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**Issuance Date: September 29, 2009**

**Deadline for Receipt of Questions: October 5 (will be addressed at pre-award conference and answered in an amendment to the solicitation)**

**Pre-Award Conference: October 8, 2009**

**Closing Date for Initial Concept Papers: November 5, 2009**

**Closing Time for Concept Papers: 2:00 pm; Local Colombo Time**

**SUBJECT:** Annual Program Statement (APS) Number 383-09-506 – Public-Private Partnerships in Northern and Eastern Sri Lanka (PPP)

The United States Agency for International Development (USAID) Mission in Sri Lanka is seeking concept papers and later, applications from indigenous commercial companies and organizations to implement activities to support the Public-Private Partnerships in Northern and Eastern Sri Lanka (PPP). The focus of USAID/Sri Lanka's contribution to PPP is to increase incomes by increasing productivity and enhancing value through more effective market linkages. Please refer to the attached Program Description herein for a complete statement of goals and expected results. Under this APS, USAID/Sri Lanka is seeking concept papers from organizations that are interested in entering into public-private alliances with others, including USAID, to carry out activities that will be responsive to the factors identified below.

The authority for the APS is found in the Foreign Assistance Act of 1961, as amended. Awards shall be made and administered in accordance with A-122 (for non-profit organizations), A-133 (Audits of States, Local Governments, and Non-Profit Organizations)(for other than US NGOs), ADS 303, and USAID Standard Provisions, and the Federal Acquisition Regulation (FAR) Part 31 (for-profit organizations). Please note that no profit/fee is allowed under assistance. Forgone profit does not qualify as cost-sharing or leveraging.

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Subject to the availability of funds, the Government intends to award cooperative agreements under this APS. USAID however, reserves the right not to enter into any awards. The award(s) will be made in accordance with evaluation procedures provided in Section C. USAID intends to provide approximately \$7.5 million in total USAID funding (minimum estimated at \$300,000 per award). ***This APS seeks public-private alliance applications for one-time funding in FY2010 for 2 to 3 year agreements. Applicants however should contemplate an alliance that continues beyond this period.*** A model concept paper can be downloaded from <http://srilanka.usaid.gov>.

For the purposes of this program, this APS is being issued and consists of this cover letter and the following:

- a. Section A - Program Description;
- b. Section B - Application Preparation Guidelines;
- c. Section C – Evaluation Procedures;
- d. Section D - Certifications, Assurances, and Other Statements of Applicants;
- e. Section E – Annexes

If your organization decides to submit a concept paper, it must be received by the closing date and time indicated at the top of this cover letter. All concept papers must be submitted to Mr. Saliya Navaratne at [snavaratne@usaid.gov](mailto:snavaratne@usaid.gov).

Issuance of this APS does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of a concept paper or application. Concept papers and full applications are submitted at the risk of the applicant; should circumstances prevent award of a cooperative agreement, all preparation and submission costs are at the applicant's expense.

A pre-award conference will be conducted on Thursday, October 8, 2009 at 10:00 am at the Ceylon Chamber of Commerce in Colombo. For applicants from the Northern and Eastern Provinces, USAID will set up a telephone conference on Thursday, October 8, 2009 at 2:00 pm for the Chambers of Commerce in Jaffna, Trincomalee, Batticaloa, and Ampara. Further details will be announced in an amendment to this solicitation. **It is imperative that interested parties send their contact details (name, title, name of organization) for all those within their organization who may attend. This information should be sent to Ms. Anna de Silva at [adesilva@usaid.gov](mailto:adesilva@usaid.gov) with a copy to [snavaratne@usaid.gov](mailto:snavaratne@usaid.gov).** This should be done by October 5, 2009. The purpose of the pre-award conference is to answer questions and provide clarifications on this APS. It is also an opportunity for interested parties to network in the course of forming partnerships.

The preferred method of distribution is via internet. This APS and any future amendments can be downloaded from <http://srilanka.usaid.gov>. It is the responsibility of the Recipient of the application document to ensure that they have obtained related documents from <http://srilanka.usaid.gov> in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion processes. If you have difficulty accessing the APS, please contact Mr. Saliya Navaratne at [snavaratne@usaid.gov](mailto:snavaratne@usaid.gov).

In the event of an inconsistency between the documents comprising this APS, it shall be resolved by the following descending order of precedence:

- a. Section C - Evaluation Procedures
- b. Section B - Application Preparation Guidelines

- c. Section A - Program Description
- d. This Cover Letter

Any questions concerning this APS shall be submitted in writing to Mr. Saliya Navaratne at [snavaratne@usaid.gov](mailto:snavaratne@usaid.gov). Please note the deadline for receipt of questions and requests for clarification at the top of this cover letter. Applicants should retain for their records one copy of all enclosures which accompany their application.

Sincerely,

Rebecca Cohn  
Agreement Officer  
USAID/Sri Lanka

Attachment: a/s

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## **SECTION A - PROGRAM DESCRIPTION**

The United States Agency for International Development (USAID)/Sri Lanka is soliciting concept papers under the Public-Private Partnerships in Northern and Eastern Sri Lanka (PPP) activity which focuses on public-private partnerships to foster (1) innovative production in aquaculture, horticulture, knowledge-based services, logistics services, and garment and (2) development of micro-enterprises and the diffusion of knowledge and information to support economic development in the Northern and Eastern provinces.

### **A.1. INTRODUCTION**

Economic growth is key to transforming Sri Lanka. USAID strongly believes that the private sector is an engine of economic growth. Public-private partnerships allow USAID to work collaboratively with the private sector especially in the Northern, Eastern, North Central, and Uva Provinces since each province's contribution to Sri Lanka's Gross Domestic Product is five percent or less while the Western Province's share is close to fifty percent. The regional economic imbalance is one of the factors that have contributed to minority grievances.

The longstanding conflict has resulted in severe under-investment in conflict-affected areas, and a substantial deterioration of essential infrastructure. Not only does economic revitalization of the conflict-affected North and East mitigate the impact of two and half decades' conflict, but it also helps over-all economic growth of the country by benefitting other regions as well.

USAID is unique in its approach to leveraging private sector funding for post-conflict stabilization in order to accelerate economic growth in lagging regions of the country. The private sector provides capital, market access, sustainability and technical expertise while USAID supplies funding, development expertise, long-term in-country presence, a network of local and global partners and policy influence. These partnerships create jobs and generate income for the conflict-affected northern and eastern regions and the country as a whole.

With the objective of leveraging private sector funding, USAID will provide up to \$7.5 million under PPP, in addition to \$5 million previously provided under the Partnership for Eastern Economic Revitalization (PEER) program. The USAID fund will leverage private sector funding for the program through at least 1:1, or more, matching. The Public-Private Partnerships (PPP) fosters innovation, create jobs, and increase incomes from both agricultural and off-farm enterprises in Northern and Eastern Sri Lanka. The areas of focus are forging demand-driven links to markets in aquaculture, horticulture, knowledge-based services, logistics and transportation, and ready-made garments. Innovative production methodologies, institutional capacity building, and innovation are critical to develop the economy of Northern and Eastern Sri Lanka.

USAID highly values conflict sensitive development approaches. Beneficiaries, therefore, will be members of all ethnic groups, with an emphasis on equitable participation. Gender issues are important and need special attention. USAID recognizes the important contribution of women in the economy and would like to support initiatives that invest in women and strengthen their access to knowledge, technologies, and markets.

### **A.2. BACKGROUND**

Building on the Mission's earlier and ongoing successful economic growth portfolios, PPP seeks to address Sri Lanka's current economic growth issues in the conflict-affected areas. Recent USAID assessments conclude that inequitable distribution of economic development benefits have helped fuel the current conflict. To address these disparities, and make a positive contribution to creating space for a political solution for durable peace,

the PPP project seeks to expand economic activity in and around the conflict-affected areas in the Northern Province and the Eastern Province, and in conflict-strategic areas on the border of the conflict, such as the Monaragala district in Uva Province and the Polonnaruwa district in North Central Province. The PPP project is public-private partnership that will leverage private sector funding for the program to maximize the impact of the US government funding.

### **A.2.1 Global Development Alliances (GDA)**

In the 1970s, 70 percent of resource flows from the United States to the developing world were from official development assistance and 30 percent were private. Today, 85 percent of resource flows from the United States to the developing world are private and 15 percent are public. USAID seeks to leverage these private resource flows through the Global Development Alliance (GDA). GDA is a public-private partnership model that allows USAID to leverage resources from private sector partners and to use those assets in a way that benefits the business interests of the resource partner while furthering the goals of the USAID Mission. A GDA program meets the following criteria:

- At least 1:1 leverage (in cash and in-kind) of USAID resources;
- Common goal defined for all partners;
- Jointly-defined solution to an economic development problem;
- Non-traditional resource partners (companies, foundations, etc.);
- Shared resources, risks and results, with a preference for additional impact; and
- Innovative, sustainable approaches to development.

For more information on the GDA, please visit: [http://www.usaid.gov/our\\_work/global\\_partnerships/gda/](http://www.usaid.gov/our_work/global_partnerships/gda/)

In Sri Lanka, USAID uses its resources and expertise to assist strategic partners in their investment decisions and to stimulate new investments by bringing new actors and ideas into the development arena. In developing public-private alliances that fit well together with the GDA business model, USAID/Sri Lanka uses the following guidance:

- Alliances are expected to bring significant new resources, ideas, technologies and/or partners to address PPP priorities.
- Preference will be given to alliances that demonstrate at least 1:1 leveraging with a strong preference for 2:1 (partner: USAID) or more leverage ratio of resources.
- Alliance applications must specify what each party is contributing at the outset. At least some portion of the leverage must be in the form of cash (at least 1:1 cash leveraging). In addition to monetary contributions, in-kind resources such as services, property, volunteer time, equipment, and supplies are also valuable contributions.
- Alliances must clearly establish up front how the interests and objectives of each party converge. This expression of interests and objectives should then lead to an operational plan that, if successfully implemented, will produce clearly defined, measurable, financially viable and attributable development results.
- Alliances should be ready to move into implementation immediately and build off existing experiences in the sector.
- It is important to exercise due diligence before entering into alliance arrangements with partners. To ensure that the interests of all alliance partners are protected, the applicant should conduct adequate due diligence

on all funding partners to ensure that track record, objectives, financial, social and environmental practices, and reputations of all alliance partners are satisfactory.

- Like all development investments, alliance activities must actively involve local leadership and local beneficiaries (this includes women and men) in design and implementation.
- All USAID-financed programs and activities must comply with USAID's environmental procedures set forth at 22 CFR 216. [http://www.access.gpo.gov/nara/cfr/waisidx\\_03/22cfr216\\_03.html](http://www.access.gpo.gov/nara/cfr/waisidx_03/22cfr216_03.html)
- Alliance applications must have clearly-defined objectives that have been agreed to by the partners.
- Alliance applications are expected to demonstrate significant new, non-public resources – whether money, ideas, technologies, experience or expertise – to address development problems.
- Alliance applications must offer promise of significant development impact, as measured, for example, by the number of direct and indirect beneficiaries of the program, disaggregated by sex, income and landholdings, enhanced sustainability and/or by the potential for replication or scaling-up over time.
- Alliance applications must appear feasible from a technical, economic, financial, and social perspective.

USAID highly encourages participation of indigenous Sri Lankan private sector organizations in this process as both the lead partner and as part of alliances. USAID may consider consortiums and joint ventures that create sustainable commercial businesses in the region.

In addition, all prospective partners must be able to document a reputation for integrity, highest standard of conduct, and a proven track record in their areas of expertise.

Further, partners must be able to demonstrate a respect for human rights, ethnic balance, gender sensitivity, and integration of people with disabilities and other vulnerable groups, decent work conditions, environmental protection, and community involvement in their operational practices. They should also be able to provide evidence of a strong commitment to the proposed alliance and, ideally, experience with working in partnership with others.

Proposed programs in agriculture must comply with statutory and policy restrictions on the use of USAID funds for agriculture assistance, including Section 613(b) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008, Division J, P.L. 110-161 (the "Bumpers Amendment"); Policy Determination 15 ("Assistance to Support Agricultural Export Development"); and Policy Determination 71 ("USAID Financing of Palm Oil, Citrus and Sugar Projects and Related Products"). These prohibit, among other things, the use of USAID funds to support the production of agricultural commodities for export if the commodities would directly compete with exports of similar U.S. agricultural commodities to third countries and have a significant impact on U.S. exporters. Copies of these restrictions are available on request.

### **A.2.2 USAID/Sri Lanka's Public-Private Partnerships in Northern and Eastern Sri Lanka (PPP)**

#### **Current Economic State**

Sri Lanka has achieved impressive economic growth, despite more than two decades of conflict and war, but the economic gains have been inequitably distributed. Since 1990, Sri Lanka's gross domestic product has grown by an average of five percent per year. In particular, Sri Lanka registered high GDP growth for the past few years: 5.4% in 2004, 6.0% in 2005, 7.7% in 2006, 6.8% in 2007, and 6.1% in 2008.

Sri Lanka's overall macroeconomic outlook, however, is mixed. The global financial crisis is impacting Sri Lanka's economy. Export demand for both agricultural and manufacturing goods is falling, and tourism

earning is shrinking. As a result, several thousands workers in garment, tea, rubber, tourism, and financial services have lost their jobs. Remittances from workers abroad, a lifeline for the country's balance of payment, are increasing only slightly, a trend that is unlikely to accelerate until the global economic trend reverses.

### **Sustainable Economic Growth**

In the long run, Sri Lanka has to increase its investment rate from both international and domestic sources in order to maintain high economic growth. Economic history demonstrates that there is no substantial economic growth without a high rate of investment. In order to attract investment, Sri Lanka has to improve its business environment, infrastructure, financial system, and tax system. Sri Lanka ranked 102nd out of 181 countries included in the World Bank Doing Business Survey in 2009, and Sri Lanka's rank has been slipping over the years. Dealing with construction permits, paying taxes, firing cost of employees, and registering properties are poor comparatively. To achieve sustainable economic growth, Sri Lanka needs to create an enabling business environment and attract investment from both domestic and international sources.

### **Regional Disparity**

Most importantly, Sri Lanka faces a problem with regional disparity. The economic gains made have been marked by a sharp regional imbalance. The Western province accounted for nearly 50 percent of GDP in 2007 while the Eastern, North Central, and Uva provinces contribute less than five percent of GDP each, in particular the Northern Province's contribution is less than three percent. This was caused mainly by lack of investment and more than two decades' conflict and displacement. Without solving the problem of regional imbalances, Sri Lanka's overall economic growth will be limited. Furthermore, regional imbalances have been a major source of grievance since the beginning of the separatist conflict in the north and east, and have been amplified by the conflict. To avoid further conflict and regain trust among ethnic groups, the correction of regional imbalances is critical and essential. USAID strongly believe that more economic opportunities for the northern and eastern regions would mitigate or alleviate some of the causes for conflict.

### **Partnership for Eastern Economic Revitalization (PEER)**

In October 2008 the USAID Mission in Sri Lanka issued an Annual Program Statement (APS number 383-09-500) for the Partnership for Eastern Economic Revitalization (PEER) Program. The focus of PEER was to increase incomes by increasing productivity and enhancing value through more effective market linkages for small and medium enterprises and smallholder crop and livestock producers in the conflict-impacted Eastern, North Central, and Uva provinces of Sri Lanka. The APS sought proposals from a range of potential partners, including for-profit business and technical services firms and not-for-profit development organizations, both local and international.

Building on PEER's early achievements, PPP seeks to address Sri Lanka's current economic growth issues and accelerate the revitalization of the conflict-affected North and East.

## **A.3. PROGRAM SUMMARY**

### **Approach:**

There are numerous challenges to Sri Lanka's economy and, more specifically, to correcting its regional imbalance and bringing a broad-based economic growth to Sri Lanka. Building on the successful programs of

earlier pilot initiatives and PEER, the PPP program needs to focus on those areas where it can build on USAID/Sri Lanka's past experience; where USAID/Sri Lanka can leverage its limited resources in partnerships with the private sector; where results can be achieved in a short period of time; and where there are sustainable outcomes. PPP will support innovative partnerships through a competitive process that addresses key priority areas while ensuring that methodologies and lessons learned are shared as widely as possible and that the private sector as well as the public sector capacity is built.

PPP will be consistent with USAID/Sri Lanka's shift from a traditional development approach to an innovative partnership model, whereby U.S. technical assistance and resources are being used to leverage other resources to invest in social and economic improvements that benefit the most vulnerable Sri Lankan populations. USAID/Sri Lanka has learned that working in partnership with private sector corporations and the Government of Sri Lanka in new approaches that combine the assets and energy of these partners is a much more effective way of delivering scarce foreign assistance resources. Such an approach will enable USAID/Sri Lanka's initiatives to reach scale and have a broader, more wide-reaching impact that goes far beyond USAID's initial financial contributions.

PPP will build on previous USAID/Sri Lanka activities and bring experience and technologies to the Northern, Eastern, North Central, and Uva provinces. The proposed focus will enable USAID to carry out the following objectives:

- Maintain a presence in conflict-affected and poverty-stricken districts;
- Reduce economic disparity in conflict-affected districts;
- Implement programs that demonstrate a balance between ethnic groups;
- Integrate gender considerations into all stages of program implementation;
- Build linkages and synergies with other current USAID programs;
- Support partnerships in the North and East that help businesses create jobs.

USAID/Sri Lanka, through PPP, will also seek to increase understanding of gender issues and to support initiatives that empower and benefit women and provide them with opportunities to enhance their income. All activities will identify and integrate gender issues as they affect women and men differently. USAID recognizes the important role women have in Sri Lanka and will support initiatives that invest in women and strengthen their access to finance, knowledge, technology and markets.

### **Areas of Focus and Illustrative Activities:**

*Areas of focus and illustrative activities described in this document should guide applicants rather than the proposed activities. Furthermore, USAID does not expect the applicant to propose only activities reported in this document, as the following list is not comprehensive. The applicant is encouraged to propose new approaches and appropriate activities to achieve the objectives. However, more preference will be given to the following five sectors and applicants are highly encouraged to apply for them.*

#### **(1) Aquaculture**

The fisheries sector and key fishing harbors are gradually returning to normal after extensive tsunami damage. Even though production levels are adequate to meet most local demand, the sector is performing far below its potential. While restricted access to fishing grounds, due to security restrictions in Northern and Eastern Sri Lanka, created tensions in fishing communities. Although the ban on fishing was lifted in June, the fact is that

given current methods it will become increasingly difficult to sustain income from traditional fishing as the stock of on-shore fish become depleted.

Moreover, there are growing international markets for salt water ornamental fish, edible sea greens and other aquatic plants while Eastern and Northern Sri Lanka's many lagoons and inland lakes, where opportunities for fish pens and aquaculture abound, are underused. There is growing demand for fresh, high-quality prawns, lagoon crabs, oysters, mussels and other aquatic products in East Asia, Europe and North America. These products also have extremely high values.

Sri Lanka has 103 river basins, which cover a total surface area of 65,525 square kilometers. The country has about 260,000 hectares (ha) of freshwater bodies consisting of about 155,000 ha of small, medium, and large perennial reservoirs; about 100,000 ha of seasonal tanks; and about 5,000 ha of floodplain lakes. Based on their size and fishery management norms, the reservoirs are classified as (i) large (more than 800 ha) and medium (200–800 ha) reservoirs, used for capture fishery; (ii) small (1–200 ha) irrigation reservoirs, used for culture-based fishery; and (iii) seasonal tanks, which hold water for 6–8 months a year, also used for culture fishery. The annual production potential of these inland water bodies has been estimated at about 60,000 tons from both capture and culture-based fisheries.

The coast of Sri Lanka is endowed with rich aquatic habitats. About 45 brackish water estuaries and lagoons are spread throughout the coastline with a combined water surface area of 158,017 ha, along with about 710 square kilometers of mangrove swamps, mudflats, and salt marshes along the coastline, of which 35 square kilometers have been converted into prawn ponds. At present, jumbo tiger prawn is the only brackish water species produced on a commercial scale in the coastal areas of the country. Other brackish water species presently being grown in Sri Lanka are lagoon crabs, oysters, mussels, and seaweed. The brine shrimp has also been cultured in Palavi (North Western Province) and in Hambantota and Bundala (Southern Province), where the prevailing extreme conditions of evaporation and high salinity favor growth and reproduction. Commercial farming of tiger prawns was carried out in the east but was abandoned due to security reasons.

The resources available for development of coastal aquaculture in the country constitute around 120,000 ha brackish water including 45 lagoons. There are about seventeen ha of land area and 5,000 ha of water area that can be used for coastal aquaculture. It has been estimated that about 70,000 ha can be used for sea farming.

Although there is no good data on export of aquaculture products, the volume and value of prawn export are over two tons and 250 million US dollars, respectively, in 2007. Certainly, Sri Lanka has huge potential for export of aquaculture products in the future and the demand is growing year by year.

## **(2) Horticulture**

Horticultural crops are one of the fastest growing agricultural markets in developing countries, with production increasing by 3.6 percent a year for fruits and 5.5 percent for vegetables over 1980–2004. Largely the private sector and the market have driven the horticulture revolution, unlike the green revolution. This has implications for the organization of value chains, with specialized agribusinesses and supermarkets increasing their share in these markets, especially in the urbanized areas. Grades and standards make it more difficult for smallholders acting alone to participate in these markets, giving rise to contract farming by large private firms or collective action by producer organizations

Modern horticulture is science, technology and knowledge based. Relative to cereals, horticulture increases the returns on land about 10-fold. In addition, it generates considerable employment through production about twice the labor input per hectare of cereals and more off-farm jobs in processing, packaging, and marketing. Women hold many of these new jobs. However, horticulture also requires producers to adjust. It is management-intensive, with a variety of crops and heavy use of cash inputs and chemicals.

The activities that take place between harvest and consumption of a horticultural product sum up postharvest technology. They include harvesting and handling techniques, quality standards, cleaning, sorting, grading, packaging, packing, treatments for disease and insect control, transportation and presentation in retail stores. During those processes that begin in the field and prepare agricultural products for the consumers table, a large proportion of food produced is lost. The inability to effectively manage these processes can negatively impact post harvest handling.

The participation of smallholders can also be enhanced in high value markets, both global and domestic, including the supermarket revolution unfolding in many countries. High-value markets for domestic consumption are the fastest-growing agricultural markets in most developing countries, expanding up to 6–7 percent a year, mainly led by horticulture together with livestock.

ADB has identified some crops for Sri Lanka in its recent publication as potential horticultural crops capable of competitive commercial production for targeted markets, and promoted for agribusiness development, including export and processing. Pineapple, papaya, rambutan, mangos teen, avocado, passion fruit, banana, melons, strawberry are the existing priority crops while durian, longan, star fruit/carambola, sapodilla, lychee, macadamia, avocado (high quality), sweet tamarind, mandarin, orange, guava, Salad lettuce (all types), zucchini, capsicum, broccoli, cauliflower, cabbage, beans, tomato, leek, cucumber, gherkins, celery, high-value Asian vegetables, temperate herbs and tropical herbs are potentially demanding crops.

Agro processing of those horticultural crops into pickles, juices, pulps, frozen, dried, canned and bottled products is also limited, and dominated by the few large retailers and agribusiness corporate entities. Imports of fruits and vegetables including potatoes, chilies and onions are substantial, and can be supplied locally by enhancing the productivity of the existing supply chain. Development of horticulture crops and its value-chain in the North and East has a great potential to meet domestic consumption and also to expand to export markets.

### **(3) Knowledge-Based Services**

In today's knowledge-based world, information and communication technology (ICT) plays an increasingly central role in high productivity and economic growth. Rapid advances in information infrastructure are dramatically affecting the acquisition, creation, dissemination, and use of knowledge, which in turn affects economic and social activities, including how manufacturers, service providers, and governments are organized and how they perform their functions. According to the World Bank study, an increase of ten mobile phones per 100 people can boost GDP growth by 0.6% and a 1 percent increase in the number of internet users can increase total exports by 4.3%.

Sri Lanka has an opportunity to experience substantial and rapid growth with an emerging Business Processes Outsourcing (BPO) sector. Over the past several years, many companies have become increasingly interested in setting up operations throughout the country in various fields including accounting, legal work, banking, call centers, medical, and others. This sector has already shown immense potential to produce jobs and growth. In

2007, the combined IT-BPO sector had a 23% growth rate and became the fifth largest exporter in Sri Lanka with exports exceeding \$213 million.

As wage rates in North America, Europe, and East Asia as well as India move upwards, Sri Lanka has the potential to absorb existing technologies and production methods and substitute some of the demand for outsourced services currently filled by India, the Philippines and other emerging markets. Like Singapore and East Asian countries, Sri Lanka can then build on such a base to develop more innovative industries. Another reason for focusing on the knowledge-based service sector is that it attracts young people to stay in the area they grew up rather than moving to large cities or overseas, seeking better economic opportunities and social environments. Particularly, the East and North face the challenge of skill transfer and need to create an environment to retain educated and ambitious young people for future economic prosperity.

Business Processes Outsourcing can be implemented in the rural areas of Sri Lanka too. One example is the John Keels Holdings (JKH) project On-Time in Mahavilachchiya. Working with the Horizon Sri Lanka Foundation, JKH processes its commercial documents electronically. This will benefit JKH in reducing its processing cost, but also provides employment opportunities for talented rural youth without having to leave their homes. This is an alternative employment opportunity to farming that provides equal opportunity for females. Such a model could be replicated in the North and the East by an innovative entrepreneur, business organization or civic group. An advantage of this approach is that a company does not initially need to look for orders or contracts from overseas. After a finance and accounts back office is established, the company will be ready to take outsourcing work from overseas when the global economy recovers and greater demand for BPO work emerges.

Finally, the pace of innovation in Sri Lanka's agriculture sector is increasing, yet given poor communication infrastructure and systems, the sharing of innovative practices and dissemination of knowledge is limited. PPP activities are expected to include a knowledge-sharing component which could include: documentation of good practices, dissemination, and use of data and experience in policy dialogue. Innovative ways need to be found to document experiences and disseminate the latest information and knowledge on agricultural best practices, markets, value chains, food processing and other related subjects. Advances in information and communication technology provide exciting opportunities to diffuse agricultural knowledge and up-to-date market information. Experience gained from innovation and best practice will also be expected to influence policy development by providing data on the impact of current policies and the importance of change.

#### **(4) Logistics Services**

One of urgent needs for accelerating economic growth in the North and East is efficient and economical transportation of goods and services from/to other regions of the country and outside Sri Lanka. Improving transportation (roads, ports, rails, and airports) takes time and investment. More importantly, availability and lower percent cost of logistics services in the East and North are essential even without dramatic improvement.

The lack of a modern logistic management system has resulted in up to sixty percent of perishables produced in the North and East being either damaged or spoiled before reaching the consumer. A modern logistic support system will achieve the following goals: (1) reduce waste, (2) increase producer revenues, (3) make adequate facilities available for sale and/or storage of products, (4) reduce consumer prices, and (5) set up processing and storage centers for the region where goods are produced. Establishing logistic centers in the North and the East is an urgent matter. For example, a logistic center in the North would provide separate units for processing and storing agricultural products such as onions and potatoes; processing and chilling storage for fish; a milling

facility, packaging facility and warehouse for storage of rice with proper environmental controls; location for vegetables to be transported from farms to be cleaned and stored in plastic boxes in a climate controlled warehouse/container; and processing facilities for fruits and vegetables.

The Sri Lanka Logistics Providers Association, a business group that promotes, protects and develops business for logistics service providers, was founded in 1995. It currently has fourteen members. Additionally, there are numerous cargo/logistics companies operating in Sri Lanka. Some of them provide a comprehensive list of services, via trucks, rail, ships, and air. The most popular means of transportation from/to the Eastern province are by rail and roads while only air is available for the Northern province. However, sea transport for exporting commodities will be much cheaper compared to land transport if the Trincomalee harbor can be utilized once again. The opening of the A9 road expected by the end of this year will help the Northern economy a great deal by allowing regionally made products to be shipped at lower cost while products from other regions can be transported more readily into the North. .

Due to security reasons, there are many security check points on the road to the East and North. They cause delays of shipping and increase cost. Some logistics companies work closely with the military to seal vehicles at the point of origin and avoid repeated loading and unloading on the way to the destination. The East and North needs firms that provide a broad range of logistics services, such as packaging, transporting, IT solutions, and export/import processing, to producers of agricultural, fishery and manufacturing goods in the region.

#### **(5) Ready-made Garment Production**

The garment sector continued to maintain its dominant position in the industrial sector of Sri Lanka, while contributing about 40 percent of manufacturing production and a half of the country's total export earnings. The sector's export earnings increased every year until 2008. Due to the global economic downturn, this year's export earnings are expected to fall again. The garment sector has grown since a small beginning in the 1970s. In the middle of the 1980s, the sector became the leading export industry replacing the tea and rubber industries. It is the most significant contributor to the Sri Lanka's economy today. The garment sector is not only the largest foreign exchange earner, but has also been the number one employer in the manufacturing industry since 1986, and provides direct employment opportunities to over one million people.

Competition from other emerging markets will impact how Sri Lanka's garment sector will perform in coming years. Foreign exchange rates and trade concessions such as GSP Plus will be other factors that affect the country's garment sector. However, Sri Lanka's garment business is in a good position to be a number one export earner continuously as long as the industry improves the quality of products and keeps the cost at reasonable levels.

A majority of workers in the garment factories are young women from poor, rural backgrounds. Therefore, the garment sector plays an important role in offering decent and stable jobs to them, avoiding exploitation of women by forcing them to find unprotected house maid jobs overseas. Additionally, the industry provides opportunities to young widows in the conflict-affected northern and eastern regions.

USAID/Sri Lanka worked with one of the leading Sri Lankan garment companies to set up training for a new apparel factory in the Batticaloa district this year, creating 600 new jobs in the East. As this program demonstrates, there is great potential to create employment and generate income quickly in the conflict-affected region. PPP will target this sector as one of its priority sectors in the North.

Related, stand alone support enterprises of targeted sectors (aquaculture, horticulture, knowledge-based services, logistics services, and garments) may be considered. However, integrated joint ventures will be given preference.

Most importantly, USAID gives high priority to proposals that meet the following criteria:

- Be innovative
- Act as a catalyst
- Create jobs and generate income, i.e. have real economic impact on the people in the East
- Mitigate conflict among religious and ethnic groups
- Address the gender issue

### **Expected Results:**

Through PPP, USAID expects to implement a set of practical implementation models that have measurable results, share knowledge widely, and build long-term capacity that continue the initiatives into the future. All initiatives should ultimately benefit the micro and small businesses, farmers and other rural dwellers. Each activity/agreement will establish its own set of outcome indicators and benchmarks, but likely indicators include:

1. Increased incomes for farmers, women and rural dwellers
2. Improved access to markets for smallholders
3. Enhanced value chains that enable market development and increased trade
4. Increased institutional capacity to support the agriculture sector through educational/extension services, applied research, and information dissemination
5. Effective technologies and practices adopted into training

Each activity/agreement will establish its own set of outputs but likely outputs include:

1. Number of farmers with increased income
2. Number of new jobs
3. Number of new micro-enterprises established
4. Income increases for enterprise owners and laborers
5. New kinds of collaborators (suppliers, financiers, buyers, producers, etc)
6. Dissemination of best practices for increased productivity
7. Systems established to share information and knowledge throughout Sri Lanka
8. Number of persons trained and subsequently placed into jobs.

### **A.4 USAID FUNDING AMOUNT**

The amount of USAID funding varies by sector. Its minimum amount is as follows:

- a. aquaculture, horticulture, knowledge-based services, and garments  
--minimum estimated at **\$300,000 per award**
- b. logistics services  
minimum estimated at **\$1 million per award**

--

Please note that some proposed projects may be considered that do not meet the above minimum funding requirements in exceptional circumstances.

## A.5 LEVERAGE

Participants are expected to bring significant new, non-public resources – whether money, ideas, technologies, experience or expertise – to address international development problems. *To qualify for USAID funding under this APS, an alliance must demonstrate that partners are able and willing to collectively contribute significant resources to the proposed program that are at a minimum equal to the level of resources sought from USAID; however, strong preference will be given to those leveraging three and above times USAID’s contribution.*

At least some portion of the leveraging should be in cash. Alliances in which non-USAID resources leveraged have more clearly defined cash components are generally more competitive. However, various types of in-kind contributions can play an important role in funding alliances. Examples of in-kind contributions that USAID seeks under alliances include:

- Commodities such as equipment
- Use of training or other purpose-specific facilities necessary to a program’s implementation
- Value of time donated by technical consultants necessary to a project
- Value of salaries for staff dedicated to a project
- Innovative technology, communications and capital assets

In addition to cash and in-kind contributions, matching loan and equity resources are considered as contributions. Further, it must be shown that these resources, in combination with the support sought from USAID, will provide the alliance with a comparative advantage in meeting the goals and objectives of the proposed program in a sustainable fashion. It is this expectation of significant leverage of non-public resources, in combination with joint planning and of sharing risks and benefits, that defines the public-private alliances as distinct and different from those activities USAID has previously supported. USAID traditionally defines cash or in-kind resource contributions as “cost-share or matching.” A definition of items that constitute “cost share or matching” can be found at 22 CFR 226.23

(see [http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/cfr\\_2002/aprqr/22cfr226.23.htm](http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/cfr_2002/aprqr/22cfr226.23.htm)).

Cost-share or matching is reported on a periodic basis on payment forms, and USAID has the right to reduce its share of funding if the cost-share reported is less than the agreed upon percentage or amount contained in the award. Finally, if a difference remains after an award has expired; the difference shall be refunded to USAID. The contributions being proposed in an application do not have to be proposed under the above “cost-share or matching” definition and provision; they can be proposed as “leveraging,” as discussed above. Applicants should indicate whether they are proposing the contributions as “cost-share or matching” or as “leveraging.” If proposing as “leveraging,” applicants should be prepared to provide annual benchmarks that include proposed results to be accomplished with USAID funds and the additional leveraging, and should be prepared to provide annual timelines that include percentages or amounts. The benchmarks and timelines will be included in the terms of any agreement awarded under this solicitation.

## A.6 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under the resultant agreement(s) is contract is 935.

#### **A.7 PERIOD OF AWARD**

The anticipated period of performance is two to three years from approximately February 1, 2010.

#### **A.8 PLACE OF PERFORMANCE**

Place of performance for this award is Sri Lanka (more specific locales are identified in program description above).

#### **A.9 EXECUTIVE ORDER ON TERRORISM FINANCING (FEB 2002)**

The Contractor/Recipient 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 responsibility of the contractor/Recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/subawards issued under this contract/agreement.

#### **A.10 FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES (JAN 2002)**

Funds in this agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences" or as approved by the AO.

#### **A.11 MARKING UNDER ASSISTANCE INSTRUMENTS**

Branding and marking under this Cooperative Agreement will be carried out in accordance with AAPD 05-11 [http://www.usaid.gov/business/business\\_opportunities/cib/pdf/aapd05\\_11.pdf](http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd05_11.pdf).

#### **A.12 HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT (FEB 2009)**

If the assistance program is to be more effective and its impact more sustainable, Sri Lanka must have organizations and institutions capable of cultivating individuals with the knowledge, skills, and abilities needed to engage in economic development. Therefore, PPP will include introduction of the Human and Institutional Capacity Development (HICD) approach. The full text of the HICD paper can be found at ANNEX E in the end of this document.

#### **A.13 USAID DISABILITY POLICY (DEC 2004)**

- (a) The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2)

to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following website: [http://www.usaid.gov/about\\_usaid/disability/](http://www.usaid.gov/about_usaid/disability/).

- (b) USAID therefore requires that the Recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the Recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

#### **A.14 APPLICABILITY OF 22 CFR PART 226 (May 2005)**

(a) All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the Recipient and to subRecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subRecipient from coverage. The Recipient shall assure that subRecipients have copies of all the attached standard provisions.

(b) For any subawards made with Non-US subRecipients the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees." Recipients are required to ensure compliance with subRecipient monitoring procedures in accordance with OMB Circular A-133.

#### **A.15 APPLICABLE REGULATIONS AND REFERENCES**

**Standard Provisions will be provided in full text, as applicable, in the resultant agreement.**

- Mandatory Standard Provisions for Non U.S. Nongovernmental Recipients  
<http://www.usaid.gov/policy/ads/300/303mab.pdf>
- 22 CFR 226 USAID Assistance Regulations  
[http://www.access.gpo.gov/nara/cfr/waisidx\\_02/22cfr226\\_02.html](http://www.access.gpo.gov/nara/cfr/waisidx_02/22cfr226_02.html)
- 22 CFR 228 USAID Source, Origin, Nationality Regulations  
[http://www.access.gpo.gov/nara/cfr/waisidx\\_01/22cfr228\\_01.html](http://www.access.gpo.gov/nara/cfr/waisidx_01/22cfr228_01.html)
- ADS Series 303 Acquisition and Assistance <http://www.usaid.gov/policy/ads/300/303.pdf>
- AAPD 02-10 Cost Sharing in Grants and Cooperative Agreements to NGOs  
[http://www.usaid.gov/business/business\\_opportunities/cib/pdf/aapd02\\_10.pdf](http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd02_10.pdf)
- SF 424, SF 424A, SF 424B [http://www.whitehouse.gov/omb/s/s\\_forms.html](http://www.whitehouse.gov/omb/s/s_forms.html)

- [http://www07.grants.gov/agencies/approved\\_standard\\_forms.jsp](http://www07.grants.gov/agencies/approved_standard_forms.jsp) or
- <http://www.grants.gov/techlib/SF424-V2.0.pdf>
- <http://www.grants.gov/techlib/SF424A-V1.0.pdf>

## SECTION B - CONCEPT PAPER/APPLICATION PREPARATION GUIDELINES

### **B.1. General Information:**

The USAID Mission in Sri Lanka seeks concept papers and, in the future, applications from indigenous companies and organizations to implement activities of the Public-Private Partnerships in Northern and Eastern Sri Lanka (PPP). Indigenous companies and organizations that were registered or are going to register in Sri Lanka, complying with the Company Act of Sri Lanka, are encouraged to submit an application. USAID/Sri Lanka is responsible for management of the award process. This is a two-stage process. First, applicants are required to submit short concept papers per the instructions below and in the cover letter. These will be reviewed using the criteria set forth below. Those most highly rated will be invited to participate in the second stage – submission of a full application per the instructions below.

### **B.2 Concept Paper Instructions**

All applications must contain the items below and **must** not exceed 5 pages in total.

The concept paper shall include:

#### **Cover Page/Introduction:**

1. Name and address of organization;
2. Type of organization (e.g., for-profit, non-profit, university, etc.);
3. Contact point (lead contact name; relevant telephone, and e-mail information); and
4. Signature of authorized representative of the applicant.

#### **Technical Information (see criteria in Section C below on how this section will be evaluated for full application-these should be considered, within the page limit, for the concept papers):**

1. Concise title and objective of proposed activity; and
2. Discussion of the objectives, the method of approach, the amount of effort to be employed, the anticipated results, and how the work will help accomplish PPP and USAID's objectives within the two - three year timeframe.

#### **Supporting Information:**

1. Proposed estimated cost;
2. Brief cost breakdown (e.g., salaries, travel, etc.);
3. Proposed amount of the applicant's financial as well as in-kind participation (clearly identify which resources are cash and which are in-kind and provide information on the nature of the in-kind contributions);
4. Proposed amount of prospective or existing partner's (or partners') cash as well as in-kind participation;
5. Proposed duration of the activity; and
6. Brief description of applicant's, as well as prospective or existing partners (or partners'), previous work and experience.

**All concept papers must be in English and submitted electronically via email.**

**B.3. Full Application Instructions (APPLICANTS SHOULD NOT PREPARE FULL APPLICATIONS UNLESS SPECIFICALLY REQUESTED AT A LATER DATE TO DO SO BY USAID/SRI LANKA)**

This section provides the instructions and submission procedures for the applications. Please read the entire APS. Respond as appropriate including attachments as necessary.

Applications shall be submitted in two separate volumes: (a) technical and (b) cost or business application. Technical applications should be submitted in an original and three (3) copies and cost applications in an original and three (3) copies to USAID, No.44, Galle Road, Colombo 3, Sri Lanka, and electronically to [snavaratne@usaid.gov](mailto:snavaratne@usaid.gov). Further instructions will be included in the invitation letter.

Applicants should retain for their records one copy of the application and all enclosures which accompany their application. Erasures or other changes must be initialed by the person signing the application. To facilitate the competitive review of the applications, USAID will consider only applications conforming to the format prescribed below.

In addition to the aforementioned guidelines, the applicant is requested to take note of the following:

- a. Unnecessarily Elaborate Applications - Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective application in response to this APS are not desired and may be construed as an indication of the applicant's lack of cost consciousness. Elaborate art work, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor wanted.
- b. Acknowledgement of Amendments to the APS shall be submitted together with the application.
- c. Applicants are expected to review, understand, and comply with all aspects of this APS including attachments. Failure to do so will be at the applicant's risk.
- d. Each applicant shall furnish the information required by this APS. The applicant shall sign the application and print or type the name and title clearly on the Cover Page of the technical and cost applications. Erasures or other changes must be initialed by the person signing the application. Applications signed by an agent shall be accompanied by evidence of that agent's authority.
- e. Applicants must ensure that all the certifications are completed and signed (See Section D of the APS). In the submissions, the applicants must include as necessary any additional evidence of responsibility deemed necessary for the Agreement Officer to make a determination of responsibility in accordance with ADS E303.3.9 at the following website:  
<http://www.usaid.gov/policy/ads/300/303.pdf>
- f. Applicants who include data they do not want disclosed to the public for any purpose or used by the U.S. Government except for evaluation purposes, should:
  1. Mark the title page with the following legend:  
"This application includes data that shall not be disclosed outside the U.S. Government and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this application. If, however, a Cooperative Agreement is awarded to this applicant as

a result of - or in connection with - the submission of this data, the U.S. Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting Cooperative Agreement. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction.

2. Mark each sheet of data it wishes to restrict with the following legend:  
"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application."

Explanation to Prospective Applicants - Any prospective applicant desiring an explanation or interpretation of this APS must request it in writing by the date specified on the cover letter of the application to allow a reply to reach all prospective applicants before the submission of their applications. Oral explanations or instructions given before award of a Cooperative Agreement 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.

**Faxed applications will not be considered.**

#### **B.4. Specific format:**

Applications are limited to no more than 25 pages in length, (Times New Roman, 12 font size, with one inch margins), excluding annexes. Within the outline suggested below, applications should address the factors cited above, as appropriate. In addition to the narrative section of the application, the annexes will be used to judge the applicant's past experience, management capability and the applicability/feasibility of any specific methodologies the applicant may propose. The annexes may also include relevant information about partners, where applicable. The suggested outline for the technical application is:

The annexes may also include relevant information about partners, where applicable.

The outline for the technical application is:

1. Executive Summary (including Table of Contents)

This section should contain the information that the applicant believes best represents its program.

2. Program Description
  - a. Goal and Objectives. A succinct description of the proposed program objectives and its contribution to USAID's objectives (provided in page 9, Section A of this APS).
  - b. Background/Problem Statement
  - c. Explanation of partners and their expected roles, including leveraging of 1:1 – with a strong preference for 3:1 (partner:USAID) or more
  - d. Proposed Interventions/Technical Approach
  - e. Expected Impact/Results (including gender and disability issues)
  - f. Performance Monitoring Plan. Include duration, performance indicators, baseline and targets, number of people served (disaggregate by gender and age disaggregation, where appropriate) as well as quantitative and qualitative measures specific to technical focus of activity.
3. Management plan (including consortium/alliances/partnerships arrangements). Describe how the

organization intends to manage sub-mechanisms (if relevant), explanation of personnel in field and in headquarters, past experience and key personnel.

4. Implementation schedule. Provide a detailed timeline for the activity, i.e. staff hiring, office setup and administration, local staff hiring and agreements to work with Sri Lankan organizations.
5. Annexes
  - a. Relevant organizational experiences (awardee and Key Partner Organizations)
  - b. Resumes of key personnel.
  - c. Draft letters of intent from resource partners
  - d. Memoranda of Understanding, which describes roles, responsibilities and contributions of each alliance partner.

The annexes must also include relevant information about alliance partners. This can include documentation of intent to participate by other partners. ***Please note excessive documentation submitted under the annexes is neither necessary nor wanted. All applications must be in English and submitted electronically via email.*** *Note: An invitation to submit a full application does not constitute an award; USAID may choose to not fund applications even after they have been requested.*

## **B.5. Alliances**

### **a. Due Diligence Concerns**

Due diligence requires that the U.S. Government enter into alliance with organizations and individuals who exhibit fiscal responsibility, character, and integrity. However, applicants should have conducted due diligence on potential partners and are welcome to provide any information deemed useful. Potential partners may be requested to respond to any potential issues that arise as part of the due diligence research, and failure to resolve serious concerns will be cause for non-award.

### **b. Memorandum of Understanding (MOU)**

Upon favorable review of the full application, partners will finalize Memoranda of Understanding (MOU), which will be used to clarify roles and responsibilities of each alliance partner.

### **c. Roles of Partners**

Partners to the alliance effort (including USAID) bring strengths to the table. The actual division of responsibilities and risks are intended to be covered under the Letter of Intent/Memorandum of Understanding prior to finalizing the Agreement. Therefore, the following illustrative list of examples of allocation of responsibility will be adjusted based on the successful alliance application, the best use of contributions from multiple partners, and the appropriate assignment of management and implementation responsibilities. USAID's role under some alliances may differ from the traditional role of provider of funds or source of oversight.

#### **i) Example of USAID Responsibilities**

Examples of USAID responsibilities are as follows. USAID/Sri Lanka might provide:

- a) Collaboration in establishing annual work objectives and approval of an annual work plan.
- b) Collaboration in assessing progress and identifying issues that arise which may impact the success of the program.
- c) Collaboration in determining corrective actions, where necessary.

d) Approval of key personnel and any subsequent changes in the positions during the life of the award.

**ii) Example of Resource Partner Responsibilities**

Examples of a Resource Partner's responsibilities may include:

- a) Participation on a management committee overseeing the alliance.
- b) Collaboration in establishing annual work objectives of the implementing partner.
- c) Collaboration in assessing progress and identifying issues that arise which may impact the success of the program.
- d) Collaboration in determining corrective actions, where necessary.

**iii) Example of Implementing Partner Responsibilities**

The implementing partner of the program will operate in accordance with the terms and conditions of the grant, cooperative agreement or the collaboration agreement, the Letter of Intent/Memorandum of Understanding agreed upon by all partners to the alliance as needed, and all other applicable USAID regulations. Activities are linked to the accomplishment of the objectives of the PPP. Speed and flexibility are critical to achieving objectives. USAID requires that the implementing partner have administrative systems operational within immediately after notification of award. Program activities should commence approximately 30 days after notification of award. Implementing partner will be responsible for all aspects of the program. The implementing partners will likely be responsible for the following activities and documentation during the life of the program:

- a) Requesting approval for program's key personnel;
- b) Working with partners to develop annual work plans;
- c) Conducting ongoing assessment of progress and a final evaluation, and submitting annual reports according to the requirements outlined in the award;
- d) Reporting on contributions of all alliance partners;
- e) Compliance with USAID branding requirements;
- f) Requesting approval for any changes in program description; and
- g) Submitting updated Standard Form 424A annually.

**d. Reporting**

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 plan, using established baseline data and specific, measurable targets and indicators will also be agreed upon. Financial reporting will be in accordance with the requirements of the obligating document, following mutual agreement of provisions.

## B.6. COST APPLICATION FORMAT

The Cost or Business Application is to be submitted under separate cover from the technical application. Certain documents are required to be submitted by an applicant in order for USAID/Sri Lanka to make a determination of responsibility. However, it is USAID policy not to burden applicants with undue reporting requirements if that information is readily available through other sources.

The following sections describe the documentation that applicants for an Assistance award must submit to USAID prior to award. While there is no page limit, applicants are encouraged to be as concise as possible, but still provide the necessary detail to address the following:

- B.6.1** Include a budget for each funding scenario with an accompanying budget narrative which provides in detail the total costs for implementation of the program your organization is proposing. The budget must be submitted using Standard Forms 424 and 424A (See Section E-Annex A, B & C of the APS) may also be downloaded from the USAID web site,;[http://www07.grants.gov/agencies/approved\\_standard\\_forms.jsp](http://www07.grants.gov/agencies/approved_standard_forms.jsp)
- a. The applicant must provide an electronic copy of the pro-forma balance sheet for four years (although the USAID funding covers a period of two to three years). The balance sheets should include current assets (cash, net accounts receivables, inventory, temporary investment, prepaid expenses, and so on), fixed assets (long-term investments, land, buildings [net of depreciation], plant and equipment [net], furniture and fixtures [net], and so on), current liabilities (accounts payable, short-term notes, current portion of long-term notes, accruals and other payables, and so on), long-term liabilities (mortgage, other long-term liabilities), and shareholders' equity (capital stock, retained earnings).
  - b. The applicants must provide an electronic copy of the projected budget and cash flow (both in Microsoft Excel) with calculations shown in the spreadsheet and an electronic version of the narrative discussing the costs for each budget line item (in Microsoft Word)
  - c. The breakdown of all costs associated with the activities by line item. (See Sample in Section E - Annex C, take note: **the detailed budget must be rolled into the summary cost element budget that will be provided at a later date**).
  - d. The breakdown must include costs associated with each activity according to costs of, if applicable, headquarters, and/or regional offices; each partner organization involved in the program; expatriate technical assistance and those associated with local in-country technical assistance; and
  - e. The procurement plan\* for equipment to be purchased under the Cooperative Agreement.

### \*Procurement Plan

Application should include a detailed procurement plan containing explicit information on how procurements will be accomplished. Carefully read the guidance regarding Source Origin, Nationality Regulations in 22 CFR 228 at the following website: 22 CFR 228 USAID Source, Origin, Nationality Regulations

[http://www.access.gpo.gov/nara/cfr/waisidx\\_01/22cfr228\\_01.html](http://www.access.gpo.gov/nara/cfr/waisidx_01/22cfr228_01.html)

**B.6.2.** A current Negotiated Indirect Cost Rate Agreement (indirect costs shall not be included for local organizations);

**B.6.3.** Cost share (including in-kind) is highly encouraged and will be considered in the evaluation process. Leveraging of all alliance partners.

**B.6.4.** Applicants who do not currently have a Negotiated Indirect Cost Rate Agreement (NICRA) from their cognizant agency shall also submit the following information:

- 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;
- c. A copy of the organization's accounting manual.

**B.6.5** Copies of Personnel, Procurement and Travel Policies or Certificate of Compliance (preferred)  
<http://www.usaid.gov/policy/ads/300/30359s1.pdf>

## **SECTION C - EVALUATION PROCEDURES**

The criteria presented below have been tailored to the requirements of this particular APS. Applicants should note that these criteria serve to: (a) identify the significant matters which applicants should address in their applications and (b) set the standard against which all applications will be evaluated. To facilitate the review of applications, applicants should organize the narrative sections of their applications in the same order as the selection criteria.

The technical applications will be evaluated in accordance with the Technical Evaluation Criteria set forth below. Thereafter, the cost application of all applicants submitting a technically acceptable application will be opened and costs will be evaluated for general reasonableness, allowability, and allocability. To the extent necessary (if award is not made based on initial applications), negotiations will then be conducted with all applicants whose application, after discussion and negotiation, has a reasonable chance of being selected for award. Award(s) will be made to the responsive and responsible applicant(s) whose technical and cost application(s) offer the greatest technical merit, value, cost and other factors considered

### **C.1 EVALUATION CRITERIA**

Applicants should note that these criteria serve to (a) identify the significant matters which applicants should address and (b) set the standard against which all applications will be evaluated. To facilitate the review of applications, applicants should organize the narrative sections of their applications in the same order as the selection criteria.

### **C.2 TECHNICAL EVALUATION CRITERIA (in descending order of importance)**

Proposals will be evaluated and ranked based on the following selection criteria:

#### **Program Description (75 points)**

The proposed focus will require USAID to carry out the following objectives:

- Maintain a presence in conflict-affected and poverty-stricken districts;
- Reduce economic disparity in conflict-affected districts;
- Implement programs that demonstrate a balance between ethnic groups;
- Integrate gender considerations into all stages of program implementation;
- Build linkages and synergies with other current USAID programs;
- Support partnerships in the North and East that help businesses create jobs.

USAID's review will focus on assessing the likelihood that the proposed alliance program would be successful in achieving its objectives mentioned above based on criteria provided below. The factors to be considered include the following:

1. Addresses factors described in the APS including gender issues; clear articulation of program outcomes that can be achieved, with realistic milestones and targets defined; implementation schedule. Specific groups to be addressed, including gender involvement. Applicants are advised to review Annex D to Section E which

addresses gender issues specific to PPP. Performance Monitoring Plan includes appropriateness of results and indicators as well as appropriateness and cost-effectiveness of data gathering for monitoring program results

2. Value of leveraged resources and/or cost-share

- a. Minimum of 1:1 cost share with preference for higher leveraging (3:1 (partner:USAID)) and/or cost share (of cash or quantifiable, project-specific, in-kind resources)
- b. Demonstrated resource partner commitment: Is there evidence of commitment by a lead partner? Of commitment by other partners? Is there a demonstrated commitment to meet leveraged resource responsibilities?

3. Innovation: is the concept providing new models, technologies, ways of scaling up, and/or partners than already evidenced in Sri Lanka's rural sector?

4. Feasibility (technical, economic, financial, and social)

- a. Does the program have well-defined and achievable objectives?
- b. Does the program have the potential to yield significant development results?
- c. Does the alliance offer enhanced sustainability and/or local involvement?

5. Partner Characteristics (partnerships with corporations and indigenous Sri Lankan organizations will be seen as more competitive)

- a. Does the alliance bring new actors to the table?
- b. Do the potential alliance partners meet ethical standards?
- c. Do they have proven track records in their particular area of expertise?
- d. Do they have experience working in partnership with others?

6. Benefit to small farmers, off-farm enterprises.

7. Replicability

8. Readiness for implementation

9. Geographic spread in target conflict affected areas.

**Management Plan (15 points)**

1. Appropriate description of the number of local staff needed to accomplish project objectives. The kinds of skills needed and the ability of the applicant to field appropriate personnel in a limited time.
2. Appropriate systems to manage and monitor the implementation of diverse activities expeditiously, soundly, and at reasonable cost and in a transparent and accountable manner.

**Past Performance, Experience, and Achievements (10 points)**

Developing, implementing, managing, and evaluating similar activities. Please list activities that were long term, more than one year. Please provide a list of the ten most current U.S. Government and/or privately-funded contracts, cooperative agreements, etc., and the name, address, and telephone number of the Contract/Agreement Officer or other contact person.

**Maximum Points Available: 100 points.**

### C.3 COST APPLICATION/FINANCIAL PLAN

Following the technical review process, a review of the cost realism analysis will be conducted. Cost has not been assigned a percentage weight but will be evaluated for reasonableness, cost-effectiveness and allowability in accordance with the applicable cost principles. Negotiations may be conducted with all applicants whose applications, after discussion, have a reasonable chance of being selected for award. An award will be made to a responsible applicant whose application is most highly ranked in accordance with the evaluation criteria in Section C. Costs are less in significance to all technical factors combined. Applicants should consider the following when preparing the cost applications and provide a narrative of how the cost application reflects these areas:

- Direct Interventions versus Operating Expenses: USAID seeks applications where the maximum amount possible goes to direct interventions and not to Operating Expenses
  1. Reasonableness of proposed labor cost and structure
  2. Expatriate (if any) salary structure and expenses and local salary structure and expenses.
- Cost Effectiveness and Efficiency: The cost effectiveness of the organization's approach and its ability to affect a wide base of beneficiaries, i.e.,
  1. Effectiveness of proposed cost control structure
  2. Budget transparency to effectively track expenditures;
  3. Subcontracting/making methods are clearly defined.
  4. Cost efficiency of proposed Other Direct Costs (ODCs)
  5. Applicant's market competitive pricing estimates of tangible items to be used for performance;
  6. Competitiveness of pricing and sound purchase methods of international and in-country air travel and surface transportation.

**SECTION D – CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF RECIPIENT**

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

**CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF RECIPIENT**

**PART I - CERTIFICATIONS AND ASSURANCES**

## 2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

### (a) Instructions for Certification

(1) By signing and/or submitting this application or, the Recipient is providing the certification set out below.

(2) The certification set out below is a material representation of fact upon which reliance was placed when the agency determined to award the. If it is later determined that the Recipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

(3) For Recipients other than individuals, Alternate I applies.

(4) For Recipients who are individuals, Alternate II applies.

### (b) Certification Regarding Drug-Free Workplace Requirements

#### Alternate I

(1) The Recipient certifies that it will provide a drug-free workplace by:

(A) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the applicant's/ee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(B) Establishing a drug-free awareness program to inform employees about--

1. The dangers of drug abuse in the workplace;
2. The Recipient's policy of maintaining a drug-free workplace;
3. Any available drug counseling, rehabilitation, and employee assistance programs; and
4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(C) Making it a requirement that each employee to be engaged in the performance of the be given a copy of the statement required by paragraph (b)(1)(A);

(D) Notifying the employee in the statement required by paragraph (b)(1)(A) that, as a condition of employment under the , the employee will--

1. Abide by the terms of the statement; and
2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

(E) Notifying the agency within ten days after receiving notice under subparagraph (b)(1)(D)1, from an employee or otherwise receiving actual notice of such conviction;

(F) Taking one of the following actions, within 30 days of receiving notice under subparagraph (b)(1)(D)2., with respect to any employee who is so convicted--

1. Taking appropriate personnel action against such an employee, up to and including termination; or

- 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(G) Making a good faith effort to continue to maintain a drug- free workplace through implementation of paragraphs (b)(1)(A), (b)(1)(B), (b)(1)(C), (b)(1)(D), (b)(1)(E) and (b)(1)(F).

(2) The Recipient shall insert in the space provided below the site(s) for the performance of work done in connection with the specific :

Place of Performance (Street address, city, county, state, zip code)

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Alternate II

The Recipient certifies that, as a condition of the , he or she will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the .

**3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS [3]**

(a) Instructions for Certification

1. By signing and submitting this application, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meaning set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. [4] You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," [5] provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the methods and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealing.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

(b) Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(A) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(B) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(C) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(B) of this certification;

(D) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### **4. CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, , loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, , loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subs, and contracts under s, loans, and cooperative agreements) and that all subRecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**5. PROHIBITION ON ASSISTANCE TO DRUG TRAFFICKERS FOR COVERED COUNTRIES AND INDIVIDUALS (ADS 206)**

USAID reserves the right to terminate this [Agreement/Contract], to demand a refund or take other appropriate measures if the [ee/ Contractor] is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certification is required for Key Individuals or Covered Participants.

If there are COVERED PARTICIPANTS: USAID reserves the right to terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

The Recipient has reviewed and is familiar with the proposed format and the applicable regulations, and takes exception to the following (use a continuation page as necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Solicitation No. \_\_\_\_\_

Application/Proposal No. \_\_\_\_\_

Date of Application/Proposal \_\_\_\_\_

Name of Recipient \_\_\_\_\_

Typed Name and Title \_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

[1] FORMATS\GRNTCERT: Rev. 06/16/97 (ADS 303.6, E303.5.6a) [2] When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "" means "Cooperative Agreement". [3] The Recipient must obtain from each identified subee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The Recipient should reproduce additional copies as necessary. [4] See ADS Chapter E303.5.6a, 22 CFR 208, Annex1, App A. [5] For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the standard provision entitled "Debarment, Suspension, and Related Matters" if the Recipient is a U.S. nongovernmental organization, or in the standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the Recipient is a non-U.S. nongovernmental organization.

**PART II - OTHER STATEMENTS OF RECIPIENT**

**1. AUTHORIZED INDIVIDUALS**

The Recipient represents that the following persons are authorized to negotiate on its behalf with the Government and to bind the Recipient in connection with this application or :

Name	Title	Telephone No.	Facsimile No.
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_____
_____
_____

**2. TAXPAYER IDENTIFICATION NUMBER (TIN)**

If the Recipient is a U.S. organization, or a foreign organization which has income effectively connected with the conduct of activities in the U.S. or has an office or a place of business or a fiscal paying agent in the U.S., please indicate the Recipient's TIN:

TIN: \_\_\_\_\_

**3. CONTRACTOR IDENTIFICATION NUMBER - DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER**

(a) In the space provided at the end of this provision, the Recipient should supply the Data Universal Numbering System (DUNS) number applicable to that name and address. Recipients should take care to report the number that identifies the Recipient's name and address exactly as stated in the proposal.

(b) The DUNS is a 9-digit number assigned by Dun and Bradstreet Information Services. If the Recipient does not have a DUNS number, the Recipient should call Dun and Bradstreet directly at 1-800-333-0505. A DUNS number will be provided immediately by telephone at no charge to the Recipient. The Recipient should be prepared to provide the following information:

- (1) Recipient's name.
- (2) Recipient's address.
- (3) Recipient's telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the organization was started.
- (7) Number of people employed by the Recipient.

(8) Company affiliation.

(c) Recipients located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet Home Page at <http://www.dbisna.com/dbis/customer/custlist.htm>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at [globalinfo@dbisma.com](mailto:globalinfo@dbisma.com).

The DUNS system is distinct from the Federal Taxpayer Identification Number (TIN) system.

DUNS: \_\_\_\_\_

**4. LETTER OF CREDIT (LOC) NUMBER**

If the Recipient has an existing Letter of Credit (LOC) with USAID, please indicate the LOC number:

LOC: \_\_\_\_\_

**5. PROCUREMENT INFORMATION**

(a) Applicability. This applies to the procurement of goods and services planned by the Recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods or services for the direct use or benefit of the Recipient in conducting the program supported by the , and not to assistance provided by the Recipient (i.e., a sub or subagreement) to a subee or subRecipient in support of the subee's or subRecipient's program. Provision by the Recipient of the requested information does not, in and of itself, constitute USAID approval.

(b) Amount of Procurement. Please indicate the total estimated dollar amount of goods and services which the Recipient plans to purchase under the :

\$ \_\_\_\_\_

(c) Nonexpendable Property. If the Recipient plans to purchase nonexpendable equipment which would require the approval of the Agreement Officer, please indicate below (using a continuation page, as necessary) the types, quantities of each, and estimated unit costs. Nonexpendable equipment for which the Agreement Officer's approval to purchase is required is any article of nonexpendable tangible personal property charged directly to the , having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

**TYPE/DESCRIPTION      QUANTITY      ESTIMATED UNIT COST**  
**(Generic)**

(d) Source, Origin, and Component of Goods. If the Recipient plans to purchase any goods/commodities which are not of U.S. source and/or U.S. origin, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, and probable source and/or origin. "Source" means the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. Any commodity whose source is a non-Free World country is ineligible for USAID financing. The "origin" of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results, which is substantially different in basic characteristics or in purpose or utility from its components. Merely packaging various items together for a particular procurement or relabeling items does not constitute production of a commodity. Any commodity whose origin is a non-Free World country is ineligible for USAID financing. "Components" are the goods which go directly into the production of a produced commodity. Any component from a non-Free World country makes the commodity ineligible for USAID financing.

**TYPE/      QUANTITY EST.      GOODS PROBABLE      GOODS PROBABLE**  
**DESCRIPTION      UNIT COMPONENTS SOURCE      COMPONENTS ORIGIN**

**(Generic) COST**

(e) Restricted Goods. If the Recipient plans to purchase any restricted goods, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, intended use, and probable source and/or origin. Restricted goods are Agricultural Commodities, Motor Vehicles, Pharmaceuticals, Pesticides, Rubber Compounding Chemicals and Plasticizers, Used Equipment, U.S. Government-Owned Excess Property, and Fertilizer.

**TYPE/ QUANTITY ESTIMATED PROBABLE INTENDED  
DESCRIPTION UNIT COST SOURCE ORIGIN USE  
(Generic)**

(f) Supplier Nationality. If the Recipient plans to purchase any goods or services from suppliers of goods and services whose nationality is not in the U.S., please indicate below (using a continuation page, as necessary) the types and quantities of each good or service, estimated costs of each, probable nationality of each non-U.S. supplier of each good or service, and the rationale for purchasing from a non-U.S. supplier. Any supplier whose nationality is a non-Free World country is ineligible for USAID financing.

**TYPE/ QUANTITY ESTIMATED PROBABLE NATIONALITY RATIONALE  
DESCRIPTION UNIT COST SUPPLIER for  
(Generic) (Non-US Only) NON-US**

(g) Proposed Disposition. If the Recipient plans to purchase any nonexpendable equipment with a unit acquisition cost of \$5,000 or more, please indicate below (using a continuation page, as necessary) the proposed disposition of each such item. Generally, the Recipient may either retain the property for other uses and make compensation to USAID (computed by applying the percentage of federal participation in the cost of the original program to the current fair market value of the property), or sell the property and reimburse USAID an amount computed by applying to the sales proceeds the percentage of federal participation in the cost of the original program (except that the Recipient may deduct from the federal share \$500 or 10% of the proceeds, whichever is greater, for selling and handling expenses), or donate the property to a host country institution, or otherwise dispose of the property as instructed by USAID.

**TYPE/DESCRIPTION QUANTITY ESTIMATED PROPOSED DISPOSITION  
(Generic) UNIT COST**

**6. PAST PERFORMANCE REFERENCES**

On a continuation page, please provide a list of the ten most current U.S. Government and/or privately-funded contracts, s, cooperative agreements, etc., and the name, address, and telephone number of the Contract/Agreement Officer or other contact person. (same as required in Section C above).

**7. TYPE OF ORGANIZATION**

The Recipient, by checking the applicable box, represents that -

(a) If the Recipient is a U.S. entity, it operates as  a corporation incorporated under the laws of the State of,  an individual,  a partnership,  a nongovernmental nonprofit organization,  a state or local governmental organization,  a private college or university,  a public college or university,  an international organization, or  a joint venture; or

(b) If the Recipient is a non-U.S. entity, it operates as  a corporation organized under the laws of \_\_\_\_\_ (country),  an individual,  a partnership,  a nongovernmental nonprofit organization,  a nongovernmental educational institution,  a governmental organization,  an international organization, or  a joint venture.

## 8. ESTIMATED COSTS OF COMMUNICATIONS PRODUCTS

The following are the estimate(s) of the cost of each separate communications product (i.e., any printed material [other than non-color photocopy material], photographic services, or video production services) which is anticipated under the Agreement. Each estimate must include all the costs associated with preparation and execution of the product. Use a continuation page as necessary.

## CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS

### (a) Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, has the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. 1/ You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier covered Transaction," 2/ without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non procurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

(b) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Solicitation No. \_\_\_\_\_

Application/Proposal No. \_\_\_\_\_

Date of Application/Proposal \_\_\_\_\_

Name of Applicant/Subee \_\_\_\_\_

Typed Name and Title \_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_

1/ See ADS Chapter 303, 22 CFR 208.

2/ For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the USAID standard provision for U.S. nongovernmental organizations entitled "Debarment, Suspension, and Related Matters" (see ADS Chapter 303), or in the USAID standard provision for non-U.S. nongovernmental organizations entitled "Debarment, Suspension, and Other Responsibility Matters" (see ADS Chapter 303).

**KEY INDIVIDUAL CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING**

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

2. I am not and have not been an illicit trafficker in any such drug or controlled substance.

3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date of Birth: \_\_\_\_\_

NOTICE: 1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

**CERTIFICATION REGARDING MATERIAL SUPPORT AND RESOURCES**

As a condition of entering into the referenced agreement, \_\_\_\_\_ hereby certifies that it has not provided and will not provide material support or resources to any individual or entity that it knows, or has reason to know, is an individual or entity that advocates, plans, sponsors, engages in, or has engaged in terrorist activity, including but not limited to the individuals and entities listed in the Annex to Executive Order 13224 and other such individuals and entities that may be later designated by the United States under any of the following authorities: § 219 of the Immigration and Nationality Act, as amended (8 U.S.C. § 1189), the International Emergency Economic Powers Act (50 U.S.C. § 1701 et seq.), the National Emergencies Act (50 U.S.C. § 1601 et seq.), or § 212(a)(3)(B) of the Immigration and Nationality Act, as amended by the USA Patriot Act of 2001, Pub. L. 107-56 (October 26, 2001)(8 U.S.C. §1182). \_\_\_\_\_ further certifies that it will not provide material support or resources to any individual or entity that it knows, or has reason to know, is acting as an agent for any individual or entity that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity, or that has been so designated, or will immediately cease such support if an entity is so designated after the date of the referenced agreement.

For purposes of this certification, "material support and resources" includes currency or other financial securities, financial services, lodging, training, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.

For purposes of this certification, "engage in terrorist activity" shall have the same meaning as in section 212(a)(3)(B)(iv) of the Immigration and Nationality Act, as amended (8 U.S.C. § 1182(a)(3)(B) (iv)).

For purposes of this certification, "entity" means a partnership, association, corporation, or other organization, group, or subgroup.

This certification is an express term and condition of the agreement and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

**NOTICE:**

If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

## **CERTIFICATION REGARDING TERRORIST FINANCING IMPLEMENTING E.O. 13224**

By signing and submitting this application, the prospective Recipient provides the certification set out below:

1. The Recipient, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts, as that term is defined in paragraph 3.

2. The following steps may enable the Recipient to comply with its obligations under paragraph 1:

a. Before providing any material support or resources to an individual or entity, the Recipient will verify that the individual or entity does not (i) appear on the master list of Specially Designated Nationals and Blocked Persons, which list is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC) and is available online at OFAC's website :

<http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>, or (ii) is not included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID to the Recipient.

b. Before providing any material support or resources to an individual or entity, the Recipient also will verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the "1267 Committee") [individuals and entities linked to the Taliban, Usama bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee's website:

<http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

c. Before providing any material support or resources to an individual or entity, the Recipient will consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware.

d. The Recipient also will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

3. For purposes of this Certification-

a. "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

b. "Terrorist act" means-

(i) an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: <http://untreaty.un.org/English/Terrorism.asp>); or

(ii) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or

(iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

c. “Entity” means a partnership, association, corporation, or other organization, group or subgroup.

d. References in this Certification to the provision of material support and resources shall not be deemed to include the furnishing of USAID funds or USAID-financed commodities to the ultimate beneficiaries of USAID assistance, such as Recipients of food, medical care, micro-enterprise loans, shelter, etc., unless the Recipient has reason to believe that one or more of these beneficiaries commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

e. The Recipient’s obligations under paragraph 1 are not applicable to the procurement of goods and/or services by the Recipient that are acquired in the ordinary course of business through contract or purchase, e.g., utilities, rents, office supplies, gasoline, etc., unless the Recipient has reason to believe that a vendor or supplier of such goods and services commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

This Certification is an express term and condition of any agreement issued as a result of this application, and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Name \_\_\_\_\_  
Organization \_\_\_\_\_

# Survey on Ensuring Equal Opportunity for Applicants

OMB No. 1890-0014 Exp. 1/31/2006

**Purpose:** The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information on the survey will not be considered in any way in making funding decisions and will not be included in the Federal's database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

**Instructions for Submitting the Survey:** If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

**Applicant's (Organization) Name:** \_\_\_\_\_

**Applicant's DUNS Number:** \_\_\_\_\_

**Name:** \_\_\_\_\_ **CFDA Number:** \_\_\_\_\_

1. Does the applicant have 501(c)(3) status?

Yes  No

2. How many full-time equivalent employees does the applicant have? (Check only one box).

3 or Fewer  15-50  
 4-5  51-100  
 6-12  over 100

3. What is the size of the applicant's annual budget? (Check only one box.)

Less than \$150,000  
 \$150,000 - \$299,999  
 \$300,000 - \$499,999  
 \$500,000 - \$999,999  
 \$1,000,000 - \$4,999,999  
 \$5,000,000 or more

4. Is the applicant a faith-based/religious organization?

Yes  No

5. Is the applicant a non-religious community based organization?

Yes  No

6. Is the applicant an intermediary that will manage the on behalf of other organizations?

Yes  No

7. Has the applicant ever received a government or contract (Federal, State, or local)?

Yes  No

8. Is the applicant a local affiliate of a national organization?

Yes  No

## Survey Instructions on Ensuring Equal Opportunity for Applicants

**Provide the applicant's (organization) name and DUNS number and the name and CFDA number.**

1. 501(c)(3) status is a legal designation provided on application to the Internal Revenue Service by eligible organizations. Some programs may require nonprofit applicants to have 501(c)(3) status. Other programs do not.
2. For example, two part-time employees who each work half-time equal one full-time equivalent employee. If the applicant is a local affiliate of a national organization, the responses to survey questions 2 and 3 should reflect the staff and budget size of the local affiliate.
3. Annual budget means the amount of money our organization spends each year on all of its activities.
4. Self-identify.
5. An organization is considered a community-based organization if its headquarters/service location shares the same zip code as the clients you serve.
6. An "intermediary" is an organization that enables a group of small organizations to receive and manage government funds by administering the on their behalf.
7. Self-explanatory.
8. Self-explanatory.

### **Paperwork Burden Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1890-0014. The time required to complete this information collection is estimated to average five (5) minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, D.C. 20202-4651.

**If you have comments or concerns regarding the status of your individual submission of this form, write directly to:** Joyce I. Mays, Application Control Center, U.S. Department of Education, 7th and D Streets, SW, ROB-3, Room 3671, Washington, D.C. 20202-4725.

## **Section E – ANNEXES**

- A. STANDARD FORM 424, APPLICATION FOR FEDERAL ASSISTANCE
- B. STANDARD FORM 424A, BUDGET INFORMATION – NON-CONSTRUCTION PROGRAMS
- C. ADDITIONAL GUIDANCE- SAMPLE BUDGET
- D. GENDER STATEMENT
- E. HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT

**APPLICATION FOR  
FEDERAL ASSISTANCE**

Version 7/03

		<b>2. DATE SUBMITTED</b>	Applicant Identifier
<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier

**5. APPLICANT INFORMATION**

Legal Name:		<b>Organizational Unit:</b> Department:	
Organizational DUNS:		Division:	
<b>Address:</b> Street:		<b>Name and telephone number of persons to be contacted on matters involving this application (give area code)</b>	
City:		Prefix:	First Name:
County:		Middle Name	
State:	Zip Code	Last Name	
Country:		Suffix:	
		Email:	

<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> □ □ □ □ □ □ □ □ □ □	Phone Number (give area code)	Fax Number (give area code)
--	-------------------------------	-----------------------------

<b>8. TYPE OF APPLICATION:</b> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> If revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>	<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) Other (specify)
--	--

<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): □ □ □ □ □	<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b>
---	--

<b>12. AREAS AFFECTED BY PROJECT</b> (Cities, Counties, States, etc.):	
--	--

<b>13. PROPOSED PROJECT</b> Start Date: Ending Date:	<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant b. Project
---	---

<b>15. ESTIMATED FUNDING:</b>	<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>
a. Federal \$ .00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:
b. Applicant \$ .00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372
c. State \$ .00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
d. Local \$ .00	
e. Other \$ .00	
f. Program Income \$ .00	
g. TOTAL \$ .00	

<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b> <input type="checkbox"/> Yes If "Yes" attach an explanation. <input type="checkbox"/> No
---

**18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.**

<b>a. Authorized Representative</b>		
Prefix	First Name	Middle Name
Last Name		Suffix
b. Title		c. Telephone Number (give area code)
d. Signature of Authorized Representative		e. Date Signed

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Standard Form 424 (Rev.9-2003)  
Prescribed by OMB Circular A-102

## INSTRUCTIONS FOR THE SF424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain application certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item:	Entry:	Item:	Entry:																
1.	Select Type of Submission.	11.	Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project																
2.	Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).	12.	List only the largest political entities affected (e.g., State, counties, cities).																
3.	State use only (if applicable).	13.	Enter the proposed start date and end date of the project.																
4.	Enter Date Received by Federal Agency Federal identifier number: If this application is a continuation or revision to an existing award, enter the present Federal Identifier number. If for a new project, leave blank.	14.	List the applicant's Congressional District and any District(s) affected by the program or project																
5.	Enter legal name of applicant, name of primary organizational unit (including division, if applicable), which will undertake the assistance activity, enter the organization's DUNS number (received from Dun and Bradstreet), enter the complete address of the applicant (including country), and name, telephone number, e-mail and fax of the person to contact on matters related to this application.	15.	Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.																
6.	Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.	16.	Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.																
7.	Select the appropriate letter in the space provided. <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">A. State</td> <td style="width: 50%;">I. State Controlled</td> </tr> <tr> <td>B. County</td> <td>Institution of Higher Learning</td> </tr> <tr> <td>C. Municipal</td> <td>J. Private University</td> </tr> <tr> <td>D. Township</td> <td>K. Sri Lankan Tribe</td> </tr> <tr> <td>E. Interstate</td> <td>L. Individual</td> </tr> <tr> <td>F. Intermunicipal</td> <td>M. Profit Organization</td> </tr> <tr> <td>G. Special District</td> <td>N. Other (Specify)</td> </tr> <tr> <td>H. Independent School District</td> <td>O. Net for Profit Organization</td> </tr> </table>	A. State	I. State Controlled	B. County	Institution of Higher Learning	C. Municipal	J. Private University	D. Township	K. Sri Lankan Tribe	E. Interstate	L. Individual	F. Intermunicipal	M. Profit Organization	G. Special District	N. Other (Specify)	H. Independent School District	O. Net for Profit Organization	17.	This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
A. State	I. State Controlled																		
B. County	Institution of Higher Learning																		
C. Municipal	J. Private University																		
D. Township	K. Sri Lankan Tribe																		
E. Interstate	L. Individual																		
F. Intermunicipal	M. Profit Organization																		
G. Special District	N. Other (Specify)																		
H. Independent School District	O. Net for Profit Organization																		
8.	Select the type from the following list: - "New" means a new assistance award. - "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date. - "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision enter the appropriate letter: A. Increase Award      B. Decrease Award C. Increase Duration    D. Decrease Duration	18.	To be signed by the authorized representative of the applicant A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)																
9.	Name of Federal agency from which assistance is being requested with this application.																		
10.	Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.																		

**BUDGET INFORMATION - Non-Construction Programs**

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget	
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)
1.	-				
2.	-				
3.	-				
4.	-				
5. Totals					
		Grant Program Function or Activity			
6. Object Class Categories		(1)	(2)	(3)	(4)
a. Personnel					
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (Sum of 6a-6h)					
j. Indirect Charges					
k. TOTALS (Sum of 6i and 6j)					
7. Program Income					

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Standard Form 424A (Rev. 4/92)  
Prescribed by OMB Circular A-102

**BUDGET INFORMATION Non-Construction Programs (cont'd)**

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	
8.				
9.				
10.				
11.				
12. TOTAL (Sum of lines 8-11)				
	Total Amt 1st Year	1st Quarter	2nd Quarter	3rd Quarter
13. Federal				
14. Non-Federal				
15. TOTAL (Sum of lines 13 and 14)				
(a) Grant Program	FUTURE FUNDING PERIODS (Years)			
	(b) First	(c) Second	(d) Third	
16.				
17.				
18.				
19.				
20. TOTAL (Sum of lines 16-19)				
21. Direct Charges:		22. Indirect Charges:		
23. Remarks:				

**Standard Form 424A (cont'd.)**

***INSTRUCTIONS FOR THE SF 424A***

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Public reporting burden for this collection of information is estimated to average 180 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0044), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

---

**General Instructions**

This form is designed so that application can be made for funds from one or more programs. In preparing the budget, adhere to any existing Federal or agency guidelines, which prescribe how, and whether budgeted amounts should be separately show for different functions or activities within the program. For some programs, or agencies may require budgets to be separately shown by function or activity. For other programs, or agencies may require a breakdown by function or activity. Sections A, B, C and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Section A, B, C and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

**Section A. Budget Summary Lines 1-4  
Columns (a) and (b)**

For applications pertaining to a *single* Federal program (Federal Domestic Assistance Catalog number) and *not requiring* a functional or activity breakdown, enter on Line 1 under Column (a) the catalog program title and the catalog number in Column (b).

For applications pertaining to a *single* program *requiring* budget amounts by multiple functions

or activities, enter the name of each activity or function on each line in Column (a), and enter the catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the catalog program title on each line in *Column (a)* and the respective catalog number on each line in Column (b).

For applications pertaining to *multiple* programs where one or more programs require a breakdown by function or activity, prepare a separate sheet for each program requiring

the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

**Lines 1-4, Columns (c) through (g)**

*For new applications*, leave Columns (c) and (d) blank. For each line Entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

*For continuing program applications*, submit these forms before the end of each funding period as required by the agency. Enter in Column (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the funding period only if the Federal or agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns

(e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

*For supplemental s and changes to existing s, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).*

**Line 5** - Show the totals for all columns used.

**Standard Form 424A (cont'd.)**

**INSTRUCTIONS FOR THE SF 424A (continued)**

**Section B. Budget Categories**

In the column headings (1) enter Federal, and (2) enter Non-Federal. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

**Lines 6a-i** - Show the totals of Lines 6a to 6h in each column.

**Line 6j** - Show the amount of indirect cost.

**Line 6k** - Enter the total of amounts on Lines 6i and 6j. For all applications for new s and continuation s the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental s and changes to s, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

**Line 7** - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the federal or agency in determining the total amount of the .

**Section C. Non-Federal Resources**

**Lines 8-11** - Enter amounts of non-Federal resources that will be used on the . If in-kind contributions are included, provide a brief explanation on a separate sheet.

**Column (a)** - Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

**Column (b)** - Enter the contribution to be made by the applicant.

**Column (c)** - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants who are a State or State agencies should leave this column blank.

**Column (d)** - Enter the amount of cash and in-kind contributions to be made from all other sources.

**Column (e)** - Enter totals of Columns (b), (c), and (d).

**Line 12** - Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f) Section A.

**Section D. Forecasted Cash Needs**

**Line 13** - Enter the amount of cash needed by quarter from the agency during the first year.

**Line 14** - Enter the amount of cash from all other sources needed by quarter during the first year.

**Line 15** - Enter the totals of amounts on Lines 13 and 14.

**Section E. Budget Estimates of Federal Funds Needed for Balance of the Project**

**Lines 16-19** - Enter in Column (a) the same program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing s.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

**Line 20** - Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

#### **Section F. Other Budget Information**

**Line 21** - Use this space to explain amounts for individual direct object-class cost categories that may appear to be out of the ordinary or to explain the details as required by Federal or agency.

**Line 22** - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

**Line 23** - Provide any other explanations or comments deemed necessary.

## Annex C

### ADDITIONAL GUIDANCE - SAMPLE BUDGET

**The following object class categories are those required on USAID Form 424A (Section B - Budget Categories):**

a. **Personnel**

The category includes the salary of each long-term and short-term, paid position for the total estimated life-of-project, except consultants, and the projected cost-of-living or bonus/merit increase for each position.

b. **Fringe Benefits**

This category includes the amount and percentage of fringe benefits for each headquarters and field personnel identified above. Include here all allowances such as housing, schooling, leave benefits, and other items.

c. **Travel**

This category includes all projected travel, per diem and other related costs for personnel **except** consultants. Include the method by which airfare costs were determined; i.e. quotes for coach and if per-diems are based on established policies.

d. **Equipment**

In accordance with 22 CFR 226, 'equipment' means tangible non-expendable personal property, including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Information should be included in the application on how pricing was determined for each piece of the equipment.

There are statutory constraints relating to the purchase of agricultural commodities, motor vehicles, pharmaceuticals, pesticides, rubber compounding chemicals and plasticizers, used equipment and fertilizer with USAID project funds. PVOs may obtain specific information on these regulations on USAID Web Site at <http://www.usaid.gov/pubs/ads>.

e. **Supplies**

In accordance with 22 CFR 226, 'supplies' means all personal property excluding equipment, intangible property, debt instruments and interventions.

There are statutory constraints relating to the purchase of agricultural commodities, motor vehicles, pharmaceuticals, pesticides, rubber compounding chemicals and plasticizers, used equipment and fertilizer with USAID project funds. PVOs can obtain specific information on these regulations on USAID Web Site at <http://www.usaid.gov/pubs/ads/300/312/htm>.

f. **Contractual Services**

This category is for all subcontracts with organizations, which will provide services to the project and any short- or long-term consultant cost including fees, travel and per diem. This category is not to be used for sub-s, which should be included in other.

g. **Construction**

Applicants should include all labor and material and supplies for construction projects.

h. **Other**

Applicants are to identify all costs associated with training of project personnel.

Applicants planning to use USAID funds to send project staff or local counterparts for training in the U.S. or a country other than the host country, will be required to follow the guidance on USAID Participant Training Regulations, which may be found on the USAID Web Site <http://www.usaid.gov/pubs/ads>.

The applicant should provide information on any costs attributed to the project not associated above; i.e. communications, facilities, fuel vehicles, repair, maintenance and insurance.

i. **Indirect Charges**

Include a copy of the Applicant's most recent negotiated indirect cost rate agreement (NICRA) from the cognizant audit agency showing the overhead and/or general administrative rate.

Standard Form 424A, Section C should reflect the Applicant's and other sources' cash contribution to this program. A cash match means that funds are used to support the budget elements discussed above. This does not include volunteer labor from U.S. or host country sources. The cash value of donated equipment or supplies must be documented, etc

**A narrative that justifies the costs as appropriate and necessary for the successful completion of the program should be attached to Standard Form 424.**

SAMPLE COOPERATIVE AGREEMENT BUDGET

<u>Budget Cost Element</u>	Budget Amount US \$_	Remarks*
Total Direct Labor	\$_____	(1)
Salary & Wage		
Fringe Benefits		
Allowances		
Consultants	\$_____	(2)
Travel, Transportation & Per Diem	\$_____	(3)
Participant Training	\$_____	(4)
Other Direct Costs	\$_____	(5)
Sub awards (grants and subcontracts)	\$_____	(6)
Security Costs	\$_____	(7)

Training	\$ _____	(8)
Procurement (Equipment & Supplies)	\$ _____	(9)
Indirect Costs	\$ _____	(10)
<b>Total Amount</b>	<b>\$ _____</b>	

\*Provide detailed breakdown of costs and narrative-indicate page or Annex #

This detailed budget will be rolled into the summarized budget to be provided at a later date.

## Annex D

### GENDER STATEMENT - PPP

The agriculture sector is increasingly becoming a women's domain. Yet, most agricultural policies and programs ignore women as producers. As most agriculture development activities are linked to asset ownership, women who seldom control assets, have minimal access to agricultural extension, technology credit and markets.

Improved access for women coupled with more control of productive resources, markets and income will lead to better productivity, efficient credit usage and better returns. With the overall improvement in the well being of the families, birth rates decline, child mortality declines, children get better education and enjoy better health.

USAID/Sri Lanka recognizes the important contribution of women farmers in agriculture as well as in other sectors and would like to support initiatives that invest in women and strengthen their access to knowledge, technologies and markets. All activities, whether in the agriculture sector or other sectors, will identify and integrate gender issues as they affect women and men. Here is an illustrative list of questions that may be considered while developing the application:

- Has gender been identified as a key issue in the project? Is there a budget line for gender mainstreaming, for example, assessment, design, implementation and training?
- Does the project draw upon a clear gender-disaggregated understanding of the target population including gender roles, opportunities, and constraints within them?
- Have legal, policy and institutional framework (e.g., current administrative/governance system) and their gender implications been reviewed and shortcomings documented?
- Is the capacity of the implementing partners to address gender issues clearly stated?
- Is the project designed to draw upon and enhance skills of women and including marketing and access to information?
- Does the project address the need for credit facility for women to be able to access the market?
- Have issues of physical accessibility of markets (their location, distance from the villages, availability of transportation) been addressed?

- Have the possible avenues for saving the income that the women earn been addressed to enhance their control over their earnings?
- Is continued monitoring planned to ensure that:
  1. The work of women and men is given due recognition and compensation?
  2. Science and technology is applied to both women's and men's work?
  3. Trade opportunities are promoted among women and men farmers?
  4. Appropriate methodologies are used to optimize participation of both women and men?
  5. Equal employment/livelihood opportunities are created for both women and men? Safe and fair practices are promoted at the work place?

## HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT

The following paper sets forth a new United States Agency for International Development (USAID or the Agency) Policy for Human and Institutional Capacity Development (HICD).

### I. PURPOSE

This Policy document re-establishes the importance of an integrated HICD plan to promote effective and sustainable U.S. foreign assistance, and provides USAID operating units with guidelines for integrating an HICD approach into strategic planning and activity design and implementation. The objective of this paper is to provide policy guidance on how best to consistently apply the HICD approach in existing program planning, design, and implementation so that the impact of USAID investments across all sectors is increased, and barriers to successful individual and institutional performance are decreased.

*For purposes of this Policy, **Human and Institutional Capacity Development (HICD)** is defined as a series of structured and integrated processes designed to remove significant barriers to the achievement of an institution's goals and objectives. HICD involves the systematic analysis of all the factors that affect performance, followed by specific interventions that address gaps between desired and actual institutional behaviors.*

To help foster program sustainability, as part of its overall development approach, USAID must integrate organizational performance and human capacity development using a range of activities to strengthen the abilities of its public and private sector partners.

### II. BACKGROUND AND RATIONALE

Achieving development objectives requires a clear understanding of the capacity of individuals and the organizations in which they work, as well as the range of factors that influence their performance. An integrated approach to assessing HICD offers a strategic and systemic<sup>1</sup> approach to identifying and addressing performance gaps.

Training and education can be important to implementing an HICD strategy. For example, in southern Sudan, an HICD assessment that called for the return of skilled and experienced Sudanese from the diaspora as volunteer health and education trainers helped the mission to pursue the foundation for “a just and durable peace.” In Indonesia, an HICD assessment identified the need for a training program for a new generation of civic, economic, and government leaders at academic institutions in the United States, third countries, and at home.

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<sup>1</sup> Systemic refers to the interactions between the different levels (individual, organizational, and institutional). Not only skills and organizational procedures but also issues of incentives and governance must be reviewed. *Guidelines for Capacity Development in the Education Sector; within the Education for All-Fast Track Initiative Framework*, February 2008.

Adequate and timely responses to the needs of public and private institutions are also important aspects of an HICD strategy. For example, in Macedonia, the State Commission for Prevention of Corruption received USAID assistance to develop a performance monitoring system, organize a donor meeting on corruption, and conduct a performance assessment of the Secretariat of the Commission. The country's State Education Inspectorate also benefited from portable computers, staff training to use the equipment, and the creation of a personnel system.

In Kosovo, an HICD review assisted the Ministry of Justice in its decision to improve its mentoring programs through internships for law students in various departments within the ministry. This led to a stronger Legal Affairs Department as a result of a series of legal drafting courses for staff and visits from legal experts who were brought in for group mentoring.

If U.S. foreign assistance is to be more effective, and its impact more sustainable, the targeted countries must have organizations and institutions<sup>2</sup> capable of cultivating individuals with the knowledge, skills, and abilities needed to engage in economic and social development. This capacity must be determined during program/project design and integrated into implementation to help ensure a high rate of return on U.S. assistance investments—both in the short and long term, and across sectors and country types (rebuilding, developing, and sustaining). The need to enhance human and institutional capacity may outweigh other mission goals and objectives and thus warrant a review and shift in funding priorities accordingly.

### **III. POLICY STATEMENT**

It is USAID policy to integrate a human and institutional capacity development approach when conducting regional, country, or sector strategic planning and when designing new development activities. Regional and pillar bureaus must address the integration of human and institutional capacity development when approving USAID-specific regional, country, or sector strategic plans.

### **IV. PROGRAMMING CONSIDERATIONS**

The following considerations **should** guide implementation of the Agency's HICD policy, and can help bureaus and missions determine whether the integration of human and institutional capacity development has been appropriately addressed:

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<sup>2</sup> If institutions can be defined as “rules of the game,” organizations are how we structure ourselves to play the game. The key distinction between institutions and organizations is that of rules and players, according to North, Douglass C. *Institutions, Institutional Change and Economic Performance*, 1990, New York: Cambridge University Press) and the OECD/DAC 2006 Reference Document “The Challenge of Capacity Development.”

- Once an assistance objective or development activity is selected, **operating units should identify potential institutional weaknesses** that could limit the intended development impact and ensure that they are appropriately addressed. Operating units can determine the basis for this assessment and may draw upon analyses conducted by other donors, USAID staff, or contractors, as needed.
- **An operating unit's HICD approach should be described (in one page or less) in USAID strategic planning documents**, and include information on:
  - How U.S.-sponsored programs contribute to local efforts to build and maintain human and institutional capacity.
  - How HICD will benefit or advance other assistance goals and objectives.
  - Illustrative interventions.
  - Description of desired results.
- **Incorporate HICD approach at the Activity Level:** Develop new activities and projects using the HICD approach. For each new activity, the operating unit should outline (in one page or less) the most significant HICD issues that need to be considered during activity implementation. Performance measures and targets should be identified at the activity design stage.
- In support of the HICD strategic approach, particular care should be given to **ensure gender balance and inclusion of disenfranchised groups** including, but not limited to, youth, ex-combatants, ethnic minorities, trafficked persons, and persons with disabilities.
- **This policy applies to new projects and activities**, and the Acquisition and Assistance (A&A) awards implementing them, that were undertaken after the issuance of the HICD policy. However, all operating units are encouraged to use the HICD approach whenever possible.
- **Emergency and transition assistance activities are exempted from the HICD policy.** These include: (1) humanitarian and emergency disaster assistance; (2) transition assistance activities, including those funded from the Transition Initiative account; and (3) emergency food aid, authorized under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480).

HICD approaches may include the following:

- **Consider the full range of factors that affect organizational performance** when planning and designing projects, including information, resources, incentives, knowledge/skill gaps, capacity, and motives.
- **Coordinate HICD approach and implementation with other donors.**

- **Build on existing successful and promising institutional performance improvement activities of USAID operating units.**
- **Develop, strengthen, and draw upon local and regional capacity** for assistance with HICD performance assessments, analyses, program design, and implementation. Special attention should be given to working with the local private sector, nongovernmental organizations, and tertiary education institutions. However, be aware of possible organizational conflicts of interest that may limit participation by these organizations in future A&A actions (for more guidance on organizational conflicts of interest see current on-line versions of Automated Directives System (ADS) Sections 201.3.4.2, 202.3.9, and their Additional Help Document entitled “Legal and Policy Considerations When Involving Partners and Customers on Strategic Objective Teams and Other Consultations”, 302.3. 4, and 303.3.6.4).
- **Implement the HICD policy in a manner consistent with partner country plans and United States Government commitments under the Paris Declaration on Aid Effectiveness.** For example, consider using partner country systems to implement activities and build capacity at the same time; training and technical assistance is to be aligned and coordinated with the host country plans and other donors’ assistance.
- **Incorporate measuring and reporting on HICD results into Operational Plans** (through customized indicators as appropriate) **and Performance Monitoring and Evaluation Plans**, where appropriate. Focus on tangible, measurable performance improvement with short-, medium-, and long-term results.
- **View the Agency’s HICD policy and programming considerations as a flexible and scalable** approach to be pursued within the context of each Mission’s existing operational structure and strategic priorities.
- **Incorporate an HICD approach into statements of work or program descriptions for contracts, grants, and cooperative agreements when appropriate.**

## V. TECHNICAL RESOURCES AND REFERENCES

Guidance and resource materials, including lessons learned, promising approaches, planning aids, and technical assistance to help missions implement the HICD policy will be available from USAID/Washington.

## VI. DEFINITIONS

Human Capacity Development: Within USAID, Human Capacity Development currently refers mainly to training of short- and long-term duration held in the home country, the United States, or a third country. Types of training include technical training, study visits, leadership development, academic degree studies, and non-degree research. Participants are usually drawn from the public or private sector organizations with which a USAID mission is partnered in a development project, and may be mid- and high-level managers, local leaders, teachers and education administrators, technicians, and nongovernmental organization (NGO) staff. All training helps individuals acquire new skills, knowledge, and attitudes critical to the achievement of USAID goals.

Human and Institutional Capacity Development: A series of structured and integrated processes designed to remove significant barriers to the achievement of an institution's goals and objectives. HICD involves the systematic analysis of all the factors that affect performance, followed by specific interventions that address gaps between desired and actual institutional behaviors. HICD interventions include training to address skill and knowledge gaps, and to deal with other performance barriers such as dysfunctional organizational structure, unsupportive work atmosphere, or lack of necessary tools and incentives. Success of training and other capacity development interventions is measured by improvement in overall organizational performance and output, not the number of individuals trained.

Humanitarian and Emergency Disaster Assistance: Emergency assistance (to meet immediate short-term needs) is designed to save lives, alleviate human suffering, and reduce the social and economic impact of natural and man-made disasters worldwide. Usually, humanitarian and emergency disaster assistance is distinguished from development assistance programs which typically have longer-term objectives of promoting economic growth, social welfare, and democratic governance.

Operating Unit (USAID only): An operating unit is the organizational unit that implements assistance activities and is, therefore, responsible for writing planning and activity design documents. An operating unit, for the purposes of this paper, includes USAID country missions, USAID regional platforms, and USAID/Washington bureaus or offices.

Transition Assistance: Short-term transition assistance aims to advance peace and democracy, and prevent and mitigate causes of violence in priority countries facing recent or advancing crisis.