

Durable Communities and Economic Opportunities (DCEO/Tahfeez) **Request for Applications (RFA) No. TO2 -24 - 06**

Issuance Date: **June 23, 2024**

Application Deadline: **July 23, 2024**

Dear Applicant:

The USAID-funded Iraq Durable Communities and Economic Opportunities (DCEO/ Tahfeez) Project, implemented by Chemonics International, is seeking grant applications for implementation of Business hub Development Activity. The grants will be awarded and implemented in accordance with USAID and US Government regulations governing grants under contracts and DCEO/Tahfeez' s internal grant management policies.

Project and Chemonics employees may not ask for, and applicants are prohibited from offering, any money, fee, commission, credit, gift, gratuity, thing of value, or compensation to obtain or reward improper favorable treatment regarding this solicitation. Any improper request from a project employee should be reported to the chief of party or BusinessConduct@chemonics.com.

Annexes included with this Request for Applications:

- **Annex A** - Grant Application Form
- **Annex B** – Grant Application Budget Form

SECTION I. PROGRAM DESCRIPTION

IA. OBJECTIVE

DCEO/Tahfeez Economic Opportunities Task Order is considering awarding grants to Iraqi NGOs/ Business Hubs to promote economic growth and prosperity in Iraq through developing a more competitive environment for broad-based economic opportunity and business expansion. The objective of the grant is to provide support to non-governmental organizations engaged in activities that promote a more enabling business environment, advocate for more inclusive economic growth, help build the capacity of business as a business service provider or are involved in similar activities.

IB. BACKGROUND

The Iraq Durable Communities and Economic Opportunities (DCEO/ Tahfeez) is a five-year project funded by the United States Agency for International Development (USAID) and implemented by Chemonics International Inc. The Economic Opportunities task order strategy within DCEO/Tahfeez is to support the overall growth and strengthening of the Iraqi private sector. Economic Opportunities will achieve this through the following two objectives:

Objective 1: Firm-Level Support: Economic Opportunities will support Iraqi businesses to grow in ways that create new jobs and increase sales. Economic Opportunities goes about this through three ways: (1) direct firm support to SMEs on growth constraints, (2) opportunities for Iraqi enterprises to access cutting edge business incubation services and/or receive support that will accelerate the growth of those small businesses, and (3) investment facilitation services to ensure growth capital for Iraqi enterprises.

Objective 2: Improvements to the Business Enabling Environment: Economic Opportunities will support local business associations and networks in their work to identify shared impediments to growth, commerce, trade, and advocacy. These efforts will focus on improving the enabling environment for all Iraqi private sector actors.

This RFA falls under Objective 1/ (2) opportunities for Iraqi enterprises to access cutting edge business incubation services and/or receive support that will accelerate the growth of those small businesses.

IC. DETAILED PROGRAM DESCRIPTION

DCEO/Tahfeez is seeking a grantee for the implementation of Business hub and SMEs development activities in line with the above-mentioned objective. DCEO/Tahfeez intends to award one grant which support an Iraqi Business hub in Basrah province to build their capacity in business service providing and therefor providing support to SMEs in Basrah to develop their businesses. Many SMEs in Basrah still struggle to access essential technical assistance and resources for their growth. This lack holds back the local private sector, limits economic growth, and stops businesses from being as innovative as they could be.

The award objectives will be achieved through focusing on the following areas:

1. Address and remedy technological and operational deficiencies of the business hubs in Basrah by providing necessary resources, equipment, and training to improve their service delivery and sustainability.
2. Provide comprehensive business development assistance to 15 selected SMEs (*4-10 employees including owner and has been operating for two years) in Basrah, including training, mentorship, and marketing support to enhance their operational capabilities and growth potential.
3. Implement targeted business development training programs that cover critical areas such as governance, financial management, and strategic planning, aimed at building the capacity of both the business hubs and the SMEs they support.

The grant award is expected to have up to 6 months period of implementation. The type of the grant, duration of the grant, and amount of the grant award will be dependent on the implementation of the activity, as well as the applicant's past performance and current capacity.

DCEO/Tahfeez recognizes that some grantees may need technical assistance to more effectively carry out the activity. Consequently, applicants are encouraged to specify their needs for technical assistance and/or training in their application.

Note that the issuance of this RFA does not constitute an award or commitment on the part of DCEO/Tahfeez, nor does it commit DCEO/Tahfeez to pay for costs incurred in the preparation and submission of an application. Further, DCEO/Tahfeez reserves the right to accept or reject any or all applications received and reserves the right to ask further clarifications from the offerors.

ID. AUTHORITY/GOVERNING REGULATIONS

DCEO/Tahfeez grant awards are made under the authority of the U.S. Foreign Affairs Act and USAID's Advanced Directive System (ADS) 302.3.5.6, "Grants Under Contracts." Awards will adhere to guidance provided under [ADS Chapter 303](#), "Grants and Cooperative Agreements to Non-Governmental Organizations" and will be within the terms of the USAID Standard Provisions as linked in the annexes, as well as the DCEO/Tahfeez grants procedures.

ADS 303 references two additional regulatory documents issued by the U.S. Government's Office of Management and Budget (OMB) and the U.S. Agency for International Development:

- 2 CFR 200 [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E](#) (U.S. applicants are subject to 2 CFR 200 in its entirety)

Full text of 2 CFR 200 can be found at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl and 2 CFR 700 at <http://www.ecfr.gov/cgi-bin/text-idx?SID=531ffcc47b660d86ca8bbc5a64eed128&mc=true&node=pt2.1.700&rgn=div5>. DCEO/Tahfeez is required to ensure that all organizations receiving USAID grant funds comply with the guidance found in the regulations referenced above, as applicable to the respective terms and conditions of their grant awards.

Under the DCEO/Tahfeez grant program, USAID retains the right at all times to terminate, in whole or in part, DCEO/Tahfeez grant-making authorities.

SECTION II. AWARD INFORMATION

DCEO/Tahfeez anticipates awarding up to 66,000,000 IQD through one award, but the final amount will be dependent upon grant activities and final negotiation and may be lower or higher than that range. The duration of the grant award under this solicitation is expected to be no more than 6 months. The estimated start date of the grant awarded under this solicitation is September 2024.

SECTION III. ELIGIBILITY

IIIA. ELIGIBLE RECIPIENTS

- Applicants must be a registered Iraq, for-profit NGO formally constituted, recognized by and in good standing with appropriate Iraq authorities, and compliant with all applicable civil and fiscal regulations.
- Applicants may only submit one application per prime organization under this RFA.

- Applicants must be able to demonstrate successful past performance in implementation of integrated development programs related to DCEO/Tahfeez priority areas.
- Applicants must have established outreach capabilities with linkages to the beneficiary group(s) identified in the program description. This should be reflected by the incorporation of the beneficiary perspective in the application.
- Applicants must display sound management in the form of financial, administrative, and technical policies and procedures and present a system of internal controls that safeguard assets; protect against fraud, waste, and abuse; and support the achievement of program goals and objectives. DCEO/Tahfeez will assess this capability prior to awarding a grant.
- For any grant award(s) resulting from this solicitation that is other than in-kind, equivalent to \$25,000 USD or more, and has no anticipated subawards, grantees will be required to provide a Unique Entity Identifier (UEI) at the time of award. If the applicant already has a UEI number, it should be included in their application. Otherwise, applicants will be expected to get a UEI number before an award is made. DCEO/Tahfeez will assist successful applicants with this process. More information on UEIs can be found [here](#).
- The project will work with the successful grantee to draft a marking and branding plan which will be annexed to the grant agreement.
- Faith-based and community groups will receive equal opportunity for funding in accordance with the mandated guidelines laid out in ADS 303.3.28 except for faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objective of the grant is of a religious nature.

DCEO/Tahfeez encourages applications from new organizations who meet the above eligibility criteria.

SECTION IV – APPLICATION AND SUBMISSION INFORMATION

IVA. INSTRUCTIONS TO APPLICANTS

Applicants must propose strategies for the implementation of the program description described above, introducing innovations that are appropriate to their organizational strengths.

IVA1. PRE-AWARD RISK ASSESSMENT

All organizations selected for award are subject to a pre-award risk assessment conducted by DCEO/Tahfeez, to ascertain whether the organization has the minimum management capabilities required to handle US government funds.

IVA2. GRANT APPLICATION

Templates to be utilized when developing the application are provided in Annex A-B. Applicants shall present their technical application and budget in the formats provided and shall follow the instructions and guidelines listed in these annexes.

- The application must be signed by an authorized agent of the Applicant.

All grant activity costs must be within the normal operating practices of the Applicant and in accordance with its written policies and procedures. 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 objective.

IVA3. INELIGIBLE EXPENSES

DCEO/Tahfeez grant funds may not be utilized for the following:

- Construction infrastructure activities of any kind.
- Ceremonies, parties, celebrations, or “representation” expenses.
- Covered telecommunication and video surveillance equipment or services – per the standard provision entitled “Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment”, grant funds including direct and indirect costs, cost share and program income may not be used to (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services (“CTES”) as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition covers certain telecommunications equipment and services, including, but not limited to, phones, internet, video surveillance, and cloud servers, produced or provided by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities) unless DCEO/Tahfeez has determined that there is no available alternate eligible source for the CTES. For fixed amount awards, this restriction is only applicable if any of the milestones are for telecommunication or video surveillance services or equipment.
- Purchases of restricted goods, such as: restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, used equipment; without the previous approval of DCEO-Tahfeez, or prohibited goods, prohibited goods under USAID regulations, including but not limited to the following: abortion equipment and services, luxury goods, etc.
- Alcoholic beverages.
- Purchases of goods or services restricted or prohibited under the prevailing USAID source/nationality (Cuba, Iran, North Korea and Syria).
- Any purchase or activity, which has already been made prior to the grant award.
- Purchases or activities unnecessary to accomplish grant purposes as determined by DCEO-Tahfeez.
- Prior obligations of and/or, debts, fines, and penalties imposed on the Grantee.
- Creation of endowments.

IVB. APPLICATION AND SUBMISSION INFORMATION

Applications shall be submitted in English and may not be more than 10 pages.

Applications (including the budget and supporting documentation) should be submitted in electronic copy to the DCEO/Tahfeez Grants email address dceograntssolicitation@iraqdceo.com and should reference

RFA No. RFA TO2-24-06. Applications must be submitted no later than 05:30 pm local time, on **July 23, 2024**. Late or unresponsive applications will not be considered.

In addition to the application forms and budget, applicants should submit the following to DCEO/Tahfeez:

- A copy of the Applicant's valid legal registration with a recent verification.

Please submit all questions concerning this solicitation to the attention of the DCEO/Tahfeez Grants Team via email to dceograntssolicitation@iraqdceo.com. DCEO/ Tahfeez will assist applicants in understanding the application process and can provide coaching in application development at the request of applicants. Questions must be submitted no later than 05:30 pm local time, on **July 07, 2024**.

SECTION V. APPLICATION MERIT REVIEW CRITERIA

All applications will be reviewed by an internal review panel comprised of DCEO technical implementation staff, and recommendations may be vetted by a larger group. Applications will be evaluated against the criteria below.

- Does the organization meet the eligibility requirements?
- Does the organization's application highlight relevant past performance in Basrah?
- Does the proposed activity fit within the DCEO/Tahfeez objectives described in the RFA?
- Is the request for funding commensurate with the potential impact?
- Is the product or service sustainable?
- Does the proposed activity ensure at least 32% participation of women?

Applications will be evaluated against the merit review criteria in the table below.

Merit Review Category	Rating (Points)
Feasibility of Design & Technical Approach	20
Sustainability/Financial Self-Reliance	20
Management & Programmatic Capacity	15
Impact on Target Group	15
Cost Effectiveness	10
Past Performance	10
Gender Awareness	10
Overall Rating (out of 100 points)	100

A. Feasibility of Design & Technical Approach. The quality and feasibility of the application in terms of the viability of the proposed technical approach, (i.e., the proposed technical approach can reasonably be expected to produce the intended outcomes), appropriateness of the proposed methodology, innovativeness, and the work plan for achieving project objectives to offer significant impacts on trade and investment in Egypt. The technical approach must directly contribute to the achievement of the ECP Program's expected results and performance under the activity and must be measurable under one or more of the ECP Program's indicators for regulatory reform, streamlined business processes, workforce development or financial sector strengthening. Evaluation of approaches may include either approaches proven to be effective or new untried approaches with promise. Proposed mechanisms for monitoring and evaluation with objectively measurable indicators will also be appraised. **20 points**

B. Sustainability/Financial Self-Reliance. The extent to which the funded activity will result in building and strengthening the capacity of the community and local organizations, and whether the activity itself is sustainable or will promote sustainability of the organization. **20 points**

C. Management and Programmatic Capacity. Evidence of the capability to undertake and accomplish the proposed activities and positively strengthen the environment for trade and investment. The application should demonstrate the organization's effectiveness in terms of internal structure, technical capacity, and key personnel, in meeting economic development goals. In addition, the organization must demonstrate adequate financial management capability. The evaluation will be based principally on the background, qualifications, reputation, appropriateness and skills of its key personnel; and the "track record," reputation, and achievements (including development of self-sufficient, sustainable activities) of the organization. **15 points**

D. Impact on Target Group. The extent to which the proposed activity corresponds to the needs of target group(s) and will directly benefit them. Also, the degree to which it will directly or indirectly stimulate other organizations and resources to replicate, develop, or implement activities supporting the objectives of ECP. **15 points**

E. Cost Effectiveness. The degree to which budgeting is clear and reasonable and reflects best use of organizational and grant resources. **10 points**

F. Past Performance. Previous or ongoing experience implementing similar activities. This examines an Applicant's references and experience, which is a critical factor in assessing the capacity of the organization to implement the activity. **10 points**

G. Gender Awareness. The extent to which the proposed activity includes a gender component or represents a strong commitment to women as beneficiaries. **10 points**

Additionally, DCEO/Tahfeez will ensure environmental soundness and compliance in design and implementation as required by 22 CFR 216.

SECTION VI. AWARD AND ADMINISTRATION INFORMATION

All grants will be negotiated, denominated, and funded in IQD. All costs funded by the grant must be allowable, allocable and reasonable.

Issuance of this RFA and assistance with application development do not constitute an award or commitment on the part of DCEO/Tahfeez, nor does it commit DCEO/Tahfeez to pay for costs incurred in the preparation and submission of an application. Further, DCEO/Tahfeez reserves the right to accept or reject any or all applications received and reserves the right to ask further clarifications from the offerors. Applicants will be informed in writing of the decision made regarding their application.