply to proposed project activities within the scope of the award. The EMMP or M&M Plan will include monitoring the implementation of the conditions and their effectiveness.

ii. Integrate a completed EMMP or M&M Plan into the initial implementation plan.

iii. Integrate an EMMP or M&M Plan into subsequent Annual Implementation Plans, making any necessary adjustments to activity implementation in order to minimize adverse impacts to the environment.

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

The Recipient will be responsible for periodic reporting to the USAID Agreement Officer Representative, as specified in the Schedule/Program Description of this solicitation.

10. References

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Krugman, Paul, J. Alms, and E. Remolona. *Transforming the Philippine Economy.* Quezon City: APO Production Unit, 1992.

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B. AUTHORIZING LEGISLATION

The authority for this RFA is found in the Foreign Assistance Act of 1961, as amended and the Federal Grant and Cooperative Agreement Act.

C. PROJECT ELIGIBILITY REQUIREMENTS

Any locally registered Philippine organization meeting the criteria in Sub-section III.A of this RFA is eligible to apply.

D. AWARD ADMINISTRATION

The resultant award and sub-awards will be administered in accordance with U.S. Federal regulations and USAID policy and the USAID Standard Provisions for Non-U.S. Non-governmental Organizations

While for-profit firms may participate, it is USAID policy not to award profit under assistance instruments, such as cooperative agreements. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (OMB Circular A-122 for non-profit organization, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for profit organizations) may be paid under assistance agreements.

- Standard Provisions for Non-U.S. Nongovernmental Organizations (http://www.usaid.gov/policy/ads/300/303mab.pdf)

- OMB Circulars (http://www.whitehouse.gov/omb/circulars/)
- Federal Acquisition Regulation (FAR) Part 31 (https://www.acquisition.gov/far/html/FARTOCP31.html)

SECTION II – AWARD INFORMATION

A. ESTIMATED FUNDING AND NUMBER OF AWARDS

Subject to the availability of funds, USAID intends to provide approximately US$15,000,000 to be allocated over the life of the project. It is also intended that only one (1) award will be issued under this RFA. USAID reserves the right to fund any or none of the applications received to manage the PAUNLAD Grant Facility.

B. PERIOD OF PERFORMANCE

Activities pursuant to this RFA will be for a five (5) year period. The estimated start date is on or about January 1, 2013 through December 31, 2018.

C. AWARD TYPE

USAID anticipates award of a cooperative agreement. A cooperative agreement implies a level of "substantial involvement" by USAID in certain programmatic elements during the performance of the activity. In accordance with ADS 303.3.11 for grants and cooperative agreements, USAID will retain substantial involvement in this PAUNLAD Project[33], anticipating a close working partnership in the Recipient's management and administration of the PAUNLAD grants.

This substantial involvement will be through the Agreement Officer, except to the extent that he/she delegates authority to the Agreement Officer's Representative (AOR) in writing. On behalf of USAID, the AOR will provide collaborative oversight of the Project to help the implementing partner achieve the agreement objectives. Elements of substantial involvement by USAID extend to the following three items:

1. **Approval of the Recipient's Annual Implementation Plans for the Administration and Management of the PAUNLAD Grants:** USAID requires approval of implementation plans on an annual basis. At the time of award, the program description establishes an overall timeline for the planned achievement of milestones or outputs. The Recipient will submit detailed annual implementation plans with activities and resource allocations that will lead to the achievement of milestones or outputs. The AOR must approve all annual implementation plans.

2. **Approval of Specified Key Personnel:** USAID will designate as key personnel only those positions that are essential to the successful implementation of this project award. USAID's policy limits this selection to a reasonable number of positions, generally no more than five positions or five percent of total Recipient employees working under the award, whichever is greater. Substantial involvement includes the review and approval of any changes in key personnel.

3. **USAID and Applicant Collaboration and Joint Participation for Sub-Grant Structuring and Selection:** Since this award will directly support USAID's efforts to achieve the unifying goal of the PFG, the Recipient's successful accomplishment of PAUNLAD's program objectives will benefit from closely collaborating with USAID. Thus, the overall direction for the structuring of the sub-grants and the selection of sub-grant awardees will be provided by a PAUNLAD Grants Review Board (PGRB). The Recipient will recommend sub-grants for PGRB approval. The PGRB

[33] See www.usaid.gov/policy/ads/300/303.pdf.

will be chaired by the AOR, and will have as members the Recipient's Program Director and designated members of USAID technical staff in economic growth, governance, and education. This relationship will take the following form:

a. Collaborative and advisory involvement of USAID in structuring of sub-granting approach and timeline;
b. USAID concurrence through the PGRB on the selection of sub-award recipients and the substantive technical/programmatic provisions of sub-awards;
c. USAID approval of a program monitoring and evaluation (M&E) plan; and
d. USAID monitoring to permit direction and redirection of Project priorities in line with other planned PFG projects and technical assistance.

SECTION III – ELIGIBILITY INFORMATION

A. APPLICANTS

All eligible local organizations may apply. Applicants may be local non-governmental organizations (NGO) and local private for-profit companies willing to forego profit. Potential local private for-profit applicants should note that the payment of fee/profit to the prime recipient under grants and cooperative agreements is not allowed. Universities and colleges that fit the criteria are also eligible to apply.

To be considered eligible to apply under this RFA, the local organization must satisfy all conditions below:

- Be organized under Philippine laws;
- Have its principal place of business in the Philippines;
- Be majority owned by individuals who are Filipino citizens or lawful permanent residents of the Philippines or be managed by a governing body, the majority of whom are Filipino citizens or lawful permanent residents of the Philippines; and
- Not be controlled by a foreign entity or by an individual or individuals who are not citizens or permanent residents of the Philippines.

Government controlled and government owned organizations in which the recipient government owns a majority interest or in which the majority of a governing body are government employees, are included in the above definition of local organization.

USAID will not accept applications from individuals.

B. COST SHARING

Cost share is defined by USAID as contributions, both cash or in-kind and can include contributions from the Applicant, local counterpart organizations, project clients, and other donors (but not other U.S. government funding sources). Cost sharing will be subject to USAID Standard Provision entitled "Cost-Sharing (Matching)" for non-U.S. non-governmental recipients and applicable OMB cost principles.

USAID will not require cost sharing from the Recipient of this project award. However, sub-grantees will be required to have a cost-sharing component of the amounts of which will be determined based on the needs or purposes of the sub-grants.[34]

C. NEW PARTNERS

In support of the Agency's interest in fostering a larger assistance base and expanding the number and sustainability of development partners, USAID encourages applications from potential new local partners.

When considering making an award to a potential local partner with limited or no previous USAID experience, USAID will undertake necessary pre-award reviews[35] to determine the organization's

[34] For USAID guidelines on cost-sharing, see ADS 303, http://www.usaid.gov/policy/ads/300/303.pdf.
[35] See USAID guidelines on non-U.S. organization pre-award survey, http://inside.usaid.gov/ADS/300/303sam.pdf.

"responsibility" as discussed below. The resultant award to this organization may take some time. The applicant should take this into account and plan their implementation dates and activities accordingly.

"Responsibility" of applicant: In order for an award to be made, the Agreement Officer must make an affirmative determination that the applicant is "responsible". A positive responsibility determination means that:

1. The applicant has the ability to meet the award terms and conditions, considering all existing prospective commitments.
2. The applicant has adequate financial resources or has the ability to obtain such resource, as required during the performance of the award.
3. The applicant has a satisfactory record of performance.
4. The applicant has a satisfactory record of business integrity, and
5. The applicant is otherwise qualified to receive an award under applicable laws and regulations.

Should the pre-award reviews show the applicant organization does not fully meet the conditions stated above, the Agreement Officer may make an award that will contain special award conditions and/or provide for technical assistance to the Recipient to allow it to fully meet the required conditions.

SECTION IV – APPLICATION AND SUBMISSION INFORMATION

A. POINT OF CONTACT (POC)

The application package can be downloaded from www.grants.gov. Potential applicants may communicate with the POC regarding the application requirements.

Ma. Belinda de la Torre
Senior Acquisition and Assistance Specialist
USAID/Philippines
8th Floor, PNB Financial Center
Pres. Diosdado Macapagal Boulevard
Pasay City, Philippines 1308
Email: manilapaunlad@usaid.gov
Tel.: +632 5529923

B. REQUESTS FOR CLARIFICATIONS

Applicants are responsible for requesting any question/clarification on the information contained in the RFA. Requests for question/clarification shall be made in writing and sent by email addressed to Ma. Belinda de la Torre, Senior Acquisition and Assistance Specialist, at manilapaunlad@usaid.gov with subject line: "Questions on PAUNLAD RFA from [Name of Organization]". **The deadline for submission of questions/clarifications is September 11, 2012.** If it is determined that the answers to any questions are of sufficient importance to warrant notification to all applicants, a Questions and Answers document, and/or if needed, an amendment to the RFA will be posted at www.grants.gov.

C. PRE-APPLICATION CONFERENCE

USAID will hold a pre-application conference on September 14, 2012, 2:00 p.m. at the Main Conference Room, USAID/Philippines, 8th Floor, PNB Financial Center, Pres. Diosdado Macapagal Boulevard, Pasay City. All potential applicants are welcome to attend.

The purpose of the pre-application conference is to ensure an understanding of the RFA. It will include a short presentation of the RFA's program description which is intended for informational purposes only. At the conclusion of the presentation, attendees will have the opportunity to ask questions about the RFA. See Annex A for more details.

Interested applicants who wish to attend the pre-application conference must send an email with the names of representatives and their position titles to manilapaunlad@usaid.gov with the subject line: "Interested Applicant – [Name of Organization]". Since space is limited, only two representatives from each organization will be allowed.

D. ELIGIBILITY DOCUMENTS

Subject to the conditions for eligibility provided in Sub-section III.A of this RFA, the applicant will submit official documentation of its organization's formal legal status, as follows:

1. Registration certificate from the Securities and Exchange Commission (SEC);
2. Philippine Council for NGO Certification (PCNC) for non-profit organizations, if available;

Note: A PCNC certification is not a required eligibility document. However, if a non-profit organization applicant is PCNC certified, it is encouraged to submit the certification along with its application.

3. For a Government-owned and Government-controlled organization, appropriate equivalent legal document/s.
4. Business or Mayor's permit issued by the city or municipality where the principal place of business of the applicant is located.
5. Articles of Incorporation and By-Laws.

E. REQUIRED FORMS

Applicants must submit their applications using the Standard Form 424 series attached to this RFA. See Section VIII, Annex A.

F. PRE-AWARD CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF THE RECIPIENT

In addition to the certifications that are included in the Standard Form 424, Applicants ***must*** submit the following certifications, assurances, and other statements as part of the application:

1. A signed certification and assurance which includes:
   a. Certification on Lobbying;
   b. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals;
   c. Certification Regarding Terrorist Financing;
   d. Certification of Recipient;
   e. Key Individual Certification Narcotics Offenses and Drug Trafficking, when applicable,
   f. Participant Certification Narcotics Offenses and Drug Trafficking, when applicable; and
2. Other statements of Recipient

Complete copies of these certifications, assurances, and other statements of the recipient can be found at http://transition.usaid.gov/policy/ads/300/303mav.pdf and as Annex C of this RFA. Please note that completion of Part IV of the Certifications, Assurances, and Other Statements of the Recipient, entitled "Survey on Ensuring Equal Opportunity for Applicants" is not a requirement under this RFA.

G. DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER

All U.S. Government recipients and contractors are required to secure a Data Universal Numbering System (DUNS) Number before an award can be made to them. The DUNS is a 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) that uniquely identify the recipient's name and address. It can be obtained from D&B at http://fedgov.dnb.com/webform.

Applicants may submit applications under this RFA without DUNS numbers. However, the selected applicant will be required to submit its DUNS number before it can receive an award. Therefore, applicants are encouraged to obtain a DUNS number early so that, if selected, award will not be delayed.

H. EVIDENCE OF U.S. FEDERAL CONTRACTOR REGISTRATION

All U.S. Government recipients are required to be registered with the U.S. Federal Contractor Registration, formerly Central Contractor Registration (CCR), which was the U.S. Government repository into entities must provide information required for the conduct of business with the Government. The CCR is now incorporated into the System for Award Management (SAM). Information about registration procedures may be found at the U.S. Federal Contractor Registration website: https://www.uscontractorregistration.com/.

Applicants may submit applications under this RFA without U.S. Federal Contractor Registration. However, the apparently successful applicant will be required to register and must submit evidence of registration to USAID. Therefore, applicants are encouraged to register with U.S. Federal Contractor Registration early so that, if selected, award will not be delayed.

I. APPLICATION AND SUBMISSION INSTRUCTIONS

Applications in the English language must be received **no later than October 15, 2012, 12noon, Manila local time** at the address indicated below.

Applicants must submit one (1) original and four (4) hard copies of the technical application and one (1) original and one (1) copy of the cost application. Technical and cost applications must be kept separate, with the name and address of the applicant and the RFA Title and number number "RFA-492-12-000031" inscribed thereon.

The address for hand-carried, post- or courier-delivered applications is:

Regional Office of Acquisition and Assistance
USAID/Philippines
8/F PNB Financial Center
Pres. Diosdado Macapagal Boulevard
Pasay City, Philippines 1308
Telephone No.: +632 5529923
Attention: M. Dela Torre.

Applicants must take into account the expected delivery time required by their preferred application transmission and are responsible for ensuring that hard copies of their applications are received at USAID/Philippines Regional Office of Acquisition and Assistance on or before the time specified on the cover of the RFA. **Late or incomplete applications will not be considered in the review process.**

Applicants are encouraged to obtain confirmations of receipt of their applications. USAID will not be held responsible for incomplete or lost applications. Applicants should retain one copy of their complete application package for their records.

In addition to hard copies, applicants must submit an electronic copy of the application via email to manilapaunlad@usaid.gov. Receipt of applications by email will be confirmed. Applications received only in electronic form will not be considered.

Applications with attachments sent by email must be compatible with Adobe Acrobat (PDF) and Excel MS Office 2010. Each email must not exceed 5mb in size and all files are to be in PDF except for cost spreadsheets which are to be provided as Excel files with cell formulas unlocked. All emails containing

application files should, in the address line state RFA-492-12-000031 Technical or Cost Application email no. "X".

1. Preparation Guidelines

The following are general instructions for what constitutes an application and how applications shall be formatted. Applicants are expected to review, understand and comply with all aspects of this RFA. Failure to do so may result in the applicant's application may be down-graded and may not receive full credit under the applicable evaluation factors, or, at the discretion of the Agreement Officer, be eliminated from the competition.

- A complete application will consist of a technical application and a cost application submitted in separate volumes. The technical application **must not** include any cost information.
- All information must be presented in English language.
- Applications must be received **no later than the date and time** indicated in the cover letter of this RFA, at the address indicated on the previous page.
- All applications received by the deadline will be reviewed for completeness and responsiveness to the RFA. Incomplete submissions risk not being considered in the review process.
- Under USAID regulation, submission of a Branding Strategy and a Marking Plan by the apparently successful applicant is required. The apparently successful applicant's proposed Branding Strategy and a Marking Plan must be consistent with the provisions "Branding Strategy," "Marking Plan," and "Marking of USAID-funded Assistance Awards" contained in the Standard Provisions for Non-U.S. Nongovernmental Organizations and ADS 320.

  Please note that the Branding Strategy and Marking Plan is not a required to be submitted with the application. Only the apparent successful applicant will be requested to submit them by the Agreement Officer. Failure to submit or negotiate a Branding Strategy and Marking Plan will make the apparent successful applicant ineligible for award.

2. Technical Application

2(a) General

USAID requests that applicants provide all required information by following the format described below.

The technical applications, including the Executive Summary, ***must not exceed 30 pages*** using 8 ½ x 11 paper (11 point Calibri font, single-spaced, with a minimum of 1 inch margins all around), not including the annexes as specified below. Pages should be paginated at the bottom. Tables, charts, graphs and graphics accompanying the technical application will not count against the page limit, and may be included in the application. Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective application in response to this RFA are not desired and may be construed as an indication of the Applicant's lack of cost consciousness. Elaborate art work and other presentation aids are neither necessary nor wanted.

Technical applications should be specific, complete and presented concisely. Detailed information should be presented only when required by specific RFA instructions. A lengthy application may not, in and of itself, constitute a well thought out application. Applications must demonstrate the Applicant's capabilities and expertise with respect to achieving the goals of the PAUNLAD Project. The applications should take into account the technical evaluation criteria found in Section V.

2(b) Technical Application Format

The prescribed format for the technical application is:

i. COVER PAGE [not included in page limit] shall contain only the following information:

- The RFA number: RFA-492-12-000031
- Project Title: Philippine-American Fund for Entrepreneurship and Local Assistance for Development (PAUNLAD) Project
- Applicant name
- Applicant address
- Tax Identification Number
- DUNS Number, if available
- Point of contact information for the technical and cost applications (names, titles, email addresses, mobile/telephone numbers)

ii. TABLE OF CONTENTS listing all page numbers and attachments [not included in page limit]

iii. LIST OF ACRONYMS [not included in page limit]

iv. EXECUTIVE SUMMARY [One page maximum]

This section should allow technical evaluators to quickly understand the critical elements of the application including the most salient features of the applicants' technical vision and approach, the key personnel and management plan proposed, and the capabilities of the partners to accomplish the desired results.

v. BODY OF PROPOSAL must be presented in the following order: the proposed Management Structure consisting of the Management Plan and Key Personnel; the proposed Technical Approach and Implementation Schedule; the applicant's Past Performance information, and; the applicant's draft Monitoring and Evaluation Plan[not to exceed 29 pages]

vi. ANNEXES [not included in page limit, but there are some limitations within the required annexes] should be tabbed (e.g. Annex A, Annex B, etc.)

Required annexes:

- Organizational chart (required as part of the Management Plan. See page 34)
- Draft Monitoring and Evaluation Plan (See page 37)
- Complete and current resume/curriculum vitae of key personnel and other named personnel [limit of three pages per resume/CV of Key Personnel and two pages for other long term personnel]; letters of commitment from Key and other named personnel [one page each]
- Past performance References (See page 36)[three pages]
- Implementation Schedule (See page 36)

2(c) Technical Application Content

The technical application in response to this solicitation should address how the Applicant intends to carry out the Program Description in this RFA. It should be organized into the following major sections.

i. Management Structure

Applicants are required to submit a Management Structure that includes a proposed Management Plan and proposed Key Personnel. This section will discuss the core staff in terms of role, composition, and organization, and demonstrate how the proposed structure will have the ideal capacity to confer and administer sub-awards, and above all, to achieve desired results. The ultimate composition of the management structure, including up to five Key Personnel, or 10 percent of the Recipient's direct project staff, whichever is higher, must include long-term professional staff with strong technical, grant management and grant-making expertise, including a financial team experienced in administering and managing the accounting for grants and doing due diligence. Other skill areas that must be reflected in the staffing structure include capabilities in grant-making outreach and dissemination. The staffing and management plan may include any other staffing contemplated, such as administrative staff.

i(a) Management Plan

The Management Plan (MP) will discuss the overall management approach toward the Project proposed staffing and the roles and responsibilities therein. The MP will include an organizational chart indicating the framework for the project staffing including Key Personnel and other proposed personnel that will staff the Project.

The proposed Key Personnel must include staff with adequate familiarity with the requirements to do pre-award surveys to USAID's standards. The conduct of these pre-award reviews of financial and organizational management capability of potential sub-grantees may be conducted in-house by the PAUNLAD Project staff or outsourced, but the Recipient's staff must possess the minimum degree of expertise necessary to ensure such reviews are sufficiently performed and complied with, and their results utilized to inform appropriate capacity-building measures for sub-grantees.

The management plan must specify how coordination and collaboration with USAID and partners will be implemented. The Applicant should explain its ability to find qualified consultants, contractors and sub-grantees, and discuss its role and management approach with sub-grantees.

i(b) Key Personnel

The Applicant has the ultimate responsibility for implementing the PAUNLAD Project, determining the appropriate staffing in support of its technical approach, and assembling a team with the required knowledge and expertise in the components mentioned in the RFA's Program Description. The Key Personnel section should demonstrate the proposed Key Personnel's, relevant capabilities and management experience in similar projects, their education, and qualifications.

For PAUNLAD, a suggested Key Personnel structure would include a Project Director, a Governance Sub-grants Manager, an Economic Growth Sub-grants Manager, a Monitoring and Evaluation Specialist, and a Financial Management Specialist. At a minimum, the Key Personnel must include a Project Director, Grants Manager, and Monitoring and Evaluation Specialist positions. Desired qualifications for these positions are detailed below.

Once the Project award is issued, any substitutions of those individuals designated as key personnel in the award will be made only as directed by the Key Personnel clause of the award.

Project Director (PD)

- The intellectual leadership and the management skills necessary to develop, articulate and implement a vision for the Project;
- A degree in economics, business, public administration, or a related field;
- At least 10 years of progressively responsible professional experience;

- Demonstrated experience in effectively managing projects, in problem identification and resolution;
- Demonstrated experience in effectively overseeing the awarding of grants and managing them for results;
- Extensive experience working with counterparts at various levels of government and the private sector;
- Excellent interpersonal skills with a high degree of cultural/political sensitivity;
- Above average communication and presentation skills; strong English writing skills.

Sub-grants Managers

- The intellectual leadership and management skills necessary to develop, articulate and implement a vision for the Sub-grant-Making activities;
- A degree in business, accounting, economics, public administration, or a related field desired;
- At least seven (7) years of progressively responsible professional experience desired;
- Financial management skills and experience;
- Demonstrated experience in soliciting for grantees, awarding grants and managing and mentoring grantees for results
- Extensive experience working with counterparts at various levels of government and the private sector; and
- Strong communication and English writing skills.

Monitoring and Evaluation Specialist

- At least a master's degree in social science, economics, business or related field that includes research or evaluation methodology and statistics training;
- At least five (5) years of experience in monitoring, evaluation, or development research;
- Demonstrated experience in monitoring and/or evaluating projects.
- Technical familiarity with relevant monitoring and evaluations methods;
- Very good English technical writing skills.

Financial Management Specialist

- The intellectual leadership and management skills necessary to develop, articulate and implement a vision for conducting due diligence on future sub-grantees and ensuring financial management compliance among successful sub-grantees.
- A degree in accounting, financial management, business administration or related field.
- A Certified Public Accountant, required;
- At least seven (7) years of progressively responsible experience in professional accounting, financial management, auditing or business management consulting;
- At least three (3) years of experience in conducting due diligence tests in the form of pre-award surveys and risk assessments; financial reviews or audits; or some other form of accountability assessments.
- Effective oral communication skills.

ii. Technical Approach and Implementation Schedule

ii(a) Overall Technical Quality

The technical application must set forth the conceptual approach, methodology, and techniques — the "how" — for accomplishment of the stated objectives. It must:

(1) Reflect a thorough understanding of key issues and challenges, including the identification of priority needs that must be addressed using the grant-making facility as a vehicle in order to produce results that will contribute to the attainment of the ultimate goal and objectives of PFG.

(2) Outline links between the proposed results, conceptual approach, performance milestones, and a realistic timeline for achieving end of project results;

(3) Describe how the recipient will design, implement, and monitor interventions to help achieve Components 1 and 2;

(4) Describe a plan with benchmarks/indicators that will enable sub-grantees' activities to continue after the PAUNLAD Project ends;

(5) Demonstrate the applicant's ability to function effectively as a grant-making entity on behalf of USAID;

(6) Include a credible plan to widely publicize, promote and solicit applications for subgrants under the Project; and

(7) Describe the extent to which gender concerns will be integrated into the project cycle and its compliance with the requirements of the USAID Gender Policy (including the adoption of appropriate gender indicators) and the checklists provided under the Harmonized Gender and Development Guidelines.

The Applicant's proposed technical approach should show the greatest combination of feasibility, innovativeness, and flexibility aimed at achieving or exceeding project objectives and the specific expected outcomes within the stated period of performance.

ii(b)Implementation Schedule

The applicant will submit an implementation schedule that discusses major tasks and activities, resource requirements, and expected results for the first year. The implementation plan must demonstrate quality and feasibility. It must include a notional outline for subsequent years of the PAUNLAD project.

NOTE: The applicant's proposed PAUNLAD Project team must be fully operational within three (3) months from award date.

iii. Institutional Capability and Past Performance

The Applicant must include supporting information regarding institutional capability and past performance.

For institutional capability, the Applicant will submit a list of a minimum of three (3) current or completed grants/cooperative agreements, contracts, sub-grants and/or sub-contracts within the last seven years that are similar in size, scope, and complexity to the program described in this RFA. The list should be included as annex to the technical application and will not count against the page limitation.

Provide for each of the awards listed above the contact names, job titles, email addresses, phone numbers, mailing addresses and a description of the performance which includes:

- Scope of the program/work or complexity/diversity of tasks,
- Primary location(s) of work,
- Term of performance,
- Skills/expertise required,

- Dollar value (if award was in Pesos or other currency/ies, state rate of exchange used), and
- Award/instrument type.

USAID recommends that Applicants alert the contacts that their names have been submitted and that they are authorized to provide information concerning the listed contracts and agreements, upon request from USAID.

The information submitted must reflect the Applicant's *institutional capability* in terms of:

a. Pertinent work experience and representative accomplishments in developing and implementing programs of the type required under this RFA, in particular in awarding grants;
b. Institutional strength as represented by breadth and depth of personnel, in particular in relevant disciplines/areas;
c. Contracting and sub-granting capabilities and expertise; and
d. Demonstration of adequate financial controls both for internal control and for management of sub-grants.

USAID will verify the experience and past performance record of cited projects or other recent projects by reviewing other performance reports or to interview cited references or other persons knowledgeable of the applicant's performance on a particular project. The USG may check any or all cited references to verify supplied information and/or to assess reference satisfaction with performance. References may be asked to comment on items such as: (1) quality of product or service, including consistency in meetings goals and targets; (2) cost control, including forecasting costs as well as accuracy in financial reporting; (3) timeliness of performance, including adherence to schedules and other time-sensitive project conditions, and effectiveness of key personnel including appropriateness of personnel for the job and prompt and satisfactory changes in personnel when problems with clients where identified.

iv. Monitoring and Evaluation Plan

The applicant must present a draft Monitoring and Evaluation Plan (M&EP) which identifies expected interim and final results of the project and describes how the applicant will plan for collecting baseline and monitoring implementation to reliably measure project progress and impact, and contribute to the desired outcomes of the project specifically and PFG in general. The applicant must describe the assumptions made regarding proposed activities vis-à-vis project results. The applicant must provide indicators (direct and indirect/proxy [should there be a need]) against which progress will be measured.

The monitoring and evaluation plan, if appropriate, may show innovativeness of the proposed approaches for measuring quality, effectiveness and outcomes of the project. The M&E Plan should include a comprehensive set of outcome indicators and targets which are in accordance with and support achievement of the objectives of the RFA and are specific, measurable, and achievable. The indicators should reflect all the dimensions of data quality (reliability, validity, completeness, integrity, accuracy), and there should be a reasonable plan for data storage and effectiveness in data collection and analytical approach for quantifying program progress and impact.

3. Cost Application

The cost application must be submitted under separate cover from the technical application. While there is no page limit for this portion, applicants are encouraged to be as concise as possible, but still provide the necessary details.

The documentations that applicants will submit to USAID are described below.

a. A budget that provides in detail the total costs for implementing the program your organization is proposing. It must be accompanied by a budget narrative by line item that explains in detail the basis for how the individual line item costs were derived. The budget must be submitted using Standard Form 424 series (Annex B). Budget should be expressed in US Dollars using the exchange rate of P41 = $1.

   The budget will include:

   i. Summary which includes the total funding requested for each year of activity;

   ii. Breakdown of all costs associated with the project according to SF 424's object class category (See Annex A, SF 424);

   iii. Breakdown of all costs associated with the project by component by year (Development-focused budget (Annex D);

   iv. Breakdown of all costs according to each partner organization, if any;

   v. The costs associated with local in-country technical assistance;

   vi. A procurement plan for commodities to be purchased under the cooperative agreement.

   Note: As this program will be for more than $300,000 of USAID funding during a single fiscal year, the Applicant must include funds within the budget to contract for a formal audit each year.

b. Copy of latest Negotiated Indirect Cost Rate Agreement (NICRA) **if** your organization has such an agreement with the U.S. Government;

c. Copies of organization's Personnel, Procurement, and Travel Policies and Procedures;

d. The cost application should also address the applicant's resources and capacity in the following areas in narrative form. The information submitted should substantiate that the applicant:

   i. Has adequate financial resources or the ability to obtain such resources as required during the performance of the award.

   ii. Has the ability to comply with the award conditions, taking into account all of the applicant's existing and prospective nongovernmental and governmental commitments.

   iii. Has a satisfactory record of performance (only a brief discussion of this issue is required in the cost application since past performance is an evaluation factor – the Applicant may wish to discuss any notable issues regarding its record of performance that were not discussed in the technical application);

   Note that past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance.

   iv. Has a satisfactory record of integrity and business ethics; and

   v. Is otherwise qualified and eligible to receive a cooperative agreement under applicable laws and regulations

e. *Signed* Certifications, Assurances, and Other statements of the Recipient

   - Certification Regarding Lobbying
   - Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals

- Certification Regarding Terrorist Financing
- Certification of Recipient
- Key Individual Certification Narcotics Offense and Drug Trafficking, when applicable
- Participant Certification Narcotics Offenses and Drug Trafficking, when applicable
- Other statements of the Recipient

Complete copies of these certifications, assurances, and other statements of the recipient can be found at http://transition.usaid.gov/policy/ads/300/303mav.pdf and as Annex C of this RFA. Please note that completion of Part IV of the Certifications, Assurances, and Other Statements of the Recipient, entitled "Survey on Ensuring Equal Opportunity for Applicants" is not a requirement under this RFA.

The following section provides guidance on line item costs.

Salary and Wages - Direct salaries and wages should be proposed in accordance with the applicant's personnel policies. USAID requires that salary daily rates are calculated 260 working days per year. Budget narrative should explain how daily rates are calculated and whether based on established written policies of the organization or market surveys. Proposed salaries for non-US personnel must be reflected in Philippine currency, with US Dollar equivalent using an exchange rate of $1 = P41.

Fringe Benefits - If the Applicant has a fringe benefit rate that has been approved by an agency of the U.S. Government, such rate should be used and evidence of its approval should be provided (e.g., copy of NICRA). If a fringe benefit rate has not been so approved, the applicant may propose a rate and explain how the rate was determined. If the latter is used, the narrative must include a detailed breakdown comprised of all items of fringe benefits (e.g., social security, PhilHealth, life insurance, medical insurance, 13th month pay, Pag-ibig, sick leave, vacation leave, etc.,) and the costs of each, expressed in US dollars and as a percentage of salaries.

Travel and Transportation - The application should indicate the number of trips, domestic, regional, and international, airfare, land and sea transportation and the estimated costs. Specify the origin and destination for proposed trip, duration of travel, and number of individuals traveling. Per Diem should be based on the applicant's normal travel policies and will be assessed as part of cost effectiveness.

Other Direct Costs - This includes communications, report preparation costs, equipment, supplies, office rent, etc. The narrative should provide a breakdown and support for all other direct costs;

Equipment - Justify the need, type, the number and price of the items equipment to be procured.

Supplies - Justify the need and quantities of supply items related to the activity.

Seminars and Conferences - The application should indicate the subject, venue, and duration of proposed conferences and seminars and their relationship to the objectives of the program, along with estimated costs.

Training Costs - If there are any training costs to be charged to this Agreement, they must be clearly identified.

Foreign Government Delegations to International Conferences - Funds in this agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference — Guidance on

Funding Foreign Government Delegations to International Conferences or as approved by the AOR (http://www.info.usaid.gov/pubs/ads/300/refindx3.htm).

Indirect Costs - The Applicant must support the proposed indirect cost rate by a Negotiated Indirect Cost Agreement (NICRA) for USAID to determine the reasonableness of the rates. Organizations that do not have a NICRA letter with the U.S. Government should treat all indirect costs as direct costs and provide a fully-developed and supported rational for allocating or estimating how much of the indirect costs should be allocated to the program.

4. Electronic Payment[36]

USAID encourages applicants under this RFA to consider alternative methods of payment, especially electronic forms of payment, in place of cash payments when appropriate.

Electronic payment systems include, but are not limited to, electronic funds transfers using bank accounts, prepaid cards (bank issued magnetic or smart cards) using Point of Sale devices, mobile banking, and money transfer and payment systems available through mobile network operators and/or banks.

If you are considering the use of electronic payments in your operations and programs, please include in your application a brief explanation of the selected method of electronic payment, and where feasible, how you propose to reduce the reliance on physical cash. Examples of operational costs that can use e-payments are: temporary staff salaries; vendor payments; travel per-diem for staff. Examples of program costs that can use e-payments are: cash for work payments; payment to trainers or trainers of trainers; direct grants to beneficiaries. This discussion on the type of payment is for informational purposes and for USAID's understanding of how you propose to pay recipients/beneficiaries. This information will be used by USAID to understand and measure the impact of USAID's promotion of the use of electronic payments by implementing partners.

Note that the information to be provided in your application on the selected method of payment will not be used as an evaluation criterion.

[36] See USAID Procurement Executive's Bulletin No. 2012-05, http://inside.usaid.gov/M/OAA/policy/PEBs/pdf/PEB2012_05.pdf

SECTION V – APPLICATION REVIEW INFORMATION

All applications received by the deadline will be reviewed for completeness and responsiveness to the RFA. Late or incomplete submissions will not be considered in the review process. All applications which meet the eligibility requirements and conform to the application preparation and submission instructions will be evaluated.

The evaluation criteria below have been tailored to the requirements of this RFA. The applicants should note that these criteria serve to identify the significant matters that must be addressed in the applications, and to set standards against which all applications will be evaluated.

Numerical weighting indicates the relative order of importance of the technical criteria, to guide applicants in determining which areas require emphasis in the preparation of applications.

To facilitate review and evaluation of applications, applicants are requested to organize the narrative sections of their technical applications in the same order as the evaluation criteria set forth below.

A Technical Evaluation Committee, comprised of USAID technical staff, will review and rate the technical applications using the criteria below. Once the technical application review is complete, competitive applications will be shortlisted. USAID reserves the right to invite shortlisted applicants, represented by their Key Personnel, to give a brief oral presentation of their proposed project approaches at the USAID offices.

A. TECHNICAL EVALUATION CRITERIA

The technical application should address how the Applicant intends to carry out the Program Description of the PAUNLAD Grant Facility. It should also demonstrate a clear understanding of the work to be undertaken and the responsibilities of all parties involved.

TECHNICAL EVALUATION CRITERIA	100 Points
1. Management Structure (a) Management Plan - 30 points (b) Key Personnel - 35 points	65 points
2. Technical Approach and Implementation Schedule (a) Overall Technical Quality – 10 points (b) Implementation Schedule – 5 points	15 points
3. Institutional Capability and Past Performance	10 points
4. Draft Monitoring and Evaluation Plan	10 points

1. Management Structure (65 points)

The Technical Evaluation Committee will examine how well the applicant's proposed management structure will have the capacity to confer and administer sub-grants and, more importantly, achieve the desired results.

1(a) Management Plan – 30 points

The Management Plan will be rated on its overall management approach, on how the applicant intends to organize its proposed staff and partners and/or contractors to ensure the successful implementation of the local grant-making facility, strengthen and ensure the sustainability of its many local grantees and, in the process contribute to the attainment of the goal and objectives of PFG.

1(b) Key Personnel – 35 points

The applicant will be evaluated on how and why the proposed key personnel are particularly well-suited for their assignments.

Key Personnel will be evaluated on the extent of their relevant qualifications, technical and program management expertise and experience, for completing project activities in the key component areas outlined in this RFA.

2. Technical Approach and Implementation Schedule (15 points)

2(a) Overall Technical Quality – 10 points

The technical approach will be evaluated in terms of overall quality, including feasibility, innovativeness, flexibility, and practicality to achieve or exceed the project objectives and the specific expected outcomes within the stated period of performance.

The technical approach will also be evaluated in terms of the extent to which it:

1. Demonstrates a comprehensive understanding of key issues and challenges, including the identification of priority needs that must be addressed to produce results not only as a grant-maker but more importantly in the expected Project outcomes;
2. Matches the understanding of key issues and challenges above with innovative but practical approaches to sub-granting that will produce the expected results within the five-year timeframe of this project;
3. Demonstrates a credible plan to publicize, promote, and solicit applications widely for sub-awards under the Project; and
4. Provides a credible plan with benchmarks/indicators that will enable sub-grant activities to continue after the cooperative agreement has ended.

2*(b) Implementation Schedule – 5 points*

The Applicant's proposed implementation schedule will be evaluated based on the relevance, soundness and consistency of the major activities to be implemented with the technical approach. The plan will also be evaluated based on the feasibility of the timetable of major activities and deliverables.

3. Institutional Capability and Past Performance (10 points)

The applicant's institutional capability will be evaluated based on their organizational history and expertise, including: (a) pertinent work experience and representative accomplishments in the development and implementation of programs of the type required under this RFA, particularly in grant-making; (b) institutional strength based on the quality of proposed personnel with relevant experience; (c) sub-granting and contracting expertise and capabilities; and (d) demonstrated adequacy of financial controls.

Past performance will also be evaluated based on the applicant's record in successfully implementing relevant past project activities; maintaining positive and effective relationships with partners; timeliness

in meeting project milestones; effectiveness in implementing activities within budget, and; its use of cost efficiency measures.

4. Draft Monitoring and Evaluation Plan (10 points)

The draft monitoring and evaluation plan (M&EP) will serve to convey the applicant's proposed approaches for measuring project outcomes. After an award is made, a more comprehensive and complete Monitoring and Evaluation Plan will be required of the eventual successful applicant (see Section VI).

The draft M&EP to be submitted as part of the Technical application will be evaluated according to the extent to which it is clear, appropriate, and logical in terms of identifying expected interim and final results of the PAUNLAD sub-grants project specifically, and the PFG in general, and the extent to which the plan for collecting baseline data and monitoring sub-grant implementation will reliably measure project progress and impact.

The plan, to the extent possible, must include a comprehensive set of specific, measurable, and achievable outcome indicators and targets that will realistically reflect achievement of the objectives of this RFA, and must meet all the dimensions of data quality (reliability, validity, completeness, integrity, accuracy) for collection, storage, and analysis of data (including baseline and monitoring of implementation) that will enable PAUNLAD to quantify program progress and impact.

B. COST EFFECTIVESS AND COST REALISM

Cost applications will be reviewed separately by the Agreement Officer. For the purpose of this RFA, technical considerations are more important than cost. Cost has not been assigned a weight and will not be scored. However, the applicant's proposed costs will be analyzed for cost realism, reasonableness, completeness, effectiveness, allowability, and allocability.

The cost realism analysis is intended to:

1. Verify the applicant's understanding of the solicitation requirements;
2. Assess the degree to which the cost application reflects the approaches in the technical application; and
3. Assess the degree to which the cost included in the cost application accurately represents the work effort included in the technical application.

C. PRE-AWARD RESPONSIBILITY DETERMINATION

The selection of an application for award based on the application's technical merits and cost effectiveness and realism does not guarantee the award. The Agreement Officer will make the final determination on the award, and must be fully satisfied that the apparently successful applicant has the capacity to carry out the award in accordance with the principles established by USAID.

In order for the Agreement Officer to make a final determination, a pre-award survey will be performed to determine responsibility of the selected applicant. A positive responsibility determination means that the applicant possesses or has the ability to obtain the necessary management competence to plan and

carry out the assistance program to be funded, and that the applicant will practice mutually agreed upon methods of accountability for funds and other assets provided by USAID.

The selected applicant may be required to submit the following information:

- Copies of the last three years' audited financial statements, performed by a Certified Public Accountant or other auditor satisfactory to USAID;
- Projected budget, cash flow, and organization charts; and
- Copies of applicable policies and procedures (e.g., accounting, property management).

D. AWARD CONSIDERATIONS

The Agreement Officer has the legal responsibility for the award. He/she makes the final selection and makes the award.

For this RFA, technical application merits are considered significantly more important than cost relative to deciding which applicant might best perform the work. Cost realism and reasonableness will however be important criteria and may be the determining factor in the event that the applications receiving the highest ratings are closely ranked. After the final evaluation of the application and a positive responsibility determination, the Agreement Officer will make the award to the apparently successful applicant.

USAID reserves the right to fund any or none of the applications received.

SECTION VI – AWARD AND ADMINISTRATION INFORMATION

A. NOTIFICATION TO APPLICANTS

Following the completion of the technical and cost evaluation of all applications submitted in response to this RFA and responsibility determination, USAID will make an award to the applicant whose application represents the best overall value to the U.S. Government. Best overall value is defined as the expected outcome that, in the Government's estimation, provides the greatest overall benefit in response to the requirement and available funds.

The successful applicant will receive a written notification in the form of an award document signed by the Agreement Officer. The notice will be provided electronically to the applicant's point of contact listed in the application. Pursuant to ADS 303.3.7.1.b., unsuccessful applicants will also be notified electronically.

USAID does not intend to provide formal debriefings for unsuccessful applicants but retains the right to consider informal briefings for said applicants following award.

B. STANDARD PROVISIONS AND DEVIATIONS

Currently, USAID does not anticipate any deviations from the mandatory or applicable the standard provisions applicable for this award. The standard provisions to be used will be Standard Provisions for Non-U.S. Nongovernmental Organizations (http://www.usaid.gov/policy/ads/300/303mab.pdf).

C. BRANDING STRATEGY AND MARKING PLAN

It is a Federal statutory and regulatory requirement that all USAID programs, projects, activities, public communications, and commodities that USAID partially or fully funds under a USAID grant or cooperative agreement or other assistance award or sub-award must be appropriately marked with the USAID identity.

Under 22 CFR 226.91, USAID requires the submission of a Branding Strategy and a Marking Plan by the *apparently successful applicant*. The apparently successful applicant's proposed Branding Strategy and a Marking Plan must be consistent with the provisions "Branding Strategy," "Marking Plan," and "Marking of USAID-funded Assistance Awards" contained in the Standard Provisions for Non-U.S. Nongovernmental Organizations and ADS 320. The Agreement Officer will evaluate the proposed Branding Strategy and a Marking Plan including any requests for exceptions.

Failure to submit or negotiate a Branding Strategy and Marking Plan will make the apparent successful applicant ineligible for award.

D. REPORTING REQUIREMENTS

The following reporting requirements will be included in the Cooperative Agreement to be issued as a result of this RFA: (a) Quarterly Financial Report, (b) Annual Implementation Plan, (c) Monitoring and Evaluation Plan; (d) Quarterly Performance Report, (e) Annual Performance Report, (f) Final Report, (g) Project Closeout Plan, and (h) Final Branding Strategy and Marking Plan..

The title page of all reports to be submitted to USAID must include a descriptive title, the author's name, cooperative agreement number, the project title, the Recipient's name, the name of the USAID office, and the publication or issuance date of the report.

1. Financial Reporting

The Recipient will account for expenditures for activities carried out under this program to ensure funds are used for their intended purposes.

a. The Recipient must submit the Federal Financial Form (SF-425) on a quarterly basis in electronic format to the Agreement Officer Representative (AOR) and to the Controller at aidmnlrfsc@usaid.gov.

   Electronic copies of SF-425 can be found at:
   http://www.whitehouse.gov/omb/grants/standard_forms/ff_report.pdf
   http://www.forms.gov/bgfPortal/docDetails.do?dId=15149

   Line item instructions for completing the SF-425 can be found at:
   http://www.whitehouse.gov/omb/grants/standard_forms/ffr_instructions.pdf

b. The Recipient must submit an electronic version of the final Federal Financial Form (SF-425) to the AOR and to the Controller (aidmnlrfsc@usaid.gov).

2. Program Reporting

The Recipient is responsible for managing and monitoring the program supported by this agreement as well as its sub-awards, if any. The Recipient will monitor its sub-awards to ensure sub-recipients have met the required audit requirements.

2(a) Annual Implementation Plan

The Recipient will submit a draft annual Implementation Plan delineated by quarterly periods of planned activities within thirty (30) days from the effective date of this agreement. Subsequent annual Implementation Plans should be submitted one (1) month prior to the start of the next cooperative agreement year to the AOR. The AOR will review the draft Implementation Plan and provide comments and/or suggestions within seven (7) days of receipt. The Recipient will then provide one (1) original and one (1) copy of the final Implementation Plan to the AOR for approval not later than seven (7) days after receipt of USAID's comments and/or suggestions.

The Recipient will brief the AOR on a regular basis on the progress made and any changes to the program.

Annual Implementation Plans and changes/revisions thereto must be within the scope of the Agreement's Program Description. Implementation Plans and changes/revisions thereto will describe activities to be conducted during the period at a greater level of detail than in the Program Description, but will not serve to change the Program Description in any way. Therefore, all Implementation Plans and changes/revisions thereto will cross-reference the applicable section(s) in the Program Description. The Program Description will take precedence over the Implementation Plans and any changes/revisions thereto in the event of any conflicts or inconsistencies between the Program Description and the Implementation Plan.

The Recipient will submit to the AOR any significant changes/revisions to the Implementation Plan for approval prior to implementing or undertaking such changes/revisions.

As stated herein and not withstanding any other provisions of the cooperative agreement, the Agreement Officer will be the only individual on behalf of USAID, authorized to modify any terms or provisions of this cooperative agreement.

2(b) Monitoring and Evaluation Plan

The Recipient will submit a draft Monitoring and Evaluation (M&E) Plan to the AOR within forty-five (45) days of the effective date of this Agreement and before major implementation actions are undertaken. The M&E Plan will be based on the M&E Plan submitted with the Recipient's application and will track indicators proposed by the Recipient. It will include, but not necessarily be limited to, the following:

- The results to be achieved by the program;
- The indicators to be used to measure achievement of the results;
- The method of data collection to be used to obtain the indicator data;
- The targets for each indicator by year, and;
- Gender considerations.

USAID will review the draft M&E Plan and provide comments/suggestions within seven (7) days of receipt. The Recipient will then submit one (1) original and one (1) copy of the final M&E Plan to the AOR for approval not later than seven (7) days from receipt of USAID's comments/suggestions.

The Recipient will provide ongoing monitoring of the effectiveness of the implementation of the program and will develop an information and reporting system tied to the Annual Implementation Plan to measure progress towards attaining milestones (results) as well as to collect information on agreed-upon indicators.

2(c) Program Performance Reports

The Recipient will submit one (1) original and one (1) copy of quarterly program performance reports during the duration of the agreement to the AOR. These reports will be submitted within thirty (30) days following the end of the reporting period, and will briefly present the following information:

- A comparison of actual accomplishments with the goals established for the period in the approved implementation plan. If the output of the program can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.
- Reasons why activities were delayed or established goals were not met, if applicable.
- Information on management issues, including administrative problems or problems with collaborators or implementing partners.
- Anticipated future problems, delays, or conditions or constraints that may adversely impact implementation of the program.
- Information on security issues, especially as these affect program integrity and safety of cooperating and implementing partners.
- The status of finances and expenditures and, when appropriate, analysis and explanation of cost overruns or high unit costs.
- Information on new opportunities for program expansion.

- Information on performance and impact indicators for each activity, including gender disaggregated statistical data on indicators.
- Other pertinent information.

The quarterly performance reports, regardless of the date that this agreement is awarded, in order to conform with USAID's fiscal year and this award's own reporting requirements, will cover the periods: October-December, January-March, April-June. However, in lieu of a fourth quarterly performance report, an annual report will be submitted.

2(d) Annual Performance Reports

The Recipient will submit an annual performance report at the end of each of its annual performance period. Annual performance reports will be submitted within ninety (90) days of the end of the reporting period. One (1) original and one (1) copy of the annual performance report shall be submitted to the AOR, and an electronic copy will be submitted to:

USAID Development Experience Clearinghouse
M/CIO/ITSD/KM
Ronald Reagan Building M. 01
U.S. Agency for International Development
Washington, DC 20523, USA
E-mail: docsubmit@usaid.gov
Web site: http://dec.usaid.gov

Annual Performance Reports should summarize the status of program implementation over the year, as assessed against planned activities. It should contain, but are not limited to the following information:

- A comparison of actual accomplishments against goals established for the period in the Annual Implementation Plan and Monitoring and Evaluation Plan.
- Cumulative quantitative Monitoring and Evaluation data, including information on progress towards targets, and explanations of any issues related to data quality.
- Explanations of deviations from expectations for performance indicators
- Information on the status of finances, including expenditure data based on the budget, and accruals; and, pipeline analysis
- Anticipated future problems, delays or conditions that may adversely impact implementation of the program.
- Lessons learned and success stories.
- Information on major challenges and constraints faced during the performance period.
- Prospects for the next year's performance.

2(e) Final Report

Within 90 days following the expiration of the agreement, the Recipient will submit one original and one copy of the Final Report to the AOR and one copy to the Agreement Officer.

In addition, one copy will be submitted to the Bureau for Program and Policy Coordination, Development Experience Clearinghouse in electronic form at:

USAID Development Experience Clearinghouse
M/CIO/ITSD/KM
Ronald Reagan Building M. 01
U.S. Agency for International Development
Washington, DC 20523, USA
E-mail: docsubmit@usaid.gov
Web site: http://dec.usaid.gov

The final report will cover all major activities from start of the agreement through its conclusion, and follow the format of the performance report. The Final Report will provide a comprehensive presentation of the experience, activities, and results achieved under the program, and potential future impact resulting from program achievements. The final program report should include, but are not limited to the following:

i. Executive Summary
ii. Over-all Summary of Implementation Experience
iii. Summary of Activities and Accomplishments
iv. Data on Performance and Impact Indicators
v. Listing of Major Deliverables and Accomplishments
vi. Key Impacts and Successes and Challenges during the Program
vii. Major Lessons Learned
viii. Success Stories
ix. Recommendations for the Future

The final report should also include a final fiscal report that describes how funds were used.

2(f) Project Closeout Plan

Within ninety (90) days of the project's estimated completion date, the Recipient will submit to the Agreement Officer's Representative (AOR) for review, a draft closeout plan which incorporates:

a. the property disposition plan
b. the project operations phase-out plan
c. the delivery schedule for all reports or other deliverables required under the award
d. a timeline for completing all required closeout actions, including the submission date of the final property disposition plan, and
e. includes draft turnover documents.

2(g) Branding Strategy and Marking Plan

a. Branding Strategy

Within forty-five (45) calendar days after the effective date of this award, the Recipient will submit to the Agreement Officer, through the AOR, its Branding Strategy for final approval. The Branding Strategy shall describe how the program is to be named and positioned, how it will be promoted and communicated to beneficiaries and cooperating country citizens, and shall identify all donors, if any, and how they will be acknowledged. (See http://www.usaid.gov/policy/ads/300/320.pdf)

b. Marking Plan

Within forty-five (45) calendar days after the effective date of this award, the Recipient will submit to the Agreement Officer, through the AOR, it's Marking Plan for final approval. The plan will describe how the USAID Identity will be used in the project. Failure to submit or negotiate a Marking Plan within the time specified by the Agreement Officer is sufficient reason to terminate the award.

SECTION VII – AGENCY CONTACTS

The Agreement Officer for the resultant award is:

Sallie H. McElrath
Agreement Officer
USAID/Philippines
8th Floor, PNB Financial Center
Pres. Diosdado Macapagal Boulevard
Pasay City, Philippines
Email: smcelrath@usaid.gov
Tel.: +632 5529921

The Acquisition and Assistance Specialist is:

Ma. Belinda de la Torre
Senior Acquisition and Assistance Specialist
USAID/Philippines
8th Floor, PNB Financial Center
Pres. Diosdado Macapagal Boulevard
Pasay City, Philippines
Email: mdela@usaid.gov
Tel.: +632 5529927

SECTION VIII – ANNEXES

Annex A Standard Form 424 series
SF-424, Application for Federal Assistance
SF-424A, Budget Information – Non-construction Programs
SF-424B, Assurances – Non-construction Programs

Annex B Certifications, Assurances, and other Statements of the Recipient

Annex C Additional Guidance and Sample Budget by Object Class Category

OMB Number: 4040-0004
Expiration Date: 04/31/2012

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission	*2. Type of Application	*If Revision, select appropriate letter(s):
☐ Preapplication	☐ New	
☐ Application	☐ Continuation	* Other (Specify)
☐ Changed/Corrected Application	☐ Revision	

*3. Date Received:	4. Application Identifier:

5a. Federal Entity Identifier:	*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN):	*c. Organizational DUNS:

d. Address:

*Street1:
Street 2:
*City:
County:
*State:
Province:
Country: *Zip/ Postal Code:

e. Organizational Unit:

Department Name:	Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: First Name:
Middle Name:
*Last Name:
Suffix:

Title:

Organizational Affiliation:

*Telephone Number: Fax Number:

*Email:

OMB Number: 4040-0004
Expiration Date: 04/31/2012

Application for Federal Assistance SF-424

Version 02

9. Type of Applicant 1: Select Applicant Type: - Select One -

Type of Applicant 2: Select Applicant Type: - Select One -

Type of Applicant 3: Select Applicant Type: - Select One -

*Other (specify):

*10. Name of Federal Agency:

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

*12. Funding Opportunity Number:

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

*15. Descriptive Title of Applicant's Project:

Attach supporting documents as specified in agency instructions.

OMB Number: 4040-0004
Expiration Date: 04/31/2012

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant *b. Program/Project:

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

*a. Start Date: *b. End Date:

18. Estimated Funding ($):

*a. Federal
*b. Applicant
*c. State
*d. Local
*e. Other
*f. Program Income
*g. TOTAL $0.00

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on
☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
☐ c. Program is not covered by E.O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)
☐ Yes ☐ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☐ **I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: *First Name:

Midd le N ame:

*Last Name:

Suffix:

*Title:

*Telephone Number: Fax Number:

*Email:

*Signature of Authorized Representative: Date Signed:

OMB Number: 4040-0004
Expiration Date: 04/31/2012

Application for Federal Assistance SF-424

Version 02

*Applicant Federal Debt Delinquency Explanation

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form (including the continuation sheet) required for use as a cover sheet for submission of preapplications and applications and related information under discretionary programs. Some of the items are required and some are optional at the discretion of the applicant or the Federal agency (agency). Required items are identified with an asterisk on the form and are specified in the instructions below. In addition to the instructions provided below, applicants must consult agency instructions to determine specific requirements.

Item	Entry:	Item	Entry:
1.	**Type of Submission:** (Required): Select one type of submission in accordance with agency instructions. • Preapplication • Application • Changed/Corrected Application – If requested by the agency, check if this submission is to change or correct a previously submitted application. Unless requested by the agency, applicants may not use this to submit changes after the closing date.	10.	**Name Of Federal Agency**: (Required) Enter the name of the Federal agency from which assistance is being requested with this application.
		11.	**Catalog Of Federal Domestic Assistance Number/Title:** Enter the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested, as found in the program announcement, if applicable.
2.	**Type of Application**: (Required) Select one type of application in accordance with agency instructions. • New – An application that is being submitted to an agency for the first time. • Continuation - An extension for an additional funding/budget period for a project with a projected completion date. This can include renewals. • Revision - Any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision, enter the appropriate letter(s). More than one may be selected. If "Other" is selected, please specify in text box provided. A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration E. Other (specify)	12.	**Funding Opportunity Number/Title:** (Required) Enter the Funding Opportunity Number and title of the opportunity under which assistance is requested, as found in the program announcement.
		13.	**Competition Identification Number/Title:** Enter the Competition Identification Number and title of the competition under which assistance is requested, if applicable.
		14.	**Areas Affected By Project:** List the areas or entities using the categories (e.g., cities, counties, states, etc.) specified in agency instructions. Use the continuation sheet to enter additional areas, if needed.
3.	**Date Received:** Leave this field blank. This date will be assigned by the Federal agency.	15.	**Descriptive Title of Applicant's Project:** (Required) Enter a brief descriptive title of the project. If appropriate, attach a map showing project location (e.g., construction or real property projects). For preapplications, attach a summary description of the project.
4.	**Applicant Identifier**: Enter the entity identifier assigned by the Federal agency, if any, or applicant's control number, if applicable.		
5a	**Federal Entity Identifier**: Enter the number assigned to your organization by the Federal Agency, if any.	16.	**Congressional Districts Of**: (Required) 16a. Enter the applicant's Congressional District, and 16b. Enter all District(s) affected by the program or project. Enter in the format: 2 characters State Abbreviation – 3 characters District Number, e.g., CA-005 for California 5th district, CA-012 for California 12th district, NC-103 for North Carolina's 103rd district. • If all congressional districts in a state are affected, enter "all" for the district number, e.g., MD-all for all congressional districts in Maryland. • If nationwide, i.e. all districts within all states are affected, enter US-all. • If the program/project is outside the US, enter 00-000.
5b.	**Federal Award Identifier**: For new applications leave blank. For a continuation or revision to an existing award, enter the previously assigned Federal award identifier number. If a changed/corrected application, enter the Federal Identifier in accordance with agency instructions.		
6.	**Date Received by State:** Leave this field blank. This date will be assigned by the State, if applicable.		
7.	**State Application Identifier:** Leave this field blank. This identifier will be assigned by the State, if applicable.		
8.	**Applicant Information**: Enter the following in accordance with agency instructions: **a. Legal Name**: (Required): Enter the legal name of applicant that will undertake the assistance activity. This is the name that the organization has registered with the Central Contractor Registry. Information on registering with CCR may be obtained by visiting the Grants.gov website.	17.	**Proposed Project Start and End Dates**: (Required) Enter the proposed start date and end date of the project.
	b. Employer/Taxpayer Number (EIN/TIN): (Required): Enter the Employer or Taxpayer Identification Number (EIN or TIN) as assigned by the Internal Revenue Service. If your organization is not in the US, enter 44-4444444.	18.	**Estimated Funding:** (Required) Enter the amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines, as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses.
	c. Organizational DUNS: (Required) Enter the organization's DUNS or DUNS+4 number received from Dun and Bradstreet. Information on obtaining a DUNS number may be obtained by visiting the Grants.gov website.		
	d. Address: Enter the complete address as follows: Street address (Line 1 required), City (Required), County, State (Required, if country is US), Province, Country (Required), Zip/Postal Code (Required, if country is US).	19.	**Is Application Subject to Review by State Under Executive Order 12372 Process?** Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the
	e. Organizational Unit: Enter the name of the primary organizational unit (and department or division, if applicable) that will undertake the		

	assistance activity, if applicable. **f. Name and contact information of person to be contacted on matters involving this application**: Enter the name (First and last name required), organizational affiliation (if affiliated with an organization other than the applicant organization), telephone number (Required), fax number, and email address (Required) of the person to contact on matters related to this application.		State intergovernmental review process. Select the appropriate box. If "a." is selected, enter the date the application was submitted to the State
		20.	**Is the Applicant Delinquent on any Federal Debt?** (Required) Select the appropriate box. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes. If yes, include an explanation on the continuation sheet.
9.	Type of Applicant: (Required) Select up to three applicant type(s) in accordance with agency instructions. A. State Government B. County Government C. City or Township Government D. Special District Government E. Regional Organization F. U.S. Territory or Possession G. Independent School District H. Public/State Controlled Institution of Higher Education I. Indian/Native American Tribal Government (Federally Recognized) J. Indian/Native American Tribal Government (Other than Federally Recognized) K. Indian/Native American Tribally Designated Organization L. Public/Indian Housing Authority M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education) N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education) O. Private Institution of Higher Education P. Individual Q. For-Profit Organization (Other than Small Business) R. Small Business S. Hispanic-serving Institution T. Historically Black Colleges and Universities (HBCUs) U. Tribally Controlled Colleges and Universities (TCCUs) V. Alaska Native and Native Hawaiian Serving Institutions W. Non-domestic (non-US) Entity X. Other (specify)		21.	**Authorized Representative**: (Required) To be signed and dated by the authorized representative of the applicant organization. Enter the name (First and last name required) title (Required), telephone number (Required), fax number, and email address (Required) of the person authorized to sign for the applicant. A copy of the governing body's authorization for you to sign this application as the official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-0044

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		$	$	$	$	$
2.						
3.						
4.						
5. Totals		$	$	$	$	$

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total
	(1)	(2)	(3)	(4)	(5)
a. Personnel	$	$	$	$	$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges *(sum of 6a-6h)*					
j. Indirect Charges					
k. TOTALS *(sum of 6i and 6j)*	$	$	$	$	$
7. Program Income	$	$	$	$	$

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Standard Form 424A (Rev. 7-97)
Prescribed by OMB Circular A-102

Previous Edition Usable

SECTION C - NON-FEDERAL RESOURCES				
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	$	$	$	$
9.				
10.				
11.				
12. TOTAL *(sum of lines 8-11)*	$	$	$	$

SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	$	$	$	$	$
14. Non-Federal					
15. TOTAL *(sum of lines 13 and 14)*	$	$	$	$	$

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT				
(a) Grant Program	FUTURE FUNDING PERIODS (Years)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16.	$	$	$	$
17.				
18.				
19.				
20. TOTAL *(sum of lines 16-19)*	$	$	$	$

SECTION F - OTHER BUDGET INFORMATION	
21. Direct Charges:	22. Indirect Charges:
23. Remarks:	

INSTRUCTIONS FOR THE SF-424A

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0044), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Sections A, B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a *single* Federal grant program (Federal Domestic Assistance Catalog number) and *not requiring* a functional or activity breakdown, enter on Line 1 under Column (a) the Catalog program title and the Catalog number in Column (b).

For applications pertaining to a *single* program *requiring* budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the Catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the Catalog program title on each line in *Column* (a) and the respective Catalog number on each line in Column (b).

For applications pertaining to *multiple* programs where one or more programs *require* a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

Lines 1-4, Columns (c) through (g)

For new applications, leave Column (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).

Line 5 - Show the totals for all columns used.

Section B Budget Categories

In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

Line 6a-i - Show the totals of Lines 6a to 6h in each column.

Line 6j - Show the amount of indirect cost.

Line 6k - Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

Line 7 - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount, Show under the program

narrative statement the nature and source of income. The estimated amount of program income may be considered by the Federal grantor agency in determining the total amount of the grant.

Section C. Non-Federal Resources

Lines 8-11 Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

Column (a) - Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

Column (b) - Enter the contribution to be made by the applicant.

Column (c) - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

Column (d) - Enter the amount of cash and in-kind contributions to be made from all other sources.

Column (e) - Enter totals of Columns (b), (c), and (d).

Line 12 - Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f), Section A.

Section D. Forecasted Cash Needs

Line 13 - Enter the amount of cash needed by quarter from the grantor agency during the first year.

Line 14 - Enter the amount of cash from all other sources needed by quarter during the first year.

Line 15 - Enter the totals of amounts on Lines 13 and 14.

Section E. Budget Estimates of Federal Funds Needed for Balance of the Project

Lines 16-19 - Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

Line 20 - Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

Section F. Other Budget Information

Line 21 - Use this space to explain amounts for individual direct object class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

Line 22 - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

Line 23 - Provide any other explanations or comments deemed necessary.

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination of the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally-assisted construction subagreement. 10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more. 11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in flood plains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).		12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) Related to protecting components or potential components of the national wild and scenic rivers system. 13. Will assist the awarding agency in assuring compliance will Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.). 14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance. 15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) Pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance. 16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) Which prohibits the use of lead-based paint in construction or rehabilitation of residence structures. 17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations." 18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION	DATE SUBMITTED

CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF THE APPLICANT

NOTE: When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement."

Part I – Certifications and Assurances

1. Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in Federally Assisted Programs

Note: This certification applies to Non-U.S. organizations if any part of the program will be undertaken in the United States.

(a) The recipient hereby assures that no person in the United States shall, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving financial assistance from USAID, and that with respect to the Cooperative Agreement for which application is being made, it will comply with the requirements of:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance;

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance;

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds;

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(5) USAID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations. 06/23/2011 Partial Revision

(b) If the recipient is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and shall be applicable to the entire institution unless the recipient establishes to the satisfaction of the USAID Administrator that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program

of the institution for which financial assistance is sought, or the beneficiaries of, or participants in, such programs.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the recipient by the Agency, including installment payments after such date on account of applications for Federal financial assistance which was approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

2. Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal Cooperative Agreement, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

"The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure."

3. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)

USAID reserves the right to terminate this Agreement, to demand a refund or take other appropriate measures if the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certifications are required for Key Individuals or Covered Participants.

If there are COVERED PARTICIPANTS: USAID reserves the right to terminate assistance to or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

4. Certification Regarding Terrorist Financing, Implementing Executive Order 13224

By signing and submitting this application, the prospective recipient provides the certification set out below:

1. The Recipient, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts, as that term is defined in paragraph 3.

2. The following steps may enable the Recipient to comply with its obligations under paragraph 1:

a. Before providing any material support or resources to an individual or entity, the Recipient will verify that the individual or entity does not (i) appear on the master list of **Specially Designated Nationals and Blocked Persons**, which is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC), or (ii) is not included in any

supplementary information concerning prohibited individuals or entities that may be provided by USAID to the Recipient.

b. Before providing any material support or resources to an individual or entity, the Recipient also will verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the "1267 Committee") [individuals and entities linked to the Taliban, Usama bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee's website: **http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm**.

c. Before providing any material support or resources to an individual or entity, the Recipient will consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware.

d. The Recipient also will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

3. For purposes of this Certification-

a. "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

b. "Terrorist act" means-
(i) an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: **http://untreaty.un.org/English/Terrorism.asp**); or

(ii) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or

(iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

c. "Entity" means a partnership, association, corporation, or other organization, group or subgroup.

d. References in this Certification to the provision of material support and resources shall not be deemed to include the furnishing of USAID funds or USAID-financed commodities to the ultimate beneficiaries of USAID assistance, such as recipients of food, medical care, micro-enterprise loans, shelter, etc., unless the Recipient has reason to believe that one or more of these beneficiaries commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

e. The Recipient's obligations under paragraph 1 are not applicable to the procurement of goods and/or services by the Recipient that are acquired in the ordinary course of business through contract or purchase, e.g., utilities, rents, office supplies, gasoline, etc., unless the Recipient has reason to believe that a vendor or supplier of such goods and services commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

This Certification is an express term and condition of any agreement issued as a result of this application, and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

5. Certification of Recipient

By signing below the recipient provides certifications and assurances for (1) the Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in Federally Assisted Programs, (2) the Certification Regarding Lobbying, (3) the Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206) and (4) the Certification Regarding Terrorist Financing Implementing Executive Order 13224 above.

RFA/APS No. _____

Application No. _____

Date of Application _____

Name of Recipient _____

Typed Name and Title _____

Signature _____

Date _____

Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

2. I am not and have not been an illicit trafficker in any such drug or controlled substance.

3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: _____

Date: _____

Name: _____

Title/Position: _____

Organization: _____

Address: _____

_____

Date of Birth: _____

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

Part III – Participant Certification Narcotics Offenses and Drug Trafficking

1. I hereby certify that within the last ten years:

a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

b. I am not and have not been an illicit trafficker in any such drug or controlled substance.

c. I am not or have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

2. I understand that USAID may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my USAID training.

Signature: _____

Name: _____

Date: _____

Address: _____

_____

Date of Birth: _____

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain participants must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

ANNEX C

ADDITIONAL GUIDANCE and SAMPLE BUDGET

The following object class categories are those required on USAID Form 424A, Section B - Budget Categories

a. **Personnel**

The category includes the salary of each long-term and short-term, paid position for the total estimated life-of-project, except consultants, and the projected cost-of-living or bonus/merit increase for each position.

b. **Fringe Benefits**

This category includes the amount and percentage of fringe benefits for each headquarters and field personnel identified above. Include here all allowances such as housing, schooling, leave benefits, and other items.

c. **Travel**

This category includes all projected travel, per diem and other related costs for personnel **except** consultants. Include the method by which airfare costs were determined; i.e. quotes for coach and if per-diems are based on established policies.

d. **Equipment**

In accordance with 22 CFR 226, 'equipment' means tangible non-expendable personal property, including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. Information should be included in the application on how pricing was determined for each piece of the equipment.

There are statutory constraints relating to the purchase of agricultural commodities, motor vehicles, pharmaceuticals, pesticides, rubber compounding chemicals and plasticizers, used equipment and fertilizer with USAID project funds. PVOs may obtain specific information on these regulations on USAID website at http://www.usaid.gov/policy/ads/300/312.pdf

e. **Supplies**

In accordance with 22 CFR 226, 'supplies' means all personal property excluding equipment, intangible property, debt instruments and interventions.

There are statutory constraints relating to the purchase of agricultural commodities, motor vehicles, pharmaceuticals, pesticides, rubber compounding chemicals and plasticizers, used equipment and fertilizer with USAID project funds. PVOs can obtain specific information on these regulations on USAID website at http://www.usaid.gov/policy/ads/300/312.pdf.

f. **Contractual Services**

This category is for all subcontracts with organizations, which will provide services to the project and any short- or long-term consultant cost including fees, travel and per diem. This category is not to be used for sub-s, which should be included in Other.

g. **Construction**

Applicants should include all labor and material and supplies for construction projects.

h. **Other**

Applicants are to identify all costs associated with training of project personnel.

Applicants planning to use USAID funds to send project staff or local counterparts for training in the U.S. or a country other than the host country, will be required to follow the guidance on USAID Participant Training Regulations, which may be found on the USAID website
http://www.usaid.gov/policy/ads/200/253.pdf

The applicant should provide information on any costs attributed to the project not associated above; i.e. communications, facilities, fuel vehicles, repair, maintenance and insurance.

i. **Indirect Charges**

Include a copy of the Applicant's most recent negotiated indirect cost rate agreement (NICRA) from the cognizant audit agency showing the overhead and/or general administrative rate.

Standard Form 424A, Section C should reflect the Applicant's and other sources' cash and in-kind contributions to this program. A cash match means that funds are used to support the budget elements discussed above. This does not include host country sources. The cash value of donated equipment or supplies must be documented, etc.

Applicants are required to summarize cost data using development-focused budgeting (DFB) – (see Annex D) in cost applications submitted in response to this solicitation. DFB is a customer-based, performance-driven, results-oriented budget system underpinned by outcome management. Outcome management is a management approach that focuses on the development results achieved by providing a service. DFB involves summarizing cost data corresponding to development results/outcomes. Cost data must be summarized into DFB categories. If an input serves multiple development results, the applicant must allocate the input across the corresponding results and provide a rationale in the budget narrative for the method used for each allocated input.

Sample Development-focused Budget

Development-Focused Budget Line Items	USAID Share		Cost		TOTAL	
	PHP	USD	PHP	USD	PHP	USD
1. Sub-Grants for Governance Themes						
2. Sub-Grants for Economic Growth Themes						
3. Administration						
TOTAL						

Note: All local costs must be reflected in local currency and converted in the neighboring cell using the exchange rate mentioned in the guidance on preparing the cost proposal.