



ANNUAL PROGRAM STATEMENT

BACKGROUND

Tetra Tech, pursuant to the authority contained in the U. S. Foreign Assistance Act of 1961, as amended, is seeking concept papers from qualified private firms, and associations to assist in implementing the Agricultural Growth and Rural Opportunities Activity. Funding for this activity is provided under the United States Agency for International Development (USAID) Contract no. AID-167-C-15-00001

GOALS OF THE PROGRAM

The Agricultural Growth and Rural Opportunities Activity is a program funded by USAID to develop a more competitive agricultural sector in Kosovo through technical assistance and grants to farmers, enterprises, and other organizations in targeted value chains. The Agricultural Growth and Rural Opportunities Activity works under three broad program areas referred to as Results or Components. These are:

- (1) Improved farm production and food processing
- (2) Increased linkages to domestic, regional and international markets
- (3) Strengthened strategic partners

The Agricultural Growth and Rural Opportunities Activity (hereafter referred to as the “Activity”) will achieve maximum sustainable impact on the agricultural sector as measured primarily by expanded sales of Kosovo food products, increased farmer income, and new job opportunities. As a result of previous value chain assessments and studies carried out by USAID/Kosovo, and the work of previous agricultural projects, the Activity will support development within specific agricultural sub-sectors including Soft fruits (strawberry, blueberry, raspberry, blackberry); Top fruits (apple, pear, sour cherry and table grapes); Vegetable crops (field and greenhouse vegetables with an emphasis on peppers, lettuce, tomatoes, gherkins and asparagus); Medicinal and aromatic plants, and Dairy. In addition, the Activity may develop emerging value chain components such as packaging, input supply and private sector extension services within these sub-sectors in order to better respond to emerging markets and commercial opportunities. The Activity will seek to increase women’s, youth and minorities’ engagement in the agriculture sector by facilitating their contribution to enhanced agricultural productivity and economic development.

In order to achieve sustainable impact, the Agricultural Growth and Rural Opportunities Activity will work through a set of Strategic Partners (SP). **“Strategic Partners” are public and private sector actors that have the critical mass, technical knowledge and productive capacity to catalyze market-led agricultural growth. They may include large-scale aggregators (collection centers, pack houses and processors), input dealers, commercial farmers, producer and processor associations, public or private sector institutions that provide support services to the agriculture sector, and other actors working all along or in support of targeted value chains.** Effective linkages between these strategic partners will form the foundation for broader value chain activity and growth. Strategic partners will play a critical role in various aspects of value chain development including but not limited to contracting of producers, aggregating product, packaging, processing, cooling, storing, sales and marketing, and the provision of technical or financial advisory services, inputs or other services. The Activity will also assist young graduates, women and minorities in engaging in agricultural production activities and establishing agribusinesses and will support commercially-orientated rural associations and producer organizations to develop their capacities to support growth within the agriculture sector.

OBJECTIVES OF THE GRANTS PROGRAM

This Annual Program Statement (APS) is intended to solicit concept papers for activities to be funded under the Activity’s Innovation and Incentive Grant Fund (IIF). The IIF Grant fund will focus in particular on: 1) positioning private (and potentially some public) sector SPs to become the primary drivers of agricultural growth; and 2) attracting more women, youth, and minorities into the agricultural sector by helping them start up or expand existing agribusiness activities. Support through the IIF program will

assist grantees in achieving progress with respect to Activity components 1 (Improved farm production and food processing) and 2 (Increased linkages to domestic, regional and international markets) and in so doing, will also result in component 3 (strengthened strategic partners).

Grants to SPs (**as defined in bold above**) will be based on qualifying concept notes submitted in response to this Annual Program Statement (APS), and fully developed in collaboration with Activity staff prior to grant award. Grants to SPs may be of short to medium-term duration (implemented over the course of 6 to 36 months) and will range in scope and monetary value depending on the needs of the applying SP. Grants to SPs will impose a strict cost share requirement of at least 1:1 in order to leverage private investment.

Grants to women, youth, and minority-owned start up (or expanding) agribusinesses will provide up to 75% of the cost of the proposed agribusiness development. For this type of grant, grantee in-kind contributions (labor, materials, and equipment) will be acceptable as cost-share. The Activity may provide technical assistance and in-kind support in the form of inputs¹, plant materials², equipment³ and support for market development activities. These grants will be smaller in scope and monetary value than SP grants and shorter in duration (up to 1 year) to jump-start business initiatives and link them to SPs that can facilitate their full integration into targeted value chains.

The total amount of funds available for each type of grant, the expected average value of each grant, the number of grants to be awarded and the type of activities that may be supported under each type of grant are detailed in Table 1 below:

TABLE 1: Allocation of IIF Grants	
Grants to Strategic Partners to support business development plans (BDPs)	Grants to Women, Youth, and Minorities to support business start-up or expansion
<i>Available Funds: \$2.0M (over life of Activity)</i> <i>Duration: Up to 3 years</i> <i>Avg. Value/Grant: \$50,000 Expected # Grants: 40</i>	<i>Available Funds: \$400,000 (over life of Activity)</i> <i>Duration: Up to 1 year</i> <i>Avg. Value/Grant: \$10,000 Expected # Grants: 40</i>
Type of activities supported	
<ul style="list-style-type: none"> • Implementation of SPs' formal long-term BDPs, developed in collaboration with Activity staff and consultants. • May provide in-kind support to share costs of technical and managerial assistance, upgrading of management/communications systems, facility processing equipment innovation, training, study tours, organization of B2B events, participation at trade and technology fairs, outreach and marketing activities, the provision of improved private sector advisory services and enhanced food safety certification, the development of product collection and distribution services, improved packaging, branding and labeling, the adoption of food quality and safety standards, market information systems development, internship programs, job creation, seminars, workshops and conferences. 	<ul style="list-style-type: none"> • Support to start up or expansion of women, youth, and minority-owned production activities and agribusinesses. • May provide in-kind agricultural inputs, plant materials, production and processing equipment, technical and/or business development training and services, the introduction of improved production and/or post-harvest technologies, the development of product branding, labeling, packaging, market linkage activities including product promotion events, participation in study tours and at trade and technology fairs.

The Activity will provide grant funds using USAID's Standard Provisions for awarding In-Kind, Simplified, Fixed Amount Award, and Standard Grants. Grants ranging from \$5,000 to \$100,000, will be awarded to strategic partners, private sector enterprises/agribusinesses, associations such as producer organizations and other value chain actors whose proposed activities meet stated eligibility and evaluation criteria and substantially contribute to expected results of the Agricultural Growth and Rural Opportunities Activity.

The Activity is especially interested in receiving applications under this annual program statement from value chain actors willing to expand private sector extension services, provide enhanced food safety certification (such as GlobalGAP) services, improve promotion in regional and international markets for Kosovo's fresh and processed products and for enhanced services in the agribusiness sector utilizing innovative application of Information Technology, as well as from women/minority or youth owned

¹ Pesticides and fertilizers are restricted commodities and require prior USAID approval.
² Prior USAID approval of certain agricultural commodities may apply
³ It is USAID policy to finance only new (unused) equipment unless a justification can be provided and USAID gives prior approval.

enterprises entering or seeking to expand production and or processing of targeted fruits and vegetables.

INSTRUCTIONS

Eligible Applicants should submit a concept paper, five pages or less that contains the following information:

- Clear indication of which type of grant you are applying for (SP or agribusiness start-up);
- Brief organizational or agribusiness background and profile. This section should detail how the applicant meets eligibility requirements detailed in the below section titled as such;
- Statement of the problem to be addressed by the grant;
- Overall SP or agribusiness vision including goals and objectives and a description of how the grant will contribute to realizing that vision;
- A description of the type and number of value chain actors involved/affected and at what level (producers, processors, input suppliers, etc.) and how the grant will be implemented as an integral part of the Applicant's Business or Development Plan;
- A summary description of the applicant's capabilities in terms of "grant-worthiness", including available personnel for the activity, finance and administration practices, performance on similar projects and geographic region experience;
- A general description of who will benefit from the proposed activity; disaggregate beneficiaries by gender, age and ethnic group.
- A budget estimate of the total amount of Grant funding and beneficiary contribution, in cash and in kind, which would be required to implement the program, and;
- Point of contact, including name, title, address, phone number, and e-mail address.

ELIGIBLE APPLICANTS

The recipients of IIF Grants (for SPs and start-up businesses) may include:

The following types or organizations - non-U.S. Organizations, Kosovo-based entities (government entities are excluded), non-profit and for-profit nongovernmental organizations;

In order to qualify as a potential Strategic Partner grantee, applicants must fulfill the following criteria for strategic partners:

- Has critical mass and influence in terms of its ability to mobilize/support people and institutions
- Possesses minimum technical knowledge and is eager to learn improved technologies and management practices
- Has substantial productive capacity (access to capital, land and high-capacity facilities)
- Occupies a strategic position in the value chain (input dealer, producer, aggregation center, processor, etc.)
- Understands the dynamics of market-led growth
- Engenders an inclusive entrepreneurial spirit

In order to qualify as a potential start-up or expanding agribusiness grantee, the potential grantee and/or agribusiness/activity to be supported must fulfill the following criteria:

- Be at least 50% owned by a woman, minority or person no more than 30 years of age (or group thereof)
- Focus primarily on one or more Activity-targeted value chains
- Not be engaged in buying or selling pest management or other products not included in the list of approved products in the Activity PERSUAP
- Be able to contribute at a minimum a 25% cost share

Additionally, all SP and start-up or expanding agribusiness grant applicants must show that they:

- Possess sound managerial, technical, and institutional capacities to achieve project results;
- Possess and apply a system of internal controls in order to safeguard assets and to protect against fraud, waste, and conflicts of interest;
- Are in good standing with all civil and fiscal authorities;
- Possess financial accountability and maintain (or for start-ups, have a plan to maintain) detailed records of all expenses; and
- Are willing to sign applicable assurances and certifications.

- Are fully registered in Kosovo.

INELIGIBLE APPLICANTS

The following organizations are **not** eligible for Agricultural Growth and Rural Opportunities IIF Grant funding:

- Any entity which is a “private voluntary organization” (“PVO”) that has not registered as such with USAID;
- Political parties and their subsidiaries or affiliates;
- Organizations that appear on the List of Parties Excluded from Federal Procurement and Non-procurement Programs or U.N. 1267 list;
- Organizations that promote or engage in illegal activities or anti-democratic activities;
- Faith-based organizations that are not in compliance with Automated Directives System (ADS) 303.3.6.4.m, which is in accordance with Executive Order 13279, Equal Protection for the Laws of Faith-based Community Organizations;
- Any entity affiliated with Tetra Tech, its officers, directors, or employees;
- Any Public International Organization (PIO).

GRANT APPLICATION PROCEDURES

The concept note format can be collected at the Agricultural Growth and Rural Opportunities office in Pristina or electronically at iif@agro-kos.com. Applications should be submitted to:

Grants and Subcontracts (IIF) Manager
 USAID AGRO Program
 Lorenc Antoni #36
 Prishtina
 Kosovo, 10000

Applications in hard copy to the above address or an electronic version of the Concept Proposal will be accepted by Mr. Agron Selmani, Grants and Subcontracts (IIF) Manager, at IIF@agro-kos.com. The deadline is 4pm on August 31st 2017. Reviews will be conducted on at least a monthly basis.

EVALUATION AND SELECTION PROCEDURES

AGRO will screen the concept papers to be sure basic requirements have been met, such as conformity with Activity objectives and the eligibility criteria. Concept papers will then pass through a technical review conducted by an Activity IIF selection committee. This selection committee will participate in the selection process at both concept paper and final application stages.

CONCEPT PAPER EVALUATION CRITERIA

Members of the committee will assess the merits of the screened concept papers following the general guidance of the evaluation criteria detailed below. Incoming concept notes will be reviewed and scored in batches, monthly or quarterly, depending on how many are received in a given period, by a technical committee comprised of Activity technical, grants management and procurement staff. In addition to a preliminary scoring of each concept paper, the committee will produce an overall assessment of the concepts and express any specific suggestions they may have concerning the activities proposed. These suggestions will form the basis for determining which issues the organizations will need to clarify during the final application process (for start-up business grants) or when developing short or medium development plans (for grants to SPs).

1. **Strategic Fit:** (40 points maximum), including:
 - a) Contribution toward AGRO success indicators
 - b) Sustainability of project results
 - c) Anticipated impact on the beneficiaries
2. **Technical approach, expected impact and alignment with Activity objectives/approach:** (30 points maximum), including:
 - a) Clearly defined problem statement;

- b) Clearly outlined goals in terms of expected impact and contribution toward Activity results. Note: concept notes should specifically demonstrate the grant's expected impact on:
 - o Job creation
 - o Domestic and export sales of Activity-targeted crops/value chains
 - o Auxiliary/secondary industries
 - o The environment
 - c) Clearly defined activities and demonstrate cohesiveness across activities;
 - d) Potential obstacles identified and solutions;
 - e) Prospects for the prospective beneficiary's long-term sustainability
3. **Past Performance/Organizational capabilities:** (20 points maximum), including:
- a) Past performance on similar projects (if applicable);
 - b) Relevance of staff skills for the proposed activities (if applicable);
 - c) Experience within the geographic region;
 - d) Existence or commitment to adopt acceptable accounting and procurement practices; and
 - e) Capacity and commitment to adhere to USAID financial guidelines.
 - f) Capacity to contribute the required minimum cost share
4. **Gender Considerations:** (10 points maximum), including:
- a) Focus on women participants' beneficiaries;
 - b) Impact on participants or beneficiaries.

FULL APPLICATION EVALUATION CRITERIA

Applicants receiving at least 70 points by the Review and Evaluation Committee (REC) will be contacted and given the opportunity to present their full application.

A Review and Evaluation Committee (REC) will formally evaluate and rank all proposals independently and uniformly in writing, using an Application Evaluation Form. Rankings will be based on the criteria and points, based on 100 as the maximum points allowed, as follows:

1. **Technical approach, expected impact and alignment with Activity objectives/approach:** (50 points maximum), including:
- a) Clearly defined problem statement;
 - b) Clearly outlined goals in terms of expected impact and contribution toward Activity results. Note: concept notes should specifically project the grant's expected impact on:
 - o Job creation
 - o Domestic and export sales of Activity-targeted crops/value chains
 - o Auxiliary/secondary industries
 - o The environment
 - c) Clearly defined activities and demonstrate cohesiveness across activities;
 - d) Potential obstacles identified and solutions;
 - e) Prospects for the prospective beneficiary's long-term sustainability
2. **Organizational capabilities:** (20 points maximum), including:
- a) Past performance on similar projects (if applicable);
 - b) Experience within the geographic region;
 - c) Existence or commitment to adopt acceptable accounting and procurement practices; and
 - d) Capacity and commitment to adhere to USAID financial guidelines.
 - e) Capacity to contribute the required minimum cost share
3. **Cost effectiveness:** (20 points maximum), including:
- a) Feasibility, cost realism, reasonableness, completeness, and cost-effectiveness;
 - b) Financial viability of the enterprise/agribusiness;
 - c) Cost-share provided by the prospective beneficiary
 - d) Contribution from other donors
4. **Cross-Cutting considerations:** (10 points maximum), including:
- a) Focus on increasing economic opportunities for women, youth and minorities.

(Maximum 100 Points)

All Applicants must receive a minimum score of 70 points to be considered for funding support.

A Review and Evaluation Committee (REC) consisting of a minimum of three individuals will review and

evaluate all applications.

RESPONSIBILITY DETERMINATION

Before a potential grantee (SP or agribusiness) is encouraged to prepare a full proposal, the Activity will perform a field assessment in order to verify that:

- The potential recipient has the capacity to comply with USAID fiscal requirements, regulations, and accepted cost accounting procedures;
- The potential recipient can demonstrate that the funds received will be expended solely for project purposes, and not for any other project or purpose; and
- The potential recipient has adequate systems in place to manage the activity or project.

FINAL GRANT APPLICATION PROCESS

Applicants that meet SP and Start-up/Minority/Youth or Women owned criteria and emerge from the concept review process with the highest scores will be deemed "strategic partners". Each SP will then be assigned to work with Activity staff most closely associated with the content of their concept note. The potential grantee will develop and submit to the Activity a grant proposal for negotiation and approval.

We reserve the right, at any time prior to grant award, to decide that the grant is not merited.

Tetra Tech is a USAID contractor implementing the Agricultural Growth and Rural Opportunities Project.