

SMALL AND MEDIUM ENTERPRISE ASSISTANCE FOR RECOVERY AND TRANSITION

CLIMATE CHANGE PROGRAM PILOT (SMART-CCB)

Request For Application

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Subject: Request for Applications (RFA) Number SMART-RFA-005
Climate Change Business Program Pilot (SMART-CCB)

Reference: Issued Under SMART Project USAID Cooperative
Agreement No. 72029421CA00001

The Small and Medium Enterprise Assistance for Recovery and Transition (SMART) Project is a four-year USAID-funded program implemented by DAI. SMART aims to support Palestinian SMEs and start-ups to rapidly recover and start on a path to revitalization following the unprecedented crisis of the COVID-19 pandemic. In its first year, SMART launched the Tourism Rapid Recovery Program (TRRP) and the Private Sector Rapid Recovery Program (PSRRP) which focused on getting start-ups and Small and Medium Enterprises (SMEs) “back to business.” These recovery programs were followed by the Private Sector Revitalization Program (REV) and most recently the Women Economic Empowerment Program (SMART-WEE) for assisting start-ups and SMEs to go “back to markets.” These firm-level assistance programs help SMEs restart operations, regain productivity, and grow while promoting economic growth and self-reliance.

The SMART Project is launching the Climate Change Business Program Pilot (CCB) to help businesses become more climate smart by implementing business friendly policies and practices that not only reduce greenhouse gas emissions or promote adaptation to climate change impacts, but also make good business sense. The CCB will help SMART achieve its overall goals of revitalizing and supporting the recovery of Palestinian firms.

The CCB Program will support SMART client firms from SMART’s TRRP, PSRRP, REV, and SMART-WEE, programs through new grants and technical assistance (TA) to lessen greenhouse gas emissions and/or support efficient natural resource use. By accepting applications from client firms of other ongoing programs, the CCB Program will build on existing efforts to reduce greenhouse gases

and improve operations in more climate-smart ways through assistance targeted at energy and water efficiency, renewable energy, and waste management/recycling. TA will include sustainability assessments to identify feasible investments in recycling, solar, and other renewable energy sources, and more energy efficient equipment, which may be funded through SMART assistance as well as cost share by firms. Upgrading existing energy intensive equipment will be key to reducing both operational costs and emissions.

Firms are invited to apply online. The total value of individual grants will be based on firm size and risk profile and will have an individual award ceiling of USD 70,000 per firm. SMART will cost share up to 100% of all types of outsourced TA and trainings, up to 50% for upgrading of existing equipment and up to 50% for new technology or equipment.

SMART reserves the right to fund any or none of the applications submitted. Applications will be considered on a first-come first-served basis.

For the purposes of the Climate Change Business Program, this RFA is being issued and consists of this cover letter and the following:

- Section A – Application Procedure
- Section B – Selection Process
- Section C – Special Award Requirements
- Section D – Annexes

SMART will announce the launch of the program on May 17, 2023, through an announcement on the SMART Project website as well as emails to SMART client firms from SMART's TRRP, PSRRP, REV, and WEE programs. All client firms with grant agreements signed before the launch date will receive an email invitation to apply, and any client firms signing grant agreements during the application window will receive an invitation to apply immediately following grant signature. The deadline for receiving application is 3 months from the announcement date. SMART will hold an online information session within two weeks of the program launch.

Issuance of this RFA does not constitute an award commitment on the part of SMART, nor does it commit SMART to pay for costs incurred in the preparation and submission of an application. Further, SMART reserves the right to reject any or all applications received. Applications are submitted at the risk of the applicant. **All preparation and submission costs are at the applicant's expense.** Any questions concerning this RFA should be submitted in writing to ApplicationSMART@dai.com.

Thank you for your interest in SMART's Climate Change Business Program.

Sincerely,

Said Abu Hijleh

Chief of Party



SMART- RFA - 005

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Section A - Application Procedure

Eligibility Requirements

Applicants must meet all eligibility criteria in order to be considered for assistance. Eligible applicants will be further evaluated based on the selection criteria.

Eligibility Criteria:

To be eligible for consideration under this program, the firm must be a SMART client firm from SMART's TRRP, PSRRP, REV, or SMART-WEE Program. "Client firms" refers to any SME or start-up that has a grant agreement under any of the SMART programs (TRRP, PSRRP, REV, or SMART-WEE), so long as the grant agreement signature predates the CCB application deadline.

Selection Criteria

Eligible applicants will be selected for support based on the degree to which they demonstrate the following criteria:

- Demonstration of expected enterprise benefits of solutions that achieve SMART-CCB objective to lessen greenhouse emissions and support efficient natural resource use (e.g., increased operational efficiencies, increased profitability, business expansion potential).
- Demonstration of expected environmental and social benefits of adoption of solutions that achieve SMART-CCB primary objectives of lessen greenhouse emissions and support efficient natural resource use.
- Verification that the actions in the proposal can be executed within the expected timeframe of 3-12 months
- Ability to secure necessary cost share
- Commitment to compliance with USAID environmental and social regulations
- Ability of the client firm to accommodate staff and visitors with disabilities
- Additional consideration will be given if:
 - The firm is owned and/or managed by youth or the firm hires more than 60% youth
 - The firm is owned and/or managed by women or the firm hires more than 60% women

Cost Share

Financial support will be provided through a grant to cover eligible expenditures with an award ceiling per firm of USD 70,000. The maximum level of available SMART cost sharing assistance shall be determined by the type of assistance based on the parameters below:

Initial Funding:

- Comprehensive sustainability assessments (including energy/water assessment, waste management assessment, and cost benefit analysis) - up to 100%

Assistance Based on Assessments/Business Plans:

- TA/trainings to introduce environmentally friendly business practices - up to 100%
- Upgrading of existing systems and equipment - up to 50%
- Introduction of new technologies and systems or equipment - up to 50%

Application Assessment Process

Applications shall be submitted online. The Application form will be sent by email to the current or new SMART client firm from SMART's TRRP, PSRRP, REV, and SMART-WEE Programs.

Upon receipt, SMART will review the firm's application to determine that:

- All information has been provided on the application form.
- All the documents requested in the application form and the RFA have been submitted.
- Requested assistance is consistent with the strategic objectives of the program.
- Statement of liability (part of application form).

If the application does not meet the submission requirements outlined above, the Firm will be notified of the program's decision to deny the requested assistance and the application will not be moved forward in the review process.

If the application meets the submission requirements, they will be contacted to arrange a site visit by the SMART team. The purpose of the visit is to discuss and clarify the proposed program description and verify and complete all submitted documents. In addition, SMART will conduct a walkthrough assessment during the site visit to build a business case for the proposed intervention as well as examine the potential to lessen greenhouse emissions and/or support efficient natural resource use through the proposed interventions. If the walkthrough assessment shows clear potential for impact, both in terms of the business case and sustainability benefits, a comprehensive sustainability assessment, including energy/water assessment, waste management assessment, and cost benefit analysis, will be developed to identify the funding parameters for the assistance.

Deadlines

Client firms from SMART's TRRP, PSRRP, REV, and SMART-WEE Programs will be invited by email to apply. The deadline for receiving application is 3 months from the announcement date.

Late Applications

All applications received by the deadline will be reviewed for responsiveness and programmatic merit according to the specifications outlined in the RFA. **Section B** addresses the selection process for the applications. Applications which are submitted late, or are incomplete, run the risk of not being considered in the review process.

Monitoring (Results and Benchmarks):

The applicant should define, to the maximum extent possible at the application stage results and benchmarks for monitoring the performance towards attainment of program objectives.

Section B - Selection Process

SMART will convene a review panel to review all applications that meet the submission requirements outlined above. The review panel will include technical and non-technical members of the SMART project. Throughout the evaluation process, SMART shall take steps to ensure that members of the review panel do not have any conflicts of interest or the appearance of such with regards to the organizations whose applicants are under review. Members of the panel shall neither solicit nor accept gratuities, favors, or anything of monetary value from parties to the awards.

If suitable applications are received, one or more awards will be made, provided that the awardee(s) furnish SMART with the required documentation.

The applications will be evaluated according to the evaluation criteria set forth below. To the extent necessary (if award is not made based on initial applications), negotiations may be conducted with each applicant whose application, after discussion and negotiation, has a reasonable chance of being selected for award.

Awards will be made based on the evaluation of applications by the review panel according to the evaluation criteria and scoring system identified below.

Evaluation Criteria

Evaluation Criteria	Max Score	Score	Comments
Demonstration of expected enterprise benefits of solutions that achieve SMART-CCB objective to lessen greenhouse emissions and support efficient natural resource use (e.g., increased operational efficiencies, increased profitability, business expansion potential)	30		

Demonstration of expected environment and social benefits of adoption of solutions that achieve SMART-CCB primary objectives of lessen greenhouse emissions and support efficient natural resource use.	25		
Verification that the actions in the proposal can be executed within the expected timeframe of 3-12 months.	10		
Ability to secure necessary cost share	25		
Commitment to compliance with USAID environmental and social regulations	5		
Ability of the Firm to accommodate staff and visitors with disability	5		
TOTAL SCORE	100		
Extra Points:			
The Firm is owned and/or managed by Youth or the Firm hires more than 60% youth	5		
The Firm is owned and/or managed by women or the Firm hires more than 60% women	5		
TOTAL SCORE	110		

Signing of Award

Upon USAID concurrence of the applicant and the results of the environmental monitoring and mitigation plan (EMMP), a Grant Agreement will be prepared. After SMART and the successful applicant have signed the Agreement, SMART will provide training on financial management and reporting, if necessary. SMART will follow up with the applicant as to ensure that the necessary environmental mitigation measures are considered so that the activities are carried out on an environmentally sound basis.

All reporting and contractual obligations will be explained to the successful applicant at a kick-off meeting.

Section C - Special Award Requirements

The applicant shall bear in mind the following special requirements may be applicable to any award resulting from this RFA:

Permitted Uses of Program Income: The beneficiary will inform SMART of any program income generated under the award and agrees to follow USAID’s disposition requirements for such program income, which is in accordance with 2 CFR 200.307. Program income earned under this agreement shall be applied and used in the following descending order:

1. Added to funds committed by USAID and the recipient to the project or program and used to further eligible project or program objectives.
2. Used to finance the non-Federal share of the project or program; 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 number 2) shall apply automatically. Awardees who are commercial organizations may not apply Option 1) to their program income.

Reporting Procedures: A description of reporting requirements will be included in the Grant Agreements. The types of reporting required, along with the schedule of reporting, will depend on the grant type and project duration. Reporting forms will be provided to grant recipients. Types of reporting will include the following:

- **Final program report** (Close-out Report) will describe how the project objectives and goals were reached, results of the project, and problems and solutions during implementation. This information should be presented in a manner suitable for presentation to the public.
- **Financial reports** will be submitted to DAI according to a schedule described in the grant agreements. Types of financial reports, as well as the schedule of reporting, will depend on the type of grant, length of project, and amount of grant funding. Financial reports will be required to receive grant installments. These reports will describe the amount of grant funds spent during the previous period, total amount spent to date, and amount remaining in each budget line item. In addition, all grant recipients are required to submit a detailed Final Financial Report.

Issuance of the final installment of grant funds is contingent upon DAI's receipt and acceptance of Final Financial and Final Program Reports.

Project Monitoring: DAI staff will monitor projects in terms of both programmatic and financial aspects. Grant recipients will be expected to facilitate monitoring by making relevant information available to DAI staff.

Restrictions: Funds provided under any resulting agreement shall **not** be used to finance any of the following:

Funds provided under any resulting agreement shall **not** be used to finance any of the following:

1. Construction¹ is not eligible for reimbursement under SMART,
2. Goods or services which are to be used primarily to meet military requirements or to support police or other law enforcement activities,
3. Surveillance equipment,
4. Equipment, research and/or services related to involuntary sterilization or the performance of abortion as a method of family planning,

¹ Construction means —construction, alteration, or repair (including dredging and excavation) of buildings, structures, or other real property and includes, without limitation, improvements, renovation, alteration and refurbishment. The term includes, without limitation, roads, power plants, buildings, bridges, water treatment facilities, and vertical structures.

5. Gambling equipment, supplies for gambling facilities or any firms, casinos or accommodations in which gambling facilities are or are planned to be located,
6. Commodities and services for support of police or other law enforcement activities,
7. Activities which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas, or
8. Establishment or development of any export processing zone or designated area where the labor, environmental, tax, tariff, and/or safety laws of the country in which such activity takes place would not apply,
9. Weather modification equipment,
10. Pharmaceuticals,
11. Pesticides,
12. Logging equipment,
13. Luxury goods (including alcoholic beverages and jewelry),
14. Establishing or expanding any enterprise that will export raw materials that are likely to be in surplus in world markets at the time such production becomes effective and that are likely to cause substantial injury to U.S. producers,
15. Activities which would result in the loss of forest lands due to livestock rearing, road construction or maintenance, colonization of forest lands or construction of dams or other water control structures,
16. Activities which are likely to have a significant adverse effect on the environment, including any of the following (to the extent such activities are likely to have a significant adverse impact on the environment):
 - i. Activities which may lead to degrading the quality or renewability of natural resources.
 - ii. Activities which may lead to degrading the presence or health of threatened ecosystems or biodiversity.
 - iii. Activities which may lead to degrading long-term viability of agricultural or forestry production (including through use of pesticides).
 - iv. Activities which may lead to degrading community and social systems, including potable water supply, land administration, community health and well-being or social harmony.
17. Activities which are likely to involve the loss of jobs in the United States due to the relocation or expansion outside of the United States of an enterprise located in the United States, or
18. Activities which the awardee is aware are reasonably likely to contribute to the violation of internationally or locally recognized rights of workers,
19. Activities to support the production of agricultural commodities for export from when such commodities would directly compete with exports of similar United States agricultural commodities to third countries and have a significant impact on United States exporters,
20. Trading Companies who mainly specialized in covering all export and import operations and procedures,
21. Used equipment,
22. U.S. Government-owned excess property.

Section D - Annexes

Annex 1: USAID Standard Provisions

Pursuant to 2 CFR 700.13, it is USAID policy not to award profit under assistance instruments such as grant awards. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (2 CFR 200 Subpart E for all US-based and for non-US based non-profit organizations, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations), may be paid under the grant.

For non-US organizations, the Standard Provisions for Non-US Nongovernmental Recipients will apply. <https://www.usaid.gov/sites/default/files/documents/303mab.pdf>

For US organizations, 2 CFR 200 and the Standard Provisions for U.S. Nongovernmental Recipients will apply. <https://www.usaid.gov/sites/default/files/documents/1868/303maa.pdf>

Annex 2: Certifications, Assurances, Other Statements of the Recipient

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 Terrorist Financing, Implementing Executive Order 13224

5. Certification Regarding Trafficking in Persons, Implementing Title XVII of the National Defense Authorization Act for Fiscal Year 2013 (Note: *This certification applies if grant for services required to be performed outside of the United States is greater than \$500,000. This certification must be submitted annually to the USAID Agreement Officer during the term of the grant.*)

6. Certification of Recipient

In addition, the following certifications will be included **Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking** (Note: Only as required per ADS 206 for Key Individuals or Covered Participants in covered countries.)

Part III – Participant Certification Narcotics Offenses and Drug Trafficking (Note: Only as required per ADS 206 for Key Individuals or Covered Participants in covered countries.)

Part IV – Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction

Part V – Other Statements of Recipient

Part VI – Standard Provisions for Solicitations

(Note: Parts V & VI – Are included in the grant file as part of the grant application.)

