



USAID | ARMENIA

Issuance Date: August 29, 2018
Closing Date: October 1, 2018
Closing Time: 17:00PM Yerevan Time

Subject: Amendment # 1 to Notice of Funding Opportunity Number: 72011118RFA00001

Program Title: Armenia Rural Economic Development – New Economic Opportunities (RED-NEO)

Catalog of Federal Domestic Assistance (CFDA) Number: 98.001

Ladies/Gentlemen:

The purpose of this Amendment #1 to the subject Notice of Funding Opportunity is to: (i) provide answers to the requests for clarification (Attachment A) and (ii) provide additional information as follows:

Attachment B - List of Target Communities Assisted by USAID under TARA Program

Attachment C - List of PURE-Water Project Communities

Attachment D – Pre-application Conference Presentation

All other requirements, instructions, terms and conditions of the Notice of Funding Opportunity remain unchanged.

Sincerely,

Rebecca White
Regional Agreement Officer

ATTACHMENT A - QUESTIONS AND ANSWERS

NOTICE OF FUNDING OPPORTUNITY NUMBER: 72011118RFA00001 ARMENIA RURAL ECONOMIC DEVELOPMENT – NEW ECONOMIC OPPORTUNITIES (RED-NEO)

#	Question	USAID Response
1.	Is Sub awardee required to register in http://www.sam.gov before submission of the application?	Only prime applicant is required to be registered at http://www.sam.gov prior to application submission. Sub recipients should only obtain a duns number prior to application submission.
2.	Can US-based or an international organization be a Sub-applicant?	Yes, US and international organizations that meet the requirements of NOFO can be proposed as sub recipients.
3.	What is budget cost share percentage between Prime and Sub/s if any?	At least 50% of the work should be proposed to be done by the prime applicant.
4.	Co-financing at 5% - can it be in-kind and how it can be documented?	USAID has established a minimum recipient cost share of 5% of projected award amount for this NOFO. The proposed cost share can be cash, in kind or any combination of cash and in kind. For guidance on cost sharing in grants and cooperative agreements see 2 CFR 200.306.
5.	Can an organization apply alone without Sub awardees, provided that the full spectrum of expertise and planned services are secured by a highly professional team of staff and experts through contractual services?	Yes.
6.	Are CVs of only key staff required or of the whole team, including Sub/s?	Yes, CVs of key staff are required; however, the applicant might decide to support them with CVs of professional staff as well.
7	Is it required to target ALL indicators identified in the CDCS?	Only indicators relevant to the subject RFA should be targeted.
8	The purpose of Illustrative Indicators is to support development of the proposal, isn't it? Or it is required to target ALL mentioned indicators?	The indicators listed in the NOFO are illustrative and the applicant will decide which ones will be targeted.
9	It is recommended to have short-term International marketing expertise for Component 2. Is it required to have US-based expertise or EU consultant is fine?	The prospective applicants should consider services that meet source, nationality requirements of the NOFO. Please see B.4 AUTHORIZED GEOGRAPHIC CODE.
10	Grants program – what is the minimum and maximum of grants to be awarded to the selected project participants? Please specify the range per awarded business.	USAID anticipates at least 80 businesses in at least 50 communities to benefit from grant component; grant component should not exceed 30% of total program cost, at average \$15K per grant.

11	Can an organization be a Lead and Sub-awardee in different applications?	Yes, an organization may submit an application as a prime recipient and be proposed as a sub recipient under a different application.
12	Can an organization be a Sub awardee in two different applications?	Yes.
13	Please provide a list of “My Armenia” and TARA programs’ target communities.	Please see the attached list for target communities under “TARA programs” (Attachment B.) “My Armenia” project is working in five regions of Armenia: Vayots Dzor, Syunik, Lori, Shirak and Tavush; the list of the project stakeholders is also attached just for your information.
14	Small grants up to 30% of the total proposed project cost: is it required that prime Recipient manage the grants? If the Sub has this expertise, can Sub implement the Grant program alone or in cooperation with the Prime? It is clear that the grant project proposals must be submitted by Prime to USAID for approval, so Sub will follow the procedure through Prime to USAID. Is it possible such role division?	Applicants should propose the best structure for the program taking into account the qualifications and expertise of the prime and sub applicants. However, please note that the prime applicant is responsible for the entire program.
15	I'd like to know what's the % of Admin costs vs Direct costs.	There is no set percentage for admin costs. Applicants should propose reasonable admin costs with detailed breakdown in case admin costs are presented as direct costs, or according to NICRA, in case the organization has one, or at 10% de-minimis indirect rate or as a fixed amount. Please see d) Budget and Budget Narrative on pages D-7 and D-8.
16	As a sub -applicant (if you are not receiving NICRA), are you allowed to have Indirect cost in the budget (fixed amount without reporting , which is normally provided by donors to support the local organization's sustainability) on top of Admin costs and what's the allowed % of Indirect cost.	Please see answer to question 15 above.
17	Is the organization as a sub applicant eligible simultaneously to partner to more than one lead applicant.	Yes
18	Can we apply with other co-applicants? If yes, do all the co-applicants need to be NGOs?	Yes, co-applicants may be local non-governmental organizations (NGO) an individual, a corporation, a nonprofit organization and private for-profit companies willing to forego profit that meet eligibility requirements set under C.1 ELIGIBLE APPLICANTS. However, please note that there should be an identified prime applicant with sub-applicants or a registered partnership of organizations.
19	Is a Sub-awardee required to submit D7. History of Performance or	Yes, sub-applicant also required to submit information regarding its

	this requirement is only for Prime Applicant?	recent performance in accordance with D7 of RFA.
20	Should the co-applicant be registered in SAM, or DUN's number is enough?	Please see answer to question 1 above.
21	Can USAID provide the list of communities supported by previous USAID-funded projects?	Please see answer to question 13 above. For information on other USAID completed projects please visit USAID/Armenia web site.
22	During the pre-application conference, it was mentioned that the term "community" means enlarged group of settlements, totaling to about 50 in Armenia, currently. The NOFO states that "an indicator of program success would be the involvement of at least 80 businesses in at least 50 communities". In case of the Small Grant component this means equal treatment of a small non-enlarged village (still having a status of community) and enlarged community of, for example, Meghri or Ayrum, consisting of several settlements. Will USAID have negative attitude if we suggest to consider the settlement as location of the Project activities instead of the communities?	Term "community" means both already consolidated group of settlements (Meghri, Tumanyan, Dilijan, Tatev, Ayrum etc.) and not yet consolidated communities. The settlement is part of consolidated/enlarged community, thus might be considered as the location of Project activities.
23	Providing quite wide definition of the term "horticulture". Could you please clarify if there are any limitations for horticulture value chain, i.e. are there any products excluded, e.g. vegetables, grains, etc.?	Grains related activities shall not be covered by this program.
24	Are there any limitations for greenhouse products, e.g. can flower production value chain be selected for support?	Floriculture related activities shall not be covered by this program.
25	Could you please specify the beneficiaries more concretely? Can ordinary farmers (engaged in primary agriculture and (initial) processing of fruits and other crops) become beneficiaries of the Project (not only the SGP component)? How the term "established rural business" is defined in the context of this NOFO? For what type of beneficiaries of the RED-NEO the formal registration is mandatory?	Beneficiaries proposed to receive substantive assistance (small grants, etc.) under this program should be formally registered. However, activities and trainings of general interest can accommodate ordinary farmers as well.
26	Are there any territorial preferences, regions that are more preferable for USAID?	Geographic coverage of the RED-NEO will be limited to horticulture specialized areas/regions.
27	In order to provide a high quality proposal which includes thorough analysis of challenges and opportunities of SMEs in different regions of Armenia, we request please extend the deadline by two weeks.	The due date for submitting applications remains unchanged.
28	Page A-10, subheading <u>External Evaluation</u> under heading B. Performance Monitoring, Evaluation and Learning. Will the	No, applicants should not budget funds for the mid-term external evaluation.

	contractor be required to budget funds for the mid-term evaluation?	Prospective applicants should note that annual financial audits should be conducted for the program and thus respective budget line item should be included and estimated in the cost application.
29	Page B-2, key personnel. Will USAID provide anticipated position requirements?	No.
30	Page D-4, subheading 8) Indirect Costs. Will USAID accept Overhead and G&A costs as Indirect costs provided by a US small business which does not have NICRA. The US small business will provide reviewed/audited statements to support the indirect rates.	Please see answer to question 15 above.
31	Page D-9. subheading g) Dun and Bradstreet and SAM Requirements. Please confirm if Armenian NGOs will be required to have DUNS number and SAM registration or will USAID accept application from entities which applied to obtain the registration but did not yet receive it.	Please see answer to question 1 above.
32	Page C-1. subheading C.1. Eligible applicants. In point 4, it is mentioned that majority of governing body should be citizens or lawful permanent residents of the country receiving assistance. Just we want to clarify Majority means 50% and more?	Majority means more than 50%.
33	Could you please publish list of TARA, “My Armenia”, ASPIRED, Pure-Water target communities?	Please see answer to question 13 above for TARA and “My Armenia” programs. Please see the attached list for PURE-Water project communities (Attachment C.). For ASPIRED related communities please visit the following web page: http://www.aspired.wadi-mea.com/en/asdjansk-aspired/
34	Referring to the hard investments by the project (this does not include small grants but bigger scale hard interventions), what does the project fund cover? Does it cover construction costs (materials, workforce)?	No construction works will be done with RED-NEO funding.
35	In section A4 it is mentioned that program success indicators are involvement of 80 businesses in 50 communities. However during the pre-application workshop it was mentioned that this refers to small grants mentioned in page A-8. Could you please clarify if there are any limitations on target area selection for the whole project (excluding small grants)? E.g. how many businesses and communities shall benefit from higher scale interventions?	Please see answers to questions 10 and 22.
36	In page A-8 “Expected Outcomes” bullet 1 mentions establishment	Yes, cooperatives, farmers groups, processors etc. are meant under that

	of producer organizations. Could you please clarify what specifically is meant under this statement (cooperatives, farmers groups, processors etc.)?	statement.
37	Page A-6, Clause A.4, Program Focus Areas and Indicators, expects the involvement of at least 80 businesses in at least 50 communities. Question: Please provide more specific guidance on the target selection for these communities and/or identification.	Please see answers to questions 10 and 22.
38	Page D-2, Clause D.3, Preparation of Applications, requires 8 ½” x 11” standard paper size. Question: Please confirm that standard A4 size paper is allowed for submission.	Please note that applications should be submitted electronically. The standard size is 8 ½” x 11”.
39	Page D-2, Clause D.3, Preparation of Applications, states “The estimated start date identified in Section B of this NOFO must be used in the cost application.” Page B-1, Section B.2 states “The estimated start date will be the award date of the Cooperative Agreement” Question: The offeror respectfully requests USAID provides an estimated start date for Programmatic and Budget purposes.	January of 2019 is the estimated start date of the project.
40	Page D-4, Clause D.5, Technical Application Format, identifies the contents and page limits of the application. Question: Please confirm that an acronym list and divider pages may be incorporated in the volume without being limited to page count.	Acronym list and dividers will not be counted against the page limitation.
41	Page D-4, Clause D.5, Technical Application Format, identifies the contents and page limits of the application. Question: The offeror respectfully requests that additional annexes to the Technical Proposal maybe added and not be considered within page count.	Applicants are free to submit additional information as annexes to the technical application.
42	Page D-5, Clause D.6.d), Budget and Budget Narrative Question: The offeror respectfully requests USAID to provide an exchange rate for use with this application.	The budget should be calculated and submitted in USD. Please note that the agreement with the winning applicant will be signed in USD.
43	Page D-6, Clause D.6.d)1), Budget and Budget Narrative, addresses salaries. Question: The offeror respectfully requests USAID to provide the current FSN Salary scale for use with this application.	Project staff salary should be based on the organization’s’ internal policies, rates and should be market based.
44	Page D-10, Clause D.7, History of Performance, requires past performance for “all” its cost-reimbursement awards with similar	All past performance information will be reviewed for the past three (3) years.

	programs. Question: Please confirm that a limit of three past performance reports will be acceptable.	
45	Page D-10, Clause D.7, History of Performance, requires past performance reports. Question: Please confirm that the past performance reports may be presented in the technical application as an annex, outside of page count.	Yes, past performance reports may be presented in the technical application as an annex, which is outside of page count.
46	Page E-2, Clause E.2.a)3, Merit Review, states that the “applicant must have a minimum of five years of applicable experience in the respective Programs areas.” Page D-4, Clause D.5(f), Technical Application Format limits the description of expertise to “the past three years”. Question: Please confirm the number of years for which past performance and expertise may be presented in the technical section (three vs. five).	Please see answer to question 44 above
47	Page 5, Annex 3, Pre-application Conference, confirms that the pre-application conference materials will be made available on Grants.gov. Please confirm when the materials will be provided on the publicly available site.	Please see attached the pre-application conference presentation (Attachment D.).
48	Page 10, Annex 5, Initial Environmental Examination, Section 1.3, Component 2 refers to a Grant Under Contract (GUC) component and states that the “grant component should not exceed 30% of program cost, but not more than \$15K each”. This does not seem to apply to the current RFA. Question: Please confirm that the grant fund in the RED-NEO may be estimated in response to the design of the program and that standard regulations per ADS 303 will apply to the process and value of the grants.	The statements under Section 1.3 of the IEE apply to the subject RFA. GUC refers to Small Grant Component of the Program Description.

ATTACHMENT B - LIST OF TARGET COMMUNITIES
ASSISTED BY USAID UNDER “TARA PROGRAMS”

Marz	Consolidated Communities	# of Settlements	Names of Settlements (former communities)
Lori	1. Tumanyan	7	Tumanyan (center), Marts, Karinj, Lorut, Shamut, Atan, Ahnidzor
Shirak	2. Amasia	9	Amasia (center); Aregnadem, Bandivan, Byurakn, Gtashen, Hovtun, Meghrashat, Voghji, Jradzor
	3. Ashotsk	11	Ashotsk (center), Bavra, Zuygagyugh, Tavshut, Karmravan, Krasar, Ghazanchi, Mets Sepasar, Saragyugh, Sizavet, Poqr Sepasar
	4. Arpi	9	Berdashen (center), Alvar, Aghvorik, Ardenis, Garnarich, Zarishat, Zorakert, Tsaghkut, Shaghik
	5. Sarapat	15	Torosgyugh (center), Arpeni, Bashgyugh, Goghovit, Lernagyugh, Kakavasar, Hartashen, Hoghmik, Dzorashen, Musayelyan, Salut, Sarapat, Vardaghbyur, Tsoghamarg, Poqr Sarian
Syunik	6. Tatev	8	Shinuhayr (center), Tatev, Khot, Halidzor, Harzhis, Svarants, Tandzatap, Kashuni
	7. Goris	10	Goris (center), Akner, Bardzravan, Khndzoresk, Hartashen, Nerqin Kndzoresk, Shurnukh, Vorotan, Verishen, Karahunj
Ararat	8. Urtsadzor	3	Urtsadzor (center), Lanjanist, Shaghap
Tavush	9. Dilijan	7	Dilijan (center), Haghartsin, Teghut, Gosh, Aghavnavank, Khachardzan, Hovk
	10. Noyemberyan	9	Noyemberyan (center), Baghanis, Barekamavan, Dovegh, Koti, Voskepar, Voskevan, Jujevan, Berdavan
	11. Ayrum	8	Ayrunm (center), Archis, Bagratashen, Debetavan, Deghhdzavan, Lchkadzor, Haghtanak, Ptghavan
	12. Koghb	2	Koghb (center), Zorakan
Vayots Dzor	13. Vayk	5	Vayk (center), Azatek, Arin, Zedea, Por

ATTACHMENT C - LIST OF PURE-WATER PROJECT COMMUNITIES

	<u>Marz</u>	<u>Communities</u>
1	Ararat	Vedi
2		Pokr Vedi
3		Berkanush
4		Aygavan
5		Burastan
6		Khachpar
7	Armavir	Yeraskhahun
8		Yeghegnut
9		Guy
10		Griboyedov
11		Aknaich
12		Aratashen



Rural Economic Development – New Economic Opportunities (RED-NEO) Program

Notice of Funding Opportunity Number: 72011118RFA00001

Pre-application Conference

August 10, 2018



RED-NEO

- Technical area: Horticulture value chain.
- Anticipated start: January 2019;
- Duration: 60-month;
- LOF: Up to \$4Mln;
- Eligible Applicants: Qualified local Armenian NGOs.



RED-NEO Goal and Objectives

Goal:

Promotion of sustainable, inclusive economic growth and economic security in targeted areas, as well as building their resilience.

Objectives:

- improve SMEs/coops/firms/farms development and growth;
- facilitate market linkages between producers and buyers;
- promote local economic development by establishing networks.



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Modality

Combination of **TA and Small Grants** to private sector organizations including:

- businesses,
- foundations,
- institutions,
- producer groups, and/or
- cooperatives

for technology/business upgrade

**(no grants for construction).*



Components

Component 1:

Rural Incomes through Ag and Other Production Increased and Diversified

Objective:

Assist rural small businesses to identify value-added opportunities and translate them into sustainable economic activities.

Component 2:

Farmers and Products Linked to Sustainable Markets

Objective:

Connect farmers to markets via processors, traders, exporters or farmers' organizations in structures and ways that are appropriate, effective and sustainable.



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Small Grants Component

- Total number of small grants to be at least 80 in at least 50 communities.
- The total amount of a single small grant not exceed 30% of the total proposed project cost (but not more than \$15K).
- May be provided to private sector organizations, i.e. businesses, foundations, institutions, producer groups, and/or cooperatives.



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PERSUAP

- Before initiating any activity the Recipient needs to update the existing PERSUAP report prepared in frame of USAID-funded EDMC project in 2014 and obtain USAID's approval;
- The PERSUAP is required to be updated every two years.



Geographic coverage and Beneficiaries

- Horticulture specialized regions to integrate rural communities and businesses with economic networks (small, rural towns might be included); TARA and “My Armenia” sites/locations to be considered.
- Small and medium sized established but still having growth potential/unable to meet demand rural businesses (*?ha of landholding, turnover?*) (firms/farmers/coops/rural/SMEs). At least 80 businesses in at least 50 communities will benefit from the project; TARA and “My Armenia” to be considered.



Link to USAID Activities

- **TARA** - Provided equipment and improved infrastructure in targeted communities will support and create a real opportunity to more closely align public and private sector initiatives to complement and leverage each other.
- **My Armenia** - Viticulture; Hospitality with focus on F&B (not B&B/homestay), Support in F&B provides better turnover (tourists flow), ensuring community economic development and their own economic growth/secutity.
- **PURE/ASPIRED** – geographic locations may be considered for those communities where these projects support irrigation related issues.