

**Annex 2: Request for Application (SMART-RFA-003)**

**Small and Medium Enterprise Assistance for Recovery and Transition (SMART) Activity**

**Private Sector Revitalization Program**

Issuance Date:	June 6, 2022
Closing Date:	December 31, 2022
Closing Time:	16:30
Closing date of submitting questions:	June 20, 2022
Closing date of answering questions:	June 30, 2022

**Subject:** Request for Applications (RFA) Number SMART-RFA-003

**“SMART’s Private Sector Revitalization Program”**

**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 rapidly recover Palestinian small and medium enterprises (SMEs) and put them on a path to revitalization following unprecedented crises e.g., COVID-19. SMART will help SMEs regain productivity, grow, and expand. It will promote economic growth and self-reliance in the West Bank, Gaza and East Jerusalem.

SMART will support SMEs and startups, here thereafter referred to as firms, in all private sectors through the Private Sector Revitalization Program. **This RFA is for the Private Sector Revitalization Program.**

Under the Private Sector Revitalization Program, the SMART Project will assist private sector individual firms or a group of firms, in all sectors, that offer growth potential and will benefit from the offered support to grow, scale-up and expand into existing and new markets. The program facilitates access to finance and provides both technical assistance (TA) and limited support for capital expenditures, mainly critical equipment and systems needed to scale up production or introduce new products or services to increase sales in domestic and export markets. In addition, the program will assist businesses to improve environmental and climate change safeguarding, such as energy savings, use of treated wastewater, water management and any other activities that have positive impact on environment.

Successful applicants will qualify for assistance delivered through Grants to support a cost-shared combined package of Technical Assistance (TA) and discrete capital expenditures and training

necessary for growth and expansion in new markets. Capital expenditures are expected to include introduction of critical technologies and equipment required to grow and/or to advance environmental and climate change safeguards. Grants will also include staff training and certification, either online or on the job. TA will involve advisory services, provided by SMART Business Advisors, consultants, and service providers, aimed at improving productivity, quality, business planning, access to finance and marketing support necessary to grow and to expand or enter new markets.

Firms are invited to apply online. Applicants may choose to submit one application for a group of two or more firms when they have a common business interest that can be better met in a group setting, such as, trade fair, trade mission, recycling unit for a group of firms, etc. The total value of individual grants will be determined based on firm size, risk profile and potential for growth. SMART will cost share up to 60% of all types of outsourced TA and trainings and cover up to 40% of the capital expenditures. For applications submitted by firms owned or managed by women or youth as well as application submitted by companies that hire more than 60% of women and youth and application submitted by a group of firms that have common business interest, cost share can be adjusted to up to 70% of all types of outsourced TA and trainings, and up to 50% of the capital expenditures. For activities that support environmental and climate change safeguards, SMART will cover up to 100% of audits and assessments and up to 60% of activities required to implement the audits 'or assessments' recommendations.

Applications will be reviewed and evaluated on a first-come first-serve basis. SMART reserves the right to fund any or none of the applications submitted. Applications must be received by the closing date indicated at the top of this cover letter.

For the purposes of the Private Sector Revitalization 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

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 not later than the closing date shown above to [ApplicationSMART@dai.com](mailto:ApplicationSMART@dai.com).

Thank you for your interest in SMART's **Private Sector Revitalization Program**.

Sincerely,

Said Abu Hijleh  
Chief of Party



## SMART - RFA - 003

# CONTENTS

<b>SECTION A - APPLICATION PROCEDURE</b>	<b>1</b>
QUALIFICATION OF APPLICANTS	1
Eligibility Requirements	1
Selection Criteria	2
ADDITIONAL REQUIREMENTS FOR GROUP REVITALIZATION PLANS	2
COST SHARE	3
APPLICATION SUBMISSION	3
Requirements	3
Deadlines	4
Late Applications	4
Monitoring (Results and Benchmarks):	4
Preparation Instructions – Financial and Administrative Documentation	4
Unique Entity ID (SAM)	4
<b>SECTION B - SELECTION PROCESS</b>	<b>4</b>
SIGNING OF AWARD	5
<b>SECTION C - SPECIAL AWARD REQUIREMENTS</b>	<b>6</b>
<b>SECTION D - ANNEXES</b>	<b>8</b>
Annex 1: USAID Standard Provisions	8
Annex 2: Certifications, Assurances, Other Statements of the Recipient	8

## SECTION A - APPLICATION PROCEDURE

To qualify for consideration, firms must meet the minimum eligibility requirements. Eligible firms will be evaluated and selected based on the extent to which they demonstrate the selection criteria. All selected firms will be expected to furnish a portion of the cost of Revitalization Plans, with adjusted minimums as described in the Cost Share section below. When justified and appropriate, a two or more firms may decide to submit a group application, but only when each firm in the group meets all eligibility requirements on an individual basis and there is substantial justification and business case for a shared Revitalization Plan. Submitting a group application will require a lead firm or institution that is authorized to represent the group and apply on their behalf.

### QUALIFICATION OF APPLICANTS

#### ELIGIBILITY REQUIREMENTS

To be eligible for consideration under this program, the firm must meet the following criteria:

- Meet the definition of SME or a Startup as stated below
- Hold formal business registration
- Maintain operations at the time of application and demonstrate growth potential
- Comply with Ministry of Health requirements for COVID-19 precautions
- Agree to undergo an assessment, engage with the SMART Project, and commit to make change
  
- Firms will be deemed **not eligible** if any of the following are true:
  - The firm operates in the following sectors: trading wholesale or retail, construction development, luxury goods, or gold trading
  - The firm deals in illicit goods or services, including but not limited to: gambling, tobacco, firearms, alcohol, or illicit drugs
  - The firm's operations adversely affect the environment.

#### **SMEs and Startups Definition**

SMEs are firms that are employing from 5 to 49 employees and have annual turnover between USD 100,000 and USD 2,000,000<sup>1</sup> in one of the past three years.

Start-ups are for-profit companies that have been in operation for less than three years, are officially registered, have an experienced management team, and try to fill market demand. It should have experience in production and create a scalable business by developing an innovative product or service in any production sector

---

<sup>1</sup> MONE-SANAD, study to establish a national definition of MSMEs in Palestine. Page 25

## SELECTION CRITERIA

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

- A well-defined, viable business development plan
- A clear potential for growth and positive impact as a result of SMART support
- Compliance with USAID environmental and social safeguards
- Demonstrate capacity to finance operating expenses and required cost-share.

Applicants will be given additional consideration during evaluation if the firm is

- Owned and/ or managed by women or youth, or
- Employs more than 60% women and/or youth.

### **Woman/youth-owned and Managed Business Definition**

≥ 51.0 percentage ownership/stake by woman/women/youth

Or

≥ 20.0 percent ownership by woman/women/youth and ≥ 1 woman/youth in senior management with ≥ 30 percent of the board of directors being women/youth (where a board exists)

## ADDITIONAL REQUIREMENTS FOR GROUP REVITALIZATION PLANS

Two or more firms may decide that is in their mutual interest to collaborate on an application and share in the cost and benefits of a group revitalization plan. In these cases, every firm in the group will be assessed against the same eligibility criteria above. For example, if all firms are eligible, expect one of the group members who is too large/too small to be considered as an SME or Startup, the ineligible firm cannot be included.

Submitting a group application will require a lead firm or institution that is authorized to represent the group and apply on their behalf.

In addition to satisfying all eligibility and selection criteria as individual firms, as a group, the members must make a convincing business case for why a group application is preferable to each firm pursuing individual assistance for the same goal. The following factors will contribute to a strong justification for a group Revitalization:

- Economies of scale for shared capital resources (e.g., one packaging plant for multiple producers of the same product)
- Economies of scope for shared technical assistance (e.g., one specialized consultancy for multiple firms in the same sector)
- Activities that depend on a critical mass of firms for success (e.g., a group of businesses presenting at a tradeshow or making B2B connections for export market development)
- Consideration of sustainability, especially in the case of shared capital resources (e.g. plan for capital ownership, maintenance of equipment responsibility and operational and financial plans)



## DEADLINES

Online applications must be submitted by the closing date and time indicated in the cover letter. The rolling application means that firms need not delay submission to the deadline—the review and selection process can begin as soon as applications are submitted.

## 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 the expected results and benchmarks for monitoring the performance towards attainment of program objectives.

## PREPARATION INSTRUCTIONS – FINANCIAL AND ADMINISTRATIVE DOCUMENTATION

Before signing the grant agreement, the following documents should be submitted:

- Copies of valid workmen compensation insurances
- Unique Entity ID (SAM) (described below)

## UNIQUE ENTITY ID (SAM)

SMART needs to collect UEI (SAM) from grantees and subcontractors that meet the specified thresholds and update its records with these new UEI (SAM). SMART Purchase Order/Subcontractor/Grant (number) to your organization meets the specified threshold, and therefore you are requested to obtain and provide us with your organization's UEI (SAM). This is a mandatory requirement for any future payments or awards.

Getting a Unique Entity ID (SAM) is easy and FREE to all organizations. Review this video (<https://www.youtube.com/watch?v=0uvIYNAslNk>) from the US Government for more information about how to get a UEI (SAM). Any future US Government procurements or grants that exceed the thresholds will require organizations to have a 12-digit UEI (SAM).

## 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.

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.

Applications review will be made on first come first served bases and it will be based on the evaluation criteria and scoring system identified below. The passing score is 70. In cases of group applications, the overall business case and merit of group as a whole will be evaluated one scale, so



long as each firm meets the eligibility criteria. The funds available will determine the number of awards.

### Evaluation Criteria Table

Evaluation Criteria	Max Score	Score	Comments
Present a clear Business growth plan with clear activities, timeline, target markets and budget	30		
Demonstrate positive impact of the fund on growth, resilience, sustainability, and staff retention	20		
Ability to secure necessary cost share	20		
The actions in the proposal can be executed within the expected timeframe is less than 9 months.	10		
Sound Financial Planning and Management systems	5		
Compliance with USAID environmental and social regulations	5		
Have valid workmen compensations insurance	5		
The ability of the Firm to accommodate staff and visitors with disability	5		
<b>TOTAL SCORE</b>	<b>100</b>		
<b>EXTRA POINTS</b>			
The Firm is owned and/or managed by a female or the Firm hires more than 60% women	5		
The Firm is owned and/or managed by Youth or the Firm hires more than 60% youth	5		
<b>TOTAL SCORE</b>	<b>110</b>		

### SIGNING OF AWARD

Upon USAID concurrence of the applicant and the results of the environmental monitoring and mitigation plan (EMMP), a suitable 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.

**SMART and USAID reserve the right to fund any or none of the applications received**

## 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:

**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:

- **Periodic Report** (Quarterly and Yearly Reports) will describe the progress of the Firms achieved during a certain period. Information related to sales, exports, employment, market share, investments should be reported. The Firm can highlight any potential and existing problems in this report.
- **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. Construction<sup>2</sup> 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,
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

---

<sup>2</sup> 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.

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.)