



REQUEST FOR APPLICATIONS (RFA)

No. 045-3002E-001-S-2018

Issuance Date: March 2, 2018

Application Submission Due Date: April 2, 2018 06:00 pm local time

Dear Applicant:

USAID Zrda Activity in Georgia (hereinafter “Zrda”), implemented by Chemonics International, is seeking sub-award applications for a grants activity that will support the creation and/or expansion of new tourism products and services in Zrda target regions, with a specific emphasis on rural, adventure, agro, eco, gastro/cultural tourism business and service providers. Zrda has allocated a financing pool of GEL 375,000 that shall be awarded and implemented in accordance with USAID and US Government regulations governing sub-awards under corporative agreement and *USAID Zrda Activity in Georgia’s* internal sub-award management policies. The maximum award size for a single sub-award is **GEL 24,000**.

Chemonics realizes that applicants may have additional questions after reading this RFA. Applicants can submit their questions by email to Zrda at subawards@zrda.ge by **06:00 pm local time, March 20, 2018**. Zrda will provide answers to all relevant questions. Answers to all questions will be posted to the **www.zrda.ge website and facebook page by March 23, 2018**. Individual responses will not be provided.

Zrda Activity will hold a pre-application workshops according to the schedule given below:

March 14, 2018 in Zugdidi, at 3, R. Lagidze Street (CHCA office), 11:00 am local time

March 15, 2018 in Borjomi, at 107a Rustaveli Street, Hotel ‘Borjomis Kheoba’, 11:00 am local time

March 15, 2018, in Akhaltsikhe, at 21, Gvaramadze Street (Zrda office), 04:00 pm local time

March 19, 2018, in Akhmeta, at 36, Leselidze Street (Zrda office), 01:00 pm local time

These workshops will allow eligible and interested applicants the chance to ask questions about the RFA and receive guidance on how to complete the application form. Interested applicants that meet the eligibility requirements defined in **Section IIIA** below and would like to attend this workshop must confirm their attendance by sending the participant’s name and the organization’s name to subawards@zrda.ge no later than **March 13, 2018**. Only *one person* may attend from each organization. When confirming attendance, please note if the person has any special needs to access the workshop facilities. No reimbursement for costs of attendance will be met.

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

Annexes included with this Request for Applications:

- **Annex A** - Sub-award Application Form
- **Annex B** – Applicant Self-Assessment Form
- **Annex C** – Required Certifications



- Annex D – List of Zrda Target Communities

In addition to the annexes A-C included above, applicants should submit the following to *USAID Zrda Activity in Georgia*:

- A copy of the Applicant’s valid legal registration,
- A copy of their latest audited financial statements (if available).

SECTION I. PROGRAM DESCRIPTION

IA. OBJECTIVE

Rural (largely defined as tourism activities situated in a rural setting, may include agro-tourism, eco-tourism, gastronomy and wine tourism, and/or ethno-cultural tourism activities) and adventure tourism has remarkably increased in importance for global economic development and it is deemed as a key pathway to assist rural areas to stem the tide of rural-urban of migration and associated economic decline while also helping to preserve rural traditions and culture. Rural/agro tourism also promotes opportunities for off-farm diversification and that can compliment and/or replace agriculture with new income opportunities for rural households. Rural/agro tourism is a growing niche market and offers new market opportunities within an expanding market in Georgia as well. Adventure tourism serves as an integral compliment to rural tourism opportunities by developing new opportunities for tourists to become active in the rural environment. The tremendous potential and resources for rural and adventure tourism in Georgia provides significant opportunity for communities to develop and trade a broad range of products and services, highly demanded because of their unique nature. To promote the concept of rural tourism, facilitate the development of new marketable products and support rural households to increase incomes from off-farm livelihoods opportunities, Zrda is announcing a request for applications for rural/agri and adventure tourism actors in Zrda targeted municipalities.

The USAID Zrda Activity in Georgia intends to award sub-awards to all types of organizations and/or entrepreneurs that are duly registered according to Georgian legislation. Applications will be accepted from either for-profit, private companies, NGOs/non-profit organizations or associations seeking to develop and promote new commercially marketable products and services, that will create new jobs and income generation opportunities in Zrda’s target regions.

IB. BACKGROUND

USAID Zrda Activity in Georgia is a *five-year* project financed by USAID and implemented by Chemonics International. The goal of Zrda is to strengthen the skills, productivity, and networks of local actors – from vulnerable households to Micro, Small, and Medium Enterprises (MSMEs) – so that they can contribute to broad-based economic growth and strengthened resilience in target communities. Zrda will improve MSME development and growth, increase rural households’ ability to generate income, and foster enduring market linkages between producers and buyers to strengthen the market system. As a result, Zrda will create jobs and increase sales for MSMEs and incomes for households, bolstering the resilience and livelihoods of targeted communities.



IC. DETAILED PROGRAM DESCRIPTION

Zrda intends to support small and medium-sized enterprises and other relevant, commercially-oriented tourism organizations (NGOs, Associations, etc.) and individual entrepreneurs that have innovative ideas to create and market new rural and/or adventure tourism products and services and/or upgrade their existing services/products to meet international standards. As a result, the initiative will enable adventure and rural tourism actors to attract more domestic and international visitors and boost their sales through diversified and attractive product and service offers, generate more income and increase employment in tourism and hospitality sector in Zrda targeted regions.

The goal of the rural and adventure activities sponsored under the grants program is to give visitors personalized contact, a taste of the physical and human environment of the countryside, allow them to participate actively in the product/service, share regional traditions and lifestyles of local people with visitors, and offer tourists a wider variety of soft and hard adventure recreational opportunities.

Within this RFA the successful applicants are expected to design projects falling under the following clusters:

- ✓ **Rural/agro and adventure retail business** (e.g. such as rental businesses);
- ✓ **Rural/agro and adventure entertainment/services** (e.g. such observation and participation in local/traditional manufacturing processes (food, wine, handicrafts, etc.), fishing and outdoor party/brunch experiences, establishing visitor-friendly farm-based activities which may include either livestock-related activities (shearing, milking, etc.) farming and pick-your-own fruits/vegetables activities, rafting and camping, walking/trekking and/or horse riding educational/cultural tours, etc.);
- ✓ **Rural Ethnographic/Cultural-focused activities** (souvenir production, folk art shows, museums of folk and historic premises, etc.),
- ✓ **Gastronomy and Wine focused activities** that allow tourists to experience and participate in unique culinary and wine experiences in a rural setting.
- ✓ **Other and/or similar activities** that may not be specifically included in the above clusters will be considered but should provide a compelling justification.

NOTE: Projects supporting the establishment or expansion of accommodation businesses, such as guesthouses and small hotels, are not eligible and will not be considered. Existing accommodation businesses who wish to create or expand additional (non-accommodation) service offerings in the above categories are eligible to apply.

Examples of eligible expenses include, but are not exclusive to the following:

- ✓ Digital and printed marketing materials for an existing or new product/service, including website development, branding/logo development, and other related services.
- ✓ Specialized equipment for the production of required tourism or handicraft products.
- ✓ Furniture and decorations for non-accommodation businesses (restaurants, wine cellars, breweries, etc.)
- ✓ Sporting goods equipment (tents, backpacks, rafts and rafting equipment, bicycles, clothing, helmets and other safety equipment, etc.).



- ✓ Computers and other related equipment that will contribute to improved business management practices.
- ✓ Generators, solar panels, or other small electricity generation systems.
- ✓ Restaurant and catering equipment.
- ✓ Packaging materials and/or equipment.
- ✓ Staff training and capacity building.

Under this activity selected sub-awardees will be responsible for providing the following deliverables to Zrda:

- ✓ Detailed implementation plan including the description of product/service to be created/developed/improved, estimated fixed and variable costs associated with the ongoing sale of the product/service, expected profitability (1 and 3 year estimates), expected new employment requirements, project duration, location, methodology and overall budget.
- ✓ List of materials, intellectual property, software, services and/or equipment to be procured – Note: Applicants must indicate whether or not relevant services and/or equipment can be purchased locally in Georgia. If equipment must be ordered and imported to Georgia, the applicant must identify and propose suppliers located ONLY in the United States of America, unless such suppliers cannot provide the relevant clothing and equipment.
- ✓ Detailed marketing strategy and sustainability plan portraying how the new service /product will be promoted to reach targeted audience and be managed to become commercially viable.

The Sub-Awardee shall submit the deliverables described above according to the timeline mutually agreed upon by the successful applicant and Zrda.

Timing and Duration: Zrda anticipates that selection of successful applicants and sub-award agreements shall be finalized during the period from **April 15 – May 15, 2018**, and shall have a maximum term of **6 months**. Only under exceptional circumstances shall the period of award implementation be extended to nine months, and such request should be fully justified in the application.

Budget: Applicants must provide a detailed budget for the whole activity, including training (if applicable), equipment procurement and administrative costs. The Zrda portion of the total project budget should be a maximum of 65% of the total project budget, up to a maximum of GEL 24,000 for a single award. Zrda has allocated a total financing pool of GEL 375,000 for this sub-award activity. Zrda may approve projects such that the entire financing pool is fully utilized, however, Zrda is under no obligation to utilize the full financing pool, with the determination on the total number and value of projects approved to be made at Zrda’s own discretion. If there are an insufficient number of applications received or those received do not result in the full utilization of the entire financing pool, Zrda may elect to re-announce the RFA or extend the period for applications to be submitted.

Leverage: All applicants are **required to provide a minimum of 35%** of the total sub-award budget as a leveraged contribution in **cash ONLY**. The budget should clearly detail which expenses are proposed to be covered from the Zrda sub-award and which costs will be covered through applicant’s leveraged contributions. Leverage must be fully documented by invoices and other supporting documentation as may be required by Zrda. The leveraged contribution to the project must be paid prior to the disbursement of funds by Zrda or the procurement of equipment for the beneficiary by Zrda.



ID. AUTHORITY/GOVERNING REGULATIONS

USAID Zrda Activity in Georgia sub-award awards are made under the authority of the U.S. Foreign Affairs Act and USAID’s Advanced Directive System (ADS). Organizations will adhere to guidance provided under [ADS Chapter 303](#), “Grants and Cooperative Agreements to Non-Governmental Organizations” and will be within the terms of the USAID [Standard Provisions for Non-U.S. Non-Governmental Recipients](#), as well as the *USAID Zrda Activity in Georgia* sub-awards procedures.

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

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

Full text of 2 CFR 200 can be found at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

USAID Zrda Activity in Georgia is required to ensure that all organizations receiving USAID sub-award funds comply with the guidance found in the regulations referenced above, as applicable to the respective terms and conditions of their sub-awards.

Under the *USAID Zrda Activity in Georgia* sub-award program, USAID retains the right at all times to terminate, in whole or in part, *USAID Zrda Activity in Georgia* sub-award-making authorities.

SECTION II. AWARD INFORMATION

USAID Zrda Activity in Georgia expects to make a minimum of fifteen sub-awards totaling GEL 375,000. The Zrda portion of the total project budget should be a maximum of 65% of the total project budget, up to a maximum of GEL 24,000 for a single award. Zrda has allocated a total financing pool of GEL 375,000 for this sub-award activity. Zrda may approve projects such that the entire financing pool is fully utilized, however, Zrda is under no obligation to utilize the full financing pool, with the determination on the total number and value of projects approved to be made at Zrda’s own discretion. If there is an insufficient number of applications received or those received do not result in the full utilization of the entire financing pool, Zrda may elect to re-announce the RFA or extend the period for applications to be submitted. Zrda expects that selection and awards shall be made during the period from April 15 – May 15, 2018 and awards shall be a maximum of six months in duration.

The type of sub-award will be determined during the negotiation process.

SECTION III. ELIGIBILITY

IIIA. ELIGIBLE RECIPIENTS

- Organization or company should be a going concern, that is the business/operation/organization and duly registered with the relevant Georgian authorities for a minimum of 1 year; private, for-profit businesses must be minimum 51% Georgian owned and operated.



- Start-up businesses are eligible to apply but should demonstrate clearly their unique qualifications to deliver successfully the commercial product/service proposed. Start-ups will be required to meet all other eligibility requirements of this RFA. Start-up businesses must be minimum 51% Georgian owned and operated.
- Thorough understanding of tourism and hospitality industry in Georgia, with a specific focus on adventure and/or rural/agri tourism, especially in the respective region(s) wherein the applicant operates;
- Hands-on experience in adventure and rural/agri tourism with practical expertise and knowledge of aspects related to product development, group management and hospitality services;
- Good references of past performance (from clients, suppliers, partners, or other relevant entities that have an intimate knowledge of the business/organization).
- Applicants may only submit one application per business/organization under this RFA.
- Applicants must display sound management in the form of financial, administrative, and technical policies and procedures and present a system of internal controls that safeguard assets; protect against fraud, waste, and abuse; and support the achievement of program goals and objectives. *Zrda Activity* will assess this capability prior to awarding a sub-award.
- Applicants must sign the following required certifications prior to receiving a sub-award. The certifications are attached to this solicitation (Annex C) and *Zrda Activity* will review them with applicants.
- For any sub-award(s) resulting from this solicitation that is other than in-kind and equivalent to \$25,000 USD or more, sub-awardees will be required to provide a Data Universal Numbering System (DUNS) number at the time of award. If the applicant already has a DUNS number it should be included in their application. Otherwise, applicants will be expected to get a DUNS number before an award is made. *Zrda Activity* will assist successful applicants with this process. DUNS numbers can be obtained online at <http://fedgov.dnb.com/webform/pages/CCRSearch.jsp>
- Successful sub-awardee will follow a marking and branding plan of USAID *Zrda Activity* in Georgia, which will be annexed to the sub-award agreement.

USAUD Zrda Activity in Georgia encourages applications from new organizations who meet the above eligibility criteria.

SECTION IV – APPLICATION AND SUBMISSION INFORMATION

IVA. INSTRUCTIONS TO APPLICANTS

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



IVA1. APPLICANT SELF-ASSESSMENT

All organizations selected for award are subject to a pre-award risk assessment conducted by *Zrda Activity*, to ascertain whether the organization has the minimum management capabilities required to handle US government funds. The applicant self-assessment is the first step in the pre-award risk assessment process. The Applicant Self-Assessment Form is contained in Annex B.

Applicants that submit full applications that meet or exceed the merit review criteria will be notified of next steps in the application process.

IVA2. SUB-AWARD APPLICATION

Templates to be utilized when developing the application are provided in Annex **A**. Applicants shall present their technical application in the format provided and shall follow the instructions and guidelines listed in the annex.

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

IVA3 INELIGIBLE EXPENSES

Zrda Activity sub-award funds may not be utilized for the following:

- Construction or infrastructure activities of any kind.
- Ceremonies, parties, celebrations, or “representation” expenses.
- Purchases of restricted goods, such as: restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, used equipment; without the previous approval of the USAID Zrda Activity in Georgia, or prohibited goods, prohibited goods under USAID regulations, including but not limited to the following: abortion equipment and services, luxury goods, etc.
- Alcoholic beverages.
- Purchases of goods or services restricted or prohibited under the prevailing USAID source/nationality (Burma (Myanmar), Cuba, Iran, North Korea, (North) Sudan and Syria).
- Any purchase or activity, which has already been made.
- Purchases or activities unnecessary to accomplish sub-award purposes as determined by the USAID Zrda Activity in Georgia.
- Prior obligations of and/or, debts, fines, and penalties imposed on the Sub-awardee.
- Creation of endowments.

IVB APPLICATION AND SUBMISSION INFORMATION

Applications shall be submitted in Georgian or English and may not be more than 10 pages. Preference will be given to applications in English.

Applications should be submitted via email to the email address: subawards@zrda.ge or hard copy to the USAID Zrda Activity in Georgia offices at the addresses below and should reference RFA No. **045-3002E-001-S-2018**:



- Tbilisi, 9, 1st Dead-end N. Ramishvili street
- Zugdidi, at 3, R. Lagidze Street
- Akhaltsikhe at 21, Gvaramadze Street

Applications must be submitted no later than 06:00 pm local time, on April 2, 2018.

Late or unresponsive applications will not be considered.

SECTION V. APPLICATION EVALUATION

VA1. MERIT REVIEW CRITERIA

Full applications will be evaluated against the merit review criteria in the table below:

Merit Review Category	Rating (Points)
Feasibility of Design & Technical Approach	20
Management & Programmatic Capacity	20
Sustainability/Financial Self-Reliance	25
Cost effectiveness	15
Past performance	20
Overall Rating (out of 100 points)	100

Additionally, USAID Zrda Activity in Georgia will ensure environmental soundness and compliance in design and implementation as required by 22 CFR 216.

SECTION VI. AWARD AND ADMINISTRATION INFORMATION

All sub-awards will be negotiated, denominated and funded in *Georgian Lari*. All costs funded by the sub-award must be allowable, allocable and reasonable. Sub-award applications must be supported by a detailed and realistic budget as described in Section IV.

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