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| Funding Opportunity Title: | Strengthening and transforming the economy of eastern Ukraine (the Donetsk, Luhansk Oblasts and the Sea of Azov region) by supporting the sustainable growth of small and medium enterprises |
| Announcement Type: | Annual Program Statement (APS) |
| Funding Opportunity Number: | APS-ERA-002 |
| Issuance Date: | February 24, 2021 |
| Date of Amendment #1: | July 14, 2021 |
| Questions for Evaluations Due By: | Questions will be accepted on an on-going basis. Answers shall be provided shortly after the 1st of each month. |
| Deadline for Submission of Applications: | Applications will be accepted on an on-going basis. |
| APS Closing Date: | February 23, 2022 |
| Submit Applications to: | https://www.dai-global-grants.com/app/UkraineERA |

To interested applicants:

The purpose of this Annual Program Statement (APS) is to solicit applications for grant funding. DAI Global, LLC, through the United States Agency for International Development (USAID), is seeking applications from prospective partners to implement projects under the USAID Economic Resilience Activity (ERA) that support the development of a resilient, inclusive, growth-oriented economy in eastern Ukraine by strengthening both market systems and social networks. These activities will contribute to the economic stabilization of the region by supporting vulnerable populations' participation in the economy and by providing relevant resources and training to improve human capital. The geographic focus under consideration is Ukrainian government-controlled areas of the Donetsk, Luhansk Oblasts and the Sea of Azov region (Berdiansk, Melitopol and Polohy Raions of Zaporizhzhia Oblast).

DAI on behalf of USAID anticipates awarding multiple grants to fund successful applications submitted in response to the APS. The competitive process under this APS will be open for one year. DAI reserves the right to close this competitive process sooner for programmatic or funding availability reasons.

The duration of the grants awarded under this APS may be up to 12 months. Longer durations may be considered on a case-by-case basis. The total amount of funding currently available for the APS is the Ukrainian Hryvnia equivalent of approximately USD 4,500,000. DAI may choose to incrementally or fully fund the selected application(s) under this APS. The number of awards and amount of available funding is subject to change, and DAI reserves the right to (1) fully fund a grant; (2) partially fund a grant or (3) decline to award a grant at any stage of the APS process for programmatic, environmental, or compliance reasons.

This APS is seeking applicants to propose creative and effective approaches to stabilize and grow the economy of eastern Ukraine, especially in the Donetsk and Luhansk Oblasts and the Azov Sea region. The applicants may choose among a range of illustrative initiatives by the USAID Economic Resilience Activity starting on page 5 of this APS or scale up existing small projects that the applicant has implemented successfully. Awardees will be expected to share evaluation results and key lessons and periodically disseminate information on the outcomes resulting from the grants to the broader community.

The applications outside the geographical focus of this APS will not be considered. The applicants must demonstrate success in managing cultural and political considerations in the region as well as success in addressing the DAI's development objectives.

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SECTION I - FUNDING OPPORTUNITY DESCRIPTION

(I) Description of the Proposed Program

Background

USAID Economic Resilience Activity is seeking private, public, and NGO partners for initiatives to improve the competitive position of MSMEs¹ in eastern Ukraine and the Sea of Azov region. These partnerships should help the Activity to implement its strategy and workplan for economic growth, support for vulnerable populations, and enhancement of economic optimism. The partnerships should enable MSMEs and their communities to speed-up recovery from such shocks as the armed conflict and accompanying economic crisis, loss of access to traditional markets, the COVID-19 pandemic, and recent catastrophic forest fires, or to accelerate growth in sectors that have already adapted well to these shocks. This support should lead to diversified end markets and market channels, successful entry into online marketing and sales, increased overall sales, and improved and additional employment.

The interventions funded under this APS will be organized around three objectives of the USAID Economic Resilience Activity: i) Inclusion; ii) Growth; and iii) Transformation.

Inclusion:

- Create opportunities for vulnerable populations to become more economically engaged;
- Strengthen NGOs and networks of NGOs, public and private sector actors to more effectively engage with the vulnerable population communities in the areas of skill building, entrepreneurship, and job creation;
- Improve local educational institutions' (specifically, universities and lyceums) ability to adapt their curricula to meet the needs of local employers in skilled workforce and to foster opportunities to work with the private sector on commercialization of innovation, technology transfer, and worker retention.

Growth:

- Provide co-investment grants to help MSMEs meet collateral requirements for loans and/or self-finance investments in plants or equipment needed to reach new markets/demand and to grow, primarily in the priority growth sectors of manufacturing, IT, honey production, vegetable and fruit production, Azov region tourism and biofuels;
- Co-invest technology to spur MSMEs' innovation;
- Attract credit and/or equity financing needed to help businesses scale-up and reach new markets;
- Strengthen linkages with business service providers and improve market conditions for their operations;

¹ MSMEs – Micro, Small and Medium Enterprises, according to the Ukrainian legislation, are:

- Microenterprise: up to 10 employees, asset balance—up to 350,000 euros, net annual revenue—up to 700,000 euros
- Small enterprises: up to 50 employees, asset balance—up to 4 million euros, net annual revenue—up to 8 million euros
- Medium enterprises: up to 250 employees, asset balance—up to 20 million euros, net annual revenue—up to 40 million euros *Such entities will be assessed as having 50 to 250 employees, or revenue up to 40 million euros. This means that some medium-sized enterprises may have more than 250 employees, but less than 40 million euros net annual revenue.*

- Help MSMEs enter new markets and meet new buyers' needs by improving their business/strategy planning, HR management, financial management, business process optimization, marketing and sales, product identity, social media presence, on-line sales capacity, and standards acquisition (e.g., HACCP, Global GAP, ISO);
- Facilitate MSMEs in finding new buyers and entering new local and international markets through their attending trade fairs, participating in buyer-to-buyer meetings, conducting inward buyer visits, and taking part in on-line market maker events.

Transformation:

- Support communities in eastern Ukraine to join regional coalitions for change, help these coalitions articulate and advocate for their needs more effectively to influence decisions of regional authorities, national-level ministries, and the international donor community;
- Support local communities' efforts in transformation in the areas of private sector support, common area/ community beautification, linkages between education institutions and the private sector, promotion of innovation and investment attraction;
- Help local governments and regional coalitions to better articulate their needs in the area of large infrastructure (e.g., roads, water systems, etc.), formulate higher quality applications, and attract the investment funds needed for such infrastructure from the central government-administered funding windows and/or directly from International Financial Institutions (IFIs);
- Support strategic communications initiatives that drive optimism about the future and depict eastern Ukraine as a viable place to live, work, raise a family, and invest.

The USAID Economic Resilience Activity assistance is aimed at providing support to the following vulnerable population categories. The first seven categories in the list below will be given priority by the ERA selection committee:

- 1) People with disabilities (PWD);
- 2) Single-headed-household women;
- 3) ATO and JFO veterans;
- 4) Elderly women of 55+ years old;
- 5) Elderly men of 60+ years old;
- 6) Disadvantaged ethnic minority groups including Roma people, Greek, and others as self-identified;
- 7) Gender-based violence (GBV) survivors and people at risk of GBV;
- 8) Internally displaced persons (IDPs) including officially registered (those who have a certificate ("dovidka"), non-registered, and returnees;
- 9) Host communities' members (residents);
- 10) Non-educated youth (youth with incomplete secondary education);
- 11) Women;
- 12) Members of the LGBTI community;
- 13) Laid-off workers who lost their jobs because of the conflict beginning in 2014;
- 14) Youth from the non-government-controlled areas (NGCAs) enrolled in the educational institutions located in government-controlled areas (GCAs) of the target regions;
- 15) Graduates (youth) of educational institutions located in the GCAs who lived in the NGCAs before studying;
- 16) Parents of the families with many children and/or children with disabilities;
- 17) People living within a 5-km buffer zone along the conflict line (GCA);
- 18) People living within a 5-20-km buffer zone along the conflict line (GCA).

Overall, types of potential grant activities may include but are not limited to:

1. Development of new tourism products to lengthen the season or attract new categories of tourists to the Azov Sea region;
2. Enhancement of cultural, historical, ethnic, and festival tourism objects and events in the Sea of Azov region;
3. Support for development of tourism industry associations and partnerships in the Sea of Azov region;
4. Market expansion, development of new products, improvement of internal processes, brand development, staff retention and development, protection of intellectual property, strategic development, and other activities aimed at improving long-term viability of SMEs in manufacturing and engineering sectors;
5. Initiatives for engaging youth, women, university graduates, and qualified professionals in the manufacturing and engineering sectors in the Luhansk and Donetsk Oblasts, and the Azov Sea region;
6. Initiatives to deepen intra-regional horizontal and vertical linkages among companies: projects involving several regional companies or companies from different regions including the Luhansk and Donetsk Oblasts and/or the Azov Sea region; strengthening integration of regional value chains, and creation and further extension of linkages among inclusive stakeholders;
7. Development of commercial biofuels production using wood from forests damaged in catastrophic wildfires in eastern Ukraine;
8. Initiatives related to forest restoration or rebuilding of damaged SMEs after catastrophic wildfires in eastern Ukraine;
9. Improvement of MSMEs' branding, packaging, and marketing practices for sale of local milk, meat, and honey products;
10. Improvements in marketing, branding, offline and online sales, sorting, packaging, processing, storage, etc. to assist fruit and vegetable growing MSMEs in expanding and entering national and export markets;
11. Development of new IT products and solutions that are competitive in the national and global market;
12. Improvement of competencies of the IT community of the region through specialized training programs in technical and "front-office" skills;
13. Initiatives to improve the IT ecosystem in the cities of eastern Ukraine and the Azov Sea region to retain more IT professionals through youth and young professional engagement, shared spaces and campuses, and joint projects with municipalities;
14. Increase alignment of technical and vocational educational programs with the needs of tourism, textiles, manufacturing, forestry and agrarian sectors through improved training equipment and collaboration with local employers for better quality of applied skills and practice-based training;
15. Initiatives to attract youth and women to the beekeeping sector;
16. Inclusion of corporate social responsibility in companies' development strategies and commitment to spend some part of profit on social needs;
17. Projects aimed at development and enhancement of particular skills of vulnerable populations which will later help them find a new or better job, as well as equip them with knowledge needed to start a micro business and self-employment;
18. Initiatives aimed at MSMEs' growth and business development including market expansion, production modernization, marketing and sales improvements combined with either creation of new jobs for the vulnerable and hard-to-reach populations in the Donetsk and

- Luhansk Oblasts and the Sea of Azov region or a significant improvement of the current working conditions for the existing workers, including groups of vulnerable population;
19. Creation of partnerships and joint initiatives among local and national stakeholders, such as NGOs, activists, and government authorities, that can deliver tangible improvements for the populations under the ERA's focus;
 20. Projects aimed at strengthening local partnerships and building cooperation between local and national entities, and developing inter-municipal collaboration through joint initiatives;
 21. Projects and initiatives of local NGOs and businesses that introduce or develop social entrepreneurship approaches to their activities or business;
 22. Creation of series of promotional videos and arrangement for their distribution through online channels;
 23. Organization and conduction of nationwide campaigns on changing young people's perceptions of certain professions through social media, television, and outdoor advertisement;
 24. Creation of documentaries about the Ukrainians from the east of the country who glorified their home region;
 25. Organization of the roadshow to increase awareness about the consequences of burning straw in wheat fields and promotion it as a biofuel;
 26. Initiatives to establish and formalize strong relationships between local governments for joint regional development, advocacy, and promotion;
 27. Initiatives to improve the community capacity to attract investments and develop businesses;
 28. Joint community initiatives to improve environment;
 29. Initiatives to support the implementation of models of communities' economic development.

As a result of the grants implemented under this APS, the following are illustrative examples of results (outcomes) being sought:

1. Businesses have improved such elements of business competitiveness as business planning, branding and marketing, packaging, process efficiency, product design and manufacturing, employee training and retention.
2. Local entrepreneurs have an improved access to finance for micro, small and medium enterprises to speed their development.
3. Vulnerable and hard-to-reach populations have more opportunities for skills development which leads to their better economic integration in the Donetsk and Luhansk Oblasts and the Sea of Azov region.
4. Local MSMEs created new jobs and improved existing jobs for the representatives of vulnerable and hard-to-reach populations in the Donetsk and Luhansk Oblasts and the Sea of Azov region.
5. Relevant stakeholders that work with vulnerable and hard-to-reach populations adopted successful approaches in their operations and participated in the initiatives and joined networking efforts which resulted in their improved capacity to assist targeted populations.
6. Local authorities have built their material and methodological capacity to provide services to the representatives of vulnerable and hard-to-reach populations.
7. Vocational and higher education programming is now better suited for the needs of employers and the latter engage more actively in the educational and research activities.
8. The ERA grantees apply the principles of gender equality more effectively in all aspects of business development and activities they implement.
9. The farmers and food producers in the Donetsk and Luhansk Oblasts and the Sea of Azov region obtained basic marketing skills in order to facilitate the transfer to online sales.

10. Young people from the targeted areas have more personal development opportunities and are motivated to build their future in the Donetsk and Luhansk Oblasts and the Sea of Azov region, for example, pursue technical education in local educational institutions.
11. ERA and its grantees promoted Vision of Luhansk Oblast to a wider audience.
12. Issues of gender-based violence (GBV) are addressed better and the GBV prevention measures are taken.
13. The pride of the Ukrainians who live in the east of the country is revived. The implemented activities demonstrated that the traditionally industrial region also has a rich history of talented and world renown Ukrainians in the creative and cultural spheres.
14. The use of biofuels as an alternative to traditional hydrocarbons is promoted.

(2) Administration of Award

Awards to U.S. organizations will be administered in accordance with 2 CFR 200 Subpart E, ADS 303 and USAID Standard Provisions for the U.S. nongovernmental organizations. In accordance with ADS 302, the total value of an individual grant to a U.S. organization must not exceed US\$100,000 (this limitation does not apply to grant awards to non-US organizations). For non-U.S. organizations, the USAID Standard Provisions for non-U.S. non-governmental organizations would apply.

Applicants may obtain copies of the referenced material at the following websites:

2 CFR 200:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=0a5b7fee6378930cce72564449dd8bb7&mc=true&node=sp2.1.200.d&rgn=div6>

Standard Provisions for U.S. Nongovernmental Recipients:

<https://www.usaid.gov/sites/default/files/documents/303maa.pdf>

Standard Provisions for Non-U.S., Nongovernmental Recipients:

<https://www.usaid.gov/sites/default/files/documents/303mab.pdf>

SECTION II - AWARD INFORMATION

(1) Estimated Funding Level

The total amount of funding currently available for this APS is the UAH equivalent of approximately USD 4,500,000. Grants will be paid in UAH except for U.S.-based organizations. Grant awards will generally range from USD 5,000 to USD 500,000 in the UAH equivalent for the period of up to one year. DAI may choose to incrementally or fully fund the selected application(s) under this APS. DAI expects to award multiple agreements. A number of awards and amount of available funding are subject to change.

(2) Anticipated Start Date of this Award and Performance Period

DAI anticipates the start date upon award with a performance period of up to one year. Longer durations may be considered on a case-by-case basis.

(3) Award Type

DAI anticipates awarding multiple grants (hereafter called Agreements) to fund successful applications submitted in response to this APS.

The ERA team completes a pre-award determination process to determine the value, duration, and type of a grant based on the nature of the grant activities and the financial and management capacity of the applicant. The following grant types may be used:

- 1) In-kind – ERA procures the goods and services and provides them to the grantee. No cash is given to the grantee. Goods must be tracked until final property title/ownership transfer approval is received.
- 2) Fixed Amount Award (FAA) - Payments are made based upon the completion and acceptance of program milestones rather than on receipts. The grantee must present a payment voucher, milestone certificate and evidence of completion for payment.
- 3) Standard / Simplified - Reimbursement of actual costs based on receipts and financial report. Appropriate for grantees with strong financial controls.
- 4) Blended Grants - A blended grant is a type of grant issued when an applicant submits a proposal and is selected to receive two different grant types for programmatic reasons (e.g., a determination that project objectives will be advanced through the provision of cash support to an applicant with a highly responsive proposal which will also require the addition of in-kind contributions to ensure overall success), and the two grant types are blended into one. The only two grant types that DAI allows to be blended are a Fixed Amount Award (FAA) and an In-Kind grant.

SECTION III- ELIGIBILITY INFORMATION

(I) Types of entities that may apply

This APS is issued as a public notice to ensure that all interested and qualified organizations have a fair opportunity to submit applications for funding. Only applicants legally recognized and registered may apply for a grant (registration documents and statutes (if any) must be submitted).

Grants may be awarded to:

- MSMEs, financial institutions, private associations;
- Civil society organizations, registered host country and private sector organizations, non-government organizations (US-registered, international, national, and local), training and educational institutions, and universities;
- Government entities only if it is an In-Kind type of a grant.

Organizations excluded from the federal procurement and non-procurement programs:

- Any entity that has been found to have misused the USAID funds in the past;
- Political parties, groupings, or institutions or their subsidiaries and affiliates;
- Organizations that advocate or promote anti-democratic policies or illegal activities;
- Faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objective for the grant is of a religious nature;
- Any entity included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID;

- Any entity whose name appears in the System of Award Management (SAM) with an active exclusion; appears on the Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control, sometimes referred to as the “OFAC List” (online at: <http://www.treasury.gov/resource-center/sanctions/SDNList/Pages/default.aspx>); listed in the United Nations Security designation list (online at: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>);
- An organization that refuses to sign all required certifications and assurances;
- Any “Public International Organization” (PIO); and
- Any entity affiliated with DAI Global LLC or any of its directors, officers, or employees.

(2) Potential New Partners

DAI strongly encourages applications from new potential partners.

(3) Grantee Contribution

Grantee Contribution represents the portion of a funded project that the grantee must contribute in order to share the costs of meeting the objectives of the intervention outlined in the grant agreement. This contribution may be in cash, goods, or services. For instance, the contribution may be in the form of funds from other (non-US Government) donors; it may be the labor of grantee employees or volunteers; or it may be the use of a grantee’s meeting room to hold a workshop for the grant project. Contribution can also include the use of the applicant’s existing facilities or vehicles.

A contribution of at least 15% is expected from micro and small enterprises, unless there is a compelling reason related to the vulnerability of the applicant.

Contributions by medium enterprises of no less than 50% are expected unless there is a compelling reason related to the vulnerability of the applicant.

Contributions by NGOs, public institutions, educational universities, etc. are encouraged but not required.

(4) Sub-Granting

A sub-grant means a financial assistance award in the form of money, or property in lieu of money, made by a grantee to a third-party organization or individual. Sub-granting by an ERA grantee will not be permitted under this APS.

SECTION IV- APPLICATION AND SUBMISSION INFORMATION

(1) Application Process

DAI will review applications using a one-stage process. Applicants must submit a full application.

(2) Full Application

A. General Requirements

Applications must include:

1. Technical application;
2. Workplan;
3. Cost application including budget, budget narrative, and supporting documentation;
4. Signed copies of certifications, assurances, other statements of the recipient;
5. Registration documents;
6. Business plan (only applicable for MSMEs).

DAI reserves the right to reject applications that do not include all the aforementioned documents.

A full application must be submitted in provided templates available on the grant online platform.

The applications must be prepared in accordance with the instructions below. The application evaluation is a competitive process. Full applications will be reviewed and evaluated by the ERA technical committee based on the selection criteria in Section V. The ERA technical committee plans on evaluating the submitted applications on a regular basis.

Note that all applicants may be subject to a pre-award financial and management review and be requested to demonstrate that they have a rigorous financial and monitoring system in place that will ensure auditable systems and records.

B. Format of Application Submission

The chart below lists each element required for submission of a complete application.

| What to Submit | Required Content | Required Format |
|---|---|--------------------------|
| 1. Technical Application | Per required form provided online | Online form |
| 2. Workplan | Per required form provided online | Excel |
| 3. Cost Application <ul style="list-style-type: none"> • Budget Excel File (template provided) • Budget narrative • Supporting Documentation | Budget guidance and template will be provided online. Applicant will upload: <ul style="list-style-type: none"> • Excel Budget based on template provided • Budget narrative • Budget backup documentation | Excel Word PDF |
| 4. Certifications, Assurances, Other Statements of the Recipient | Per required form provided online | Signed PDF copy |
| 5. Registration documents | Certificate of State Registration; non-profit Certificate for non-profit organizations and extract from taxpayer register for profit-organizations; Statute if any | PDF |
| 6. Business plan (only applicable for MSMEs) | Per required form provided online | Word/PDF |

C. Content of Application Submission

I. Technical Application

To facilitate the competitive review of the applications, proposals should include the following contents (instructions for major categories are found under the section headings). The technical application is provided as a separate template. The following information provided as guide for completing the application.

A. General Grantee Information

In this section, the applicant should provide the information about a type of entity, current activities, past-related experience and background, contact details, and three references from the previous and/or current donors or partners.

B. Proposed Grant Description

1. Title, location, and duration of the proposed intervention;
2. Problem Statement (incorporating any existing baseline data) that explains the problem that the applicant wishes to overcome and the necessity of the grant support to accomplish this task;
3. Grant aim and objectives: a description should align with the USAID Economic Resilience Activity objectives presented in the APS Section I – Funding Opportunity Description. Activities may align with more than one of its objective;
4. Detailed description of the technical approach/proposed intervention: a detailed description should demonstrate the applicant’s technical competency to implement the proposed activities. If the applicant is applying for support of business activity, he or she should demonstrate the knowledge of the market dynamics and business climate in the pertinent sector. In this section, applicants explain how they will achieve their objectives. Activities should be numbered and listed clearly. Applications related to new technologies, investments and technical assistance will be evaluated on the clarity of the specifications and requirements provided and the strength of analysis. Applications for granting training and capacity building activities should include detailed information in terms of the proposed location, process, methodology, way of delivery, etc.
5. Grant direct and indirect beneficiaries. Please describe here 1) who will directly benefit from this sub-activity/intervention and 2) who will be indirect beneficiaries. Describe how the grant activities will reach the intended beneficiaries, and how they will benefit directly and indirectly from the sub-activity/intervention.

Direct beneficiary, sometimes called a primary beneficiary, is someone who is directly involved with your project and benefits from it. Indirect beneficiary, sometimes called a secondary beneficiary, is someone who is not directly connected with the project but will still benefit from it.

The MSME beneficiary category covers self-employed persons who conduct independent entrepreneurial activities on a regular basis, receiving more or less sustainable income as a result of this activity, but who is not registered as private entrepreneur. This term is first of all applicable for beekeepers and farmers with whom the Activity is widely cooperating, but it also can be applied to self-employed persons working in other sectors and industries, for example so called IT-freelancers or translators-freelancers.

6. Expected results. Please describe the short-term results (outputs) and long-term results (outcomes) of the proposed intervention. Please describe what short-term results or changes as a result of an intervention will be produced, e.g. how many persons will be trained, what skills they will gain, what business/production processes will be restored or installed, what increase in beneficiaries' incomes is planned, etc. In contrast to the outputs, outcomes are qualitative results which might not be fully identified during the grant implementation. Outcomes are the certain, often non-numerical changes helping to measure the effectiveness and overall success of the grant, e.g. grant participants will increase their knowledge on budget management
7. Activity sustainability: a description of the grantee's ability to maintain the activity after the USAID funding. Applicants-businesses should present the analysis of their current access to financing for the business and their vision of the ways of private capital raising and financial viability after the end of the grant term. Other types of organizations should also provide their expectations of the duration of the benefits and results they have gained as a result of the grant implementation. The program will prioritize in the selection process the strategies and activities that represent strong local ownerships and are aimed at long-term sustainability.
8. Grant intervention indicators and targets. Please choose from the list below all possible key indicators applicable for the proposed intervention that will help to measure its progress. Please also explain how the proposed activities will help achieve them:
 - i.) Number of individual beneficiaries from vulnerable and hard-to-reach populations in the target regions;

What is share of women among all direct beneficiaries of the grant?
 - ii.) Total amount of new investments secured by MSMEs supported by USAID;
 - iii.) Number of individuals with new or better employment as a result of the USAID assistance?
 - iv.) EG.5-1 USD sales of firms receiving the USG-funded assistance (cumulative sales);
 - v.) Number of people trained during the Activity;
 - vi.) Number of beneficiaries utilizing new practices, techniques, or business management skills as a result of the USAID assistance?
9. List personnel who will be involved in implementing this project. Please provide on key personnel, including name, short description of experience and capacity relevant to proposed position (includes proposed job descriptions and complete CVs of all key personnel).
10. List board members (or founding members if you do not have a formal board of directors) and key staff (president, directors, etc.).

C. Budget Summary

Please provide the total amount of a grant with a budget breakdown for each category.

2. Workplan.

Workplan is the implementation plan of the grant activities which outlines a timeline with different phases of interventions, parties responsible for implementation of each particular step, a description of the key activities under each grant objective and expected results of each activity. The template is available as a separate file in the Excel format. The proposed implementation plan should be realistic and achievable within the proposed budget and timeframe and reflect a grasp of necessary steps to ensure rapid, effective execution of the suggested activities.

3. Cost Application

Cost application consists of:

- Budget (Excel format) (a template provided)
- Budget narrative (Word format)
- Supporting Documentation (PDF format)

The cost application includes specific cost information for this project and additional required information from the applicant. Certain documents are required to be submitted by an applicant in order for DAI Staff to make a determination of responsibility.

The application must also provide evidence that the funds requested are reasonable and would be used in a cost-effective manner. DAI will assess whether the overall costs are realistic for the work to be performed, whether the costs reflect that the applicant understands the requirements, and whether the costs are consistent with the technical application. The application also will be assessed for cost effectiveness, and applications that minimize administrative costs in order to maximize program, outreach, and capacity building activities will generally be considered a better value.

All grant activity costs must be within the normal operating practices of the applicant and in accordance with its written policies and procedures (when applicable). For applicants without an audited indirect cost rate, the budget may include direct costs that will be incurred by the applicant to provide identifiable administrative and management costs that can be directly attributable to supporting the grant objectives.

Budget Excel File

Detailed breakdown of the budget in spreadsheet format. The spreadsheet(s) must be submitted electronically in MS Excel format and text accessible.

These spreadsheet breakdowns must include:

1. Salaries and honoraria. You can budget salaries and honoraria of the internal employees and short-term consultants involved into the project implementation. Please include name of the person, position, and salary/honoraria rate.
2. Materials/Equipment: Specify all materials and equipment expected to be purchased, including type, unit cost, and number of units.
3. Travel, Transportation, and Allowances. You may include travel and accommodation costs of the project staff and project activities' participants.
4. General/Operational Costs. You may include rent, communication costs. etc. if these expenses are directly related to the project implementation.

5. **Activity Costs.** These costs are directly related to activities performed during the project (e.g. trainings, surveys, workshops or others, including relevant expenses for their implementation).

Please note that you don't have to fill in all budget categories. The budgeted expenses should correspond your project needs.

Applicants should minimize their administrative and support costs for managing the project to maximize the funds available for project activities.

Budget Narrative

The budget must have an accompanying detailed budget narrative and justification that provides in detail the total costs for implementation of the program your organization is proposing. The budget narrative must be written in the third person. The combination of the cost data and breakdowns specified above and the cost notes must be sufficient to allow a determination of whether the costs estimated are reasonable. If the information described below is provided in the cost matrices described above, then the information need not be included in the Budget narrative.

The following is provided as guidance on issues involving specific types of costs:

1. **Labor/Salaries,** including internal employees and short-term consultants. Please indicate State Social Tax on salary for full-time employees.
2. **Materials/Equipment:** Specify all materials and equipment expected to be purchased, including type, unit cost, and number of units. More detailed information as to the source and origin of the equipment will be provided.
3. **Travel, transportation, and allowances.** The application should indicate the number of trips, domestic and international, and the estimated costs per trip. Specify the origin and destination for each proposed trip, duration of travel, and number of individuals traveling. Allowances should be broken down by specific type and by person.
4. **General/Operational Costs.** Use this budget category for other costs directly associated with the project, which do not fit any of the other categories. Examples include lease and rent payments, utility costs, office supplies required for the project.
5. **Activity Costs.** These costs directly related to activities performed during the project, assigned in full application technical proposal and according to the work plan (e.g. trainings, surveys, workshops or others, including relevant expenses for their implementation).

Depending on the nature of the activity the budget may also include the following costs:

1. **Indirect Costs:** Indirect costs may be included in the budget. The applicant should support the proposed indirect cost rate, if any, with a letter from a cognizant U.S. Government audit agency (i.e. its current Negotiated Indirect Cost Rate Agreement) or with sufficient information for DAI to determine the reasonableness of the rates. For the latter, DAI would need:
 - a) copies of the applicant's financial reports for the previous 3-year period, which have been audited by a certified public accountant or other auditor satisfactory to USAID;
 - b) projected budget, cash flow and organizational chart; and
 - c) a copy of the organization's accounting manual.
2. **Grantee contribution or "leverage":** In addition to USAID funds, applicants are encouraged to contribute resources from their own private or local sources for the implementation of this program where feasible. Contributions can be either cash or in-kind and can include

contributions from applicant, local counterpart organizations, project clients, the relevant Government(s), and other donors (but not other USG funding sources). The budget must provide a breakdown of the financial or in-kind contributions, if any. This information should be included in the Cost Summary as indicated on those documents. The contribution should be discussed in the Budget Narrative to the extent necessary to realistically access these sources and funds and the feasibility of the applicant's contribution plan.

3. If program income is anticipated to be generated under the award, DAI will determine prior to award how that income will be treated and specify in the award.

Program income earned under the award may be used as follows:

1. With prior client (Contracting Officer) approval, added to funds committed by the client and the recipient to the project or program, and used to further eligible project or program objectives;
2. With prior client (Contracting Officer) approval, used to finance the non-U.S. Government share or Cost Share of the project or program, in which case the amount of the Federal award remains the same; and
3. Deducted from the total project or program allowable cost in determining the net allowable costs on which the federal share of costs is based.

If the terms and conditions of the award do not specify how program income is to be used, then option 3 shall apply automatically. Client (Contracting Officer) approval is required to apply the other options. Per RAA 15 of the Standard Provisions for Non-U.S.

Nongovernmental Organizations grantees who are commercial or for-profit organizations may not apply option 1 to their program income. - instead option 3 will apply. This limitation does not apply to FAAs as these types of grants have their own Standard Provisions (ADS 303mat, Standard Provisions for Fixed Amount Awards to Nongovernmental Organizations).

Costs incident to the generation of program income may be deducted from gross income to determine program income, provided that these costs have been charged to the award and they comply with the applicable rules for allowable costs under grants.

The time-frame for earning program income is any income earned by a grantee during the grant period. "During the grant period" means between the effective date of the grant agreement and the end date of the grant as reflected in the final financial report. Recipients shall have no obligation to the US government regarding program income earned after the end of the project/grant period. Potential for-profit applicants should note that DAI policy prohibits the payment of fee/profit to the recipient under grants. Forgone profit does not qualify as cost-sharing/contribution or leveraging.

Supporting Documentation:

1. Supporting justification (justification such as policy, payroll documents, vendor quotes, or specific historical program costs). Successful applicants may be requested to submit the salary history documents (labor agreements, staffing table) justifying the salary rates/honoraria budgeted.
2. If an applicant envisions indirect costs under the proposed activity. NICRA: A current Negotiated Indirect Cost Rate Agreement (NICRA) with USAID, an Indirect Rate Agreement with another federal agency, or financial statements as described below for the primary recipient and proposed partner organizations must be submitted. Applicants that do

not currently have a NICRA from their cognizant agency must also submit the following information:

- a. Copies of the applicant's financial reports for the previous 3-year period, that have been audited by a certified public accountant or other auditor satisfactory to DAI;
 - b. Projected budget, cash flow and organizational chart; and
 - c. Breakdown justification and indirect rate and its base of application
3. Applicants must submit any additional documentation that DAI may require at pre-award stage. The information submitted must substantiate that the applicant:
- a. has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant - nongovernmental and governmental;
 - b. has a satisfactory record of integrity and business ethics;
 - c. Presents evidence of a DUNS Number or a Self-Certification for Exemption from DUNS Requirements.

The applicant is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the applicant/recipient to ensure compliance with these Executive Orders and laws.

INELIGIBLE EXPENSES

Unallowable costs are further described in Subpart E-Cost Principles in 2 CFR 200 for non-profit organizations and FAR 31.2 "Cost principles for Commercial Organizations". All costs must be reasonable, allocable, and allowable. ERA grant funds cannot be used for the following:

- Private ceremonies, parties, celebrations, or "representation" expenses.
- Purchases of restricted goods, such as certain agricultural commodities, motor vehicles (including motorcycles), pharmaceuticals and contraceptive items, used equipment, U.S. government excess property and fertilizers without prior approval by the USAID CO.
- Prohibited goods under USAID regulations, including but not limited to: military and surveillance equipment, police or law enforcement equipment, abortion equipment and services, weather modification equipment, luxury goods, and gambling equipment.
- Purchases of goods or services restricted or prohibited under the prevailing USAID source/nationality regulations per 22 CFR 228 and relevant Standard Provisions; or from countries or suppliers as may be identified by USAID's consolidated list of debarred, suspended, or ineligible subcontractors at www.sam.gov or in the Visual Compliance system.
- Any purchases or activities deemed unnecessary to accomplish grant purposes as determined by DAI, including any grantee headquarters expenses that are not directly linked to the implementation of the proposed program.
- Activities that:
 - normally have a significant effect on the environment under §216.2(d)(1) [See http://www.usaid.gov/our_work/environment/compliance/regulations.html] (except construction and rehabilitation);
 - Affect endangered species;
 - Provide support to extractive industries (e.g. mining and quarrying);
 - Promote timber harvesting;
 - Provide support for regulatory permitting;

- Result in privatization of industrial facilities or infrastructure with heavily polluted property;
 - Assist the procurement (including payment in kind, donations, guarantees of credit) or use (including handling, transport, fuel for transport, storage, mixing, loading, application, clean-up of spray equipment, and disposal) of pesticides or activities involving procurement, transport, use, storage, or disposal of toxic materials-- pesticides cover all insecticides, fungicides, rodenticides, etc. covered under the Federal Insecticide, Fungicide, and Rodenticide Act; and/or
 - Procure or use genetically modified organisms.
- Any construction or refurbishment activities. “Construction” means construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. For purposes of this definition, the terms “buildings, structures, or other real property” include, but are not limited to, improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels.
 - Previous obligations and/or bad debts.
 - Fines and/or penalties.
 - Creation of endowments.
 - Other costs unallowable under USAID and/or federal regulations, such as alcoholic beverages.
 - Indirect costs such as but not limited to overhead or indirect fringe (unless the applicant has documented proof of such rates through audits or USAID-issued NICRA). Additionally, a 10% de minimis indirect rate on Modified Total Direct Costs can be applied to local organizations which have never received a negotiated indirect cost rate from the U.S. government). Indirect costs are never allowed under simplified grants.

(1) Submission Instructions

All materials must be submitted in English or Ukrainian.

Applications must be submitted electronically through the DAI Grants online platform - <https://www.dai-global-grants.com/>, using the templates provided in the platform.

(2) Other Important Information

A. Branding

All USAID-sponsored assistance awards are required to adhere to branding policies and revised marking requirements for grants and cooperative agreements in accordance with ADS 320. This includes visibly displaying the USAID Standard Graphic Identity that clearly communicates assistance is, “From the American people” on all programs, projects, activities, publications, public communications, and commodities provided or supported through USAID assistance awards. ADS 320 requires that, after the evaluation of the applications, DAI Staff will request the apparently successful applicant to submit a Branding Strategy that describes how the program, project, or activity is named and positioned, how it is promoted and communicated to beneficiaries and cooperating country citizens, and identifies all donors and explains how they will be acknowledged. DAI will not competitively evaluate the proposed Branding Strategy. ADS 320 may be found at the following website: www.usaid.gov/policy/ads/300/320.pdf.

B. Environmental Procedures

1. 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. i.e.: environmental compliance obligations under these regulations and procedures are specified in the following paragraphs of this APS.
2. The applicant must comply with Ukrainian environmental regulations unless otherwise directed in writing by USAID. In case of conflict between Ukrainian and USAID regulations, USAID regulations will govern.
3. Environmental requirements of this APS are governed by the USAID Initial Environmental Examination (IEE) DCN: 2018-UKR-031 dated April 13, 2018 and amendments DCN: 2020-UKR-031 dated December 30, 2020, and DCN: 2021-UKR-001 dated January 21, 2021. Compliance with this IEE and its amendments is required to fund and implement grant activities, as described below.
4. No activity funded under the grant will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that grant activity.

Environmental threshold determinations include:

- a. Categorical Exclusion (CE).
- b. Negative Determination with Conditions (NDC).
- c. Positive Determination.

For activities that fall under NDC, grantees will be requested to provide documents listed in B.5 below which are necessary for preparation of the USAID E&E Small-Scale Procurement Environmental Review Form (ERF) or Environmental Review Checklist and Environmental Monitoring and Mitigation Plan (ERC/EMMP).

1. Facilities used for grant implementation shall comply with the laws of Ukraine. To verify legally permitted facilities/buildings, where applicable and according to nature and purpose of the grant, successful applicants will be asked to submit the documents listed below but not limited to:
 - a. Lease agreement or Extract from the Government Registry of Rights of Real Estate.
 - b. Declaration of Fire Safety from the State Service of Ukraine for Emergencies.
 - c. Technical Passport from the Bureau of Technical Inventarization (BTI), including added marked premises for grant activity on the plan.
 - d. Declaration of Readiness for Operation from the State Agency of Architectural and Construction Inspection (when available).
 - e. Results of a Technical Inspection Report in compliance with Cabinet of Ministers of Ukraine decree Number 257 dated 12 April 2017 (If Declaration of Readiness is not available).
 - f. Contract for waste disposal.

C. Data Universal Numbering System

The Data Universal Numbering System is a system developed and regulated by Dun & Bradstreet (D&B) that assigns a unique numeric identifier, referred to as a "DUNS number" to a single business entity. Organizations which receive a grant with a value of \$25,000 and above are required to obtain a DUNS number prior to signing of the agreement. Instructions for Obtaining a DUNS Number can be found here: <https://www.grants.gov/applicants/organization-registration/step-1-obtain-duns-number.html>

DUNS number submission is not required as part of the application process, but, if required, will need to be provided before DAI will sign a grant agreement. DUNS number submission is not required under in-kind grants. Please notify DAI if you have any problems applying for or receiving the DUNS number.

4. Certifications, Assurances, Other Statements of the Recipient and Solicitation Standard Provisions

The certifications, that must be submitted as a part of the application:

1. Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction
2. Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation

In accordance with ADS 303.3.8, DAI will require successful grant applicants to submit a signed copy of the following certifications and assurances, as applicable:

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.)
2. Certification Regarding Lobbying (This certification applies to grants greater than \$100,000.)
3. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)
4. Certification Regarding Support to Terrorists
5. Certification of Recipient

In addition, the following two certifications will be included only as required per ADS 206 for Key Individuals or Covered Participants in covered countries:

Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking

Part III – Participant Certification Narcotics Offenses and Drug Trafficking

SECTION V – APPLICATION REVIEW INFORMATION

I. Eligible Organizations

DAI will consider proposals related to this APS from all legally registered, interested and qualified organizations. Some organizations are legally restricted from receiving U.S. Government funded assistance. In addition, applicants should:

- Be legally recognized and registered. Registration documents and statutes (when applicable) must be submitted.
- Not be affiliated with a political party nor engaged in any political activities;
- Not be focused solely on religious activities;
- Comply with the Certifications, Assurances, Other Statements of the Recipient which should be signed and submitted by the applicant;

2. Evaluation criteria for applications

The applications will be evaluated in accordance with the technical evaluation criteria set forth below. An award will be made to the responsible applicant whose application offers the best value to the U.S. Government, considering both technical and cost factors. Applicants should note that these criteria: (1) serve as the standard against which all applications will be evaluated, and (2) serve to identify the significant matters that Recipients should address in their applications.

All evaluation factors other than cost, when combined, are significantly more important than cost.

| | Evaluation Criteria | Points |
|----|---|---------------|
| A. | Technical competence, necessary experience and ability of the applicant to implement the proposed activity <ul style="list-style-type: none"> • The applicant should demonstrate the ability to carry out the proposed activity based on education, prior experience in the proposed activity or an equivalent activity. The applicant should demonstrate competency necessary to achieve the results indicated in the application. | 35 points |
| B. | Sustainability of the proposed activity beyond the scope of the grant, including funding sustainability <ul style="list-style-type: none"> • The applicant should demonstrate how the proposed activity will be self-sustaining (in the example of MSMEs, the activity breaks even or becomes lucrative) or will draw on other funding sources if necessary, to maintain the activity after the completion of the USAID Economic Resilience Activity grant. ERA will assess whether the proposed project is cost effective. How does the application reflect improvement of the organization's sustainability? | 35 points |
| C. | Organizational Capacity and Project Management <ul style="list-style-type: none"> • ERA will assess whether the candidate has managerial, administrative and financial experience required to implement the proposed project. Does the organization have the potential for development of financial resources to implement the program? Does the organization have the appropriate staff? Is the project implementation schedule realistic in terms of time and the proposed budget? The project budget will be assessed from the perspective of relevancy and feasibility of expenditures. | 15 points |
| D. | Creation of benefit for vulnerable individuals and communities as a result of implementation of the proposed activity <ul style="list-style-type: none"> • During the evaluation of the submitted applications, priority will be given to those applicants who included and/or plan to create benefits for the <u>prioritized vulnerable groups indicated in the Section I – Program Description</u> | 15 points |
| | Total | 100 |

SECTION VI – AWARD AND ADMINISTRATION INFORMATION

(I) Post- Selection Information

Following selection of an awardee, DAI will inform the successful applicant concerning the award. DAI will notify successful applicants electronically either via DAI Grants Online Platform or via e-mail.

DAI also will notify unsuccessful applicants concerning their status after selection has been made.

(2) General Information on Reporting Requirements

Program implementation reporting will be determined based on the outcome of the collaborative finalization of the planned program and the delineation of roles and responsibilities. An annual performance monitoring and evaluation plan, using established baseline data and specific, measurable targets and indicators will also be agreed upon. Financial reporting (if applicable) will be in accordance with the requirements of the obligating document.

SECTION VII- DAI PROJECT CONTACTS

The point of contact for grant-related questions is: grants_era@dai.com.

Any prospective applicant desiring an explanation or interpretation of this APS must request it in writing via grants_era@dai.com (subject: question on APS-ERA-002). Oral explanations or instructions given before the award of a grant will not be binding. Any information given to a prospective applicant concerning this APS will be furnished promptly to all other prospective applicants as an amendment of this APS, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicants.

Point of contact for other inquiries related to general ERA activities: info_era@dai.com.

SECTION VIII - OTHER INFORMATION

Issuance of this APS does not constitute an award or commitment on the part of DAI, nor does it commit DAI to pay for costs incurred in the preparation and submission of an application.

DAI reserves the right to fund any or none of the applications submitted. Further, DAI reserves the right to make no awards as a result of this APS.