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Issuance Date: May 30, 2024

Application Due Date: July 12, 2024

Estimated Award Date: on/about September 30, 2024

Subject:

Request for Applications (RFA) Number RFA-IBR-002
Co-Investment for Business Resilience

Reference:

Issued under the USAID Investment for Business Resilience (IBR) Activity, formerly the Financial Sector Reform Activity, USAID Contract No. 72012122C00002. DAI is a USAID contractor and implementing partner of the USAID IBR Activity.

This RFA is issued as a public notice to all private financial intermediaries (FIs), including banks and non-banks, private transaction advisors, angel/venture/impact/private equity funds, as well as non-financial firms that provide or facilitate finance to enterprises, such as financial technology companies (fintechs), input providers and suppliers legally registered in Ukraine. To be considered for one or more awards, applicants must respond to all the submission requirements and instructions for the Grant Type(s) described below.

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Disclaimer:

Issuance of this RFA does not constitute an award commitment on the part of DAI, nor does it commit DAI to pay for costs incurred in the preparation and submission of an application. DAI reserves the right to fund any or none of the applications submitted. Further, DAI reserves the right to reject any or all applications received and is not obligated to provide the reasons for the rejection to applicants. Applications are submitted at the risk of the applicant. All preparation and submission costs are at the applicant's expense. Any final agreement will be subject to pre-award negotiation and co-design between the applicant and IBR. Co-design support from IBR does not imply in any way that the application will be approved, as it will need to be independently reviewed by the technical evaluation committee (TEC) and approved by USAID.

DAI reserves the right to modify the terms of this RFA at any time by written notice or to withdraw this RFA at any time, with or without a statement of cause, prior to any funding award.

Section A - Funding Opportunity Summary

This funding opportunity describes two possible types of grant partnerships with IBR, referred to as Type A and Type B and described in detail below. IBR is interested in partnering with private financial intermediaries to provide financing or co-invest in small and medium enterprises (SMEs) so that they may increase jobs and sales, including exports. IBR is prepared to provide up to \$25 million in grant funding to unlock investment in Ukrainian businesses through co-financing partnerships with private FIs. IBR is seeking applications from private FIs—also referred to as ‘applicants’ in this RFA—with a large and diverse portfolio of enterprise clients and the financial and operational resources to identify, evaluate and provide or facilitate co-investment in eligible enterprises that have a high potential to increase sales, including exports, and jobs. The FI’s co-investment or financing should take the form of one or more of the financing instruments or risk sharing mechanisms listed below:

- Traditional loan, including working capital and investment loans (Type A);

- Alternative finance linked to commercial transactions, such as leasing, factoring, purchase order, supply chain and inventory finance (Type A);
- Insurance or other risk mitigation instruments that enable financing, such as crop insurance, equipment insurance (Type A);
- Supply chain, value chain, trade and input finance for Ukrainian farmers and agribusinesses (Type A);
- Private investment (Type A);
- Innovation to improve financial sector infrastructure (Type A); and
- Partnership to provide co-financing to SMEs against a grant made to an SME by IBR (Type B).

A further description of each of the financing and risk sharing examples for Type A is provided in Annex 5. Other instruments can be considered so long as they contribute to IBR's overall programmatic outcomes (goals) for 2022-2027, which are as follows:

Indicator 3.1: \$175 million in total capital unlocked (from financial intermediaries) to Ukrainian businesses due to USG assistance.

Indicator 3.2: 7,000 SMEs benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors.

Indicator 3.3: 17 new financial instruments, products, and other initiatives that serve micro, small and medium-sized enterprises or individual persons introduced through USG support.

Indicator 5.1: Support firms that provide 20,000 full-time jobs.

Indicator 5.2: \$250 million increase in exports and/or domestic sales of firms receiving USG Assistance.

Indicator 5.3: 220 private sector enterprises with increased access to finance due to USG assistance (firms receiving direct IBR investment)

Deadline:

Applications are due no later than July 12, 2024, 23:59, Kyiv time.

Applications are available on the IBR grants intake portal and must be submitted using the online application form. The application can be completed in English or Ukrainian. Incomplete applications run the risk of not being considered in the review process. Late submissions are not permitted. Email applications will not be accepted.

Questions:

Any questions about the RFA process shall be directed to IBR no later than June 18, 2024. Questions must be submitted through the online form available on the [IBR intake grants portal](#). Written answers to the questions received will be published on the portal on a rolling basis. Please continually review the grants intake portal for the most up-to-date information.

USAID IBR staff will hold **two online applicant conferences** where IBR will present information from this RFA about Grant Type A and Grant Type B and answer any additional questions about each opportunity. The dates for each conference are:

- June 6, 2024, at 11:00 Kyiv time
- June 7, 2024 at 11:00 Kyiv time

Please use this [online form](#) to register for the applicant conference(s).

Following the conference, **IBR will also offer applicants the opportunity to participate in a training session by grant type** that will provide detailed information on how to complete the application annexes. Please register for the training per grant type using this [online form](#). IBR will share any training material via this website once the information becomes available.

After the training, no further questions will be answered. The written answers to questions and RFA presentation will be publicly shared on the IBR grants portal no later than the close of business on June 18, 2024.

Application Submission Requirements:

- All applications must be completed and submitted through the IBR grants portal.
- Applicants can be submitted in English or Ukrainian but must be received by the deadline.
- Applications which are submitted late or are incomplete will not be considered.
- Applications that do not respond to all questions in the application template and/or that do not include all of the annexes using the provided templates will be considered incomplete.
- All applications will be reviewed based on completeness, programmatic merit, mutuality with RFA objectives, ability to meet co-investment goals, and the ability to increase business sales, exports, and jobs.
- All applications must use the provided formats in this RFA including their Annexes.
- Annexes shall be submitted in pdf or Microsoft Word.
- Cost budgets shall be submitted in Microsoft Excel (not PDF) with formulas shown.
- Cost narratives can be submitted In English or Ukrainian.
- All apparently successful applicants shall undergo co-design and complete due diligence procedures, including an environmental procedures review. In addition, budgets shall be reviewed based on allowability, allocability, and cost reasonableness and shall be negotiated prior to award.

Expected Grant Performance Period/Duration:

The expected performance period of the grant award shall be approximately 12-24 months from signing of the award. However, IBR will require all award recipients to provide some minimal reporting for up to three years beyond the period of the grant to track the medium-term impact of award and report to USAID. Shorter or longer durations may be considered on a case-by-case basis.

Funding Availability:

The total estimated amount of funding availability under this RFA is:

- Type A: up to \$10 million available to financial intermediaries
- Type B: up to \$500,000 total for multiple FI partnerships plus \$14.5 million for grants to SMEs associated with FI partnerships.

Types, Purpose, Uses and Amounts of Co-investment Funding:

Private FIs may apply to one or both grant types described below. Each type will require its own application.

- **Type A. Grant to an FI:** As a result of this RFA, IBR seeks to provide grants between \$1-3 million to one or more private FIs to enable them to increase financing to Ukrainian businesses.
- **Type B. Partnership with an FI to Provide Co-Investment to SMEs:** In addition, IBR can provide up to \$100,000 for a FI partnership and \$14.5 million grants made directly to Ukrainian businesses as co-investment to the FI partners' loans.

Type A - Grant to FI: IBR seeks innovative grant applications to significantly increase the volume of finance to Ukrainian businesses reflecting war impact levels and regional distribution as described below. Applications should aim to reduce the constraints on access to finance to Ukrainian businesses, including, but not limited to, reducing the applicant's costs in serving its clients, reducing the costs of borrowing or insurance to clients, overcoming collateral or other requirements, other uses that address demand or supply constraints accessing finance. These measures should directly result in an increase in financing to businesses. See Annex 5 which provides examples of Type A grants.

Note:

- IBR will not use grant funds to capitalize the applicant nor may funds be used as wholesale funds for on-lending.
- IBR funds may not be used to provide sub-grants but may be used for other types of other compensation, discounts, rewards, or rebates in alignment with the below requirements.

Financing, risk sharing instruments and other creative approaches will be eligible for consideration in accordance with the following war impact levels and regional distribution:

1. All type of financing, risk sharing instruments and other approaches including interest rate buy-downs and similar measures or reduced collateral requirements, for SME clients in the following oblasts: Cherkasy, Chernihiv, Dnipropetrovsk, Kharkiv, Kherson, Kirovohrad, Mykolaiv, Odesa, Poltava, Sumy, Zaporizhzhia, Zhytomyr, Donetsk and Luhansk oblasts.
2. Creative and innovative approaches to increasing financing and risk sharing to facilitate SME access to finance, excluding the use of interest rate buy-downs etc., for SMEs in all other oblasts.
3. All type of financing, risk sharing instruments and other approaches, including interest rate buy-downs for SMEs that relocated because of the war and previously had main business operations in: Chernihiv, Kharkiv, Kherson, Mykolaiv, Sumy, Zaporizhzhia, Kyiv, Donetsk and Luhansk oblasts.

IBR intends to issue multiple grants to different FI applicants ranging between \$1 million and \$3 million. The specific type of grant is a Fixed Amount Award (FAA) agreement under USAID regulations, whereby grant disbursements are made upon accomplishment of predetermined results, referred to as milestones. Milestones are agreed between IBR and the FI prior to the grant being awarded. IBR and the grantee will mutually agree to metrics and verification methods of those milestones during the development of the final grant award. The FI grantee will present a payment voucher, milestone certificate, and evidence of milestone completion for payment, rather than receipts.

In exceptional cases, DAI may offer other types of Awards under this RFA, including:

- A Standard Award where cost-reimbursable payments are made against budgeted, allowable costs incurred by the grant recipient linked to achieving the objectives of the grant.
- An In-kind Award where no cash disbursements are made to the grant recipient. Instead, goods and services are directly procured by DAI on behalf of the grant recipient to the benefit of the grant recipient.
- A Blended Award which is a hybrid grant containing both in-kind purchase of goods and services and payments based on milestones.

Type B – Partnership with a Private FI to Provide Co-Investment to SMEs: The purpose of this grant is to create a partnership with a private FI to provide co-investment to Ukrainian SMEs, primarily war-affected. IBR seeks partnerships in which FIs co-finance SMEs in need of financing, blending a loan from the FI and a grant from IBR to the SME. Ideally, IBR seeks at least a 1:1 leverage, where the amount of the FI loan is at least 1 time the amount of the SME grant. IBR will favorably

review applicants that provide a greater, more competitive leverage. Awardees of Type B grants should bring at minimum 50 new or existing SME clients to the partnership with IBR in alignment with its goals.

Under this partnership, the FI recipient may receive a grant of up to \$100,000 to partially cover costs related to the onboarding, due diligence and monitoring of SME co-financing. The payment of the grant will be based on the number of SME clients that the FI partner successfully onboards for IBR for co-investment grants and monitors over the life cycle of the SME's grant.

The purpose of direct grants to Ukrainian businesses is to provide co-investment as a means to leverage FI funding and significantly increase the businesses' ability to increase sales, including exports, and jobs. Under this arrangement the FI will identify, screen, and recommend business clients for an IBR co-investment grant based on a set of agreed upon criteria provided by IBR. The co-investment grants to business clients must be linked to financing from the FI. IBR will review the recommended businesses based on established criteria and determine whether to invite the business to submit a grant application. If a business is invited to submit a grant application, the FI will be required to assist the business to complete an application for grant funding that includes proposed milestones for grant payments to the business and verification methods of those milestones. IBR will conduct simplified and uniform due diligence procedures on completed applications and inform the business and the FI of the decision to 'fund' or 'not fund'.

IBR aims to support at least 220 business clients, primarily war-affected, with pay-for-results co-investment grants ranging from \$50,000 to \$250,000 per business. These grants are separate from the FI partnership. The specific type of grant is a Fixed Amount Award (FAA) agreement under USAID regulations, whereby grant disbursements are made upon accomplishment of predetermined results, referred to as milestones. Milestones and the means of verification of those milestones are agreed between IBR, the FI and the business applicant prior to the grant being awarded. Milestones must include achievement of specific targets including sales, exports and / or jobs. No grant payments may be made until the business has been formally approved for financing by the FI. The business client will present a payment voucher, milestone certificate, and evidence of milestone completion for payment, rather than receipts.

For co-investment grants to business clients, FIs are expected to:

- Identify eligible business clients that can contribute to IBR targets;
- Perform initial screening and recommend businesses for co-investment grants;
- Assist businesses to complete grant applications;
- Assist IBR with the analysis and due diligence of the business through the FI's standard loan underwriting, especially, with the collection of key documentation;
- Monitor business performance;
- Track and verify business' achievement of milestones (jobs, sales, exports); and,
- Provide financing of at least one time the amount of the co-financing grant.

Only applicants that can demonstrate to IBR the capability to perform these tasks will be considered as partners to facilitate co-investment grants businesses.

Renewal Awards:

This RFA includes the option to extend a grant award to either a FI or its business client with additional funding provided by IBR when funding is available and when the award recipient has demonstrated high performance or evidence of successful completion of pay-for-results milestones in meeting the objectives of the initial award. The purpose of a renewal award is to allow the award recipient to replicate, scale, or adapt its original objectives to better meet changing contexts, apply lessons-learned during implementation, and continue activities and milestones beyond the initial award date. A renewal award may not exceed an additional three years and must end at least five months prior to the IBR contract end date. Renewal awards may be provided on a non-competitive basis or through limited competition at the discretion of IBR. To be considered for a renewal award, the grantee will respond to a simplified RFA during the grant performance period to continue the award issued by IBR. A TEC will review the renewal application on the basis that results achieved to-date warrant renewal and that the recipient meets any other renewal conditions specified in the award. USAID approval is required for all renewal awards.

Eligibility Requirements:

Eligible Applicants under this RFA include:

- Be a for-profit, privately-owned business.
- Be legally registered to operate in Ukraine and in compliance with regulator's requirements.
- Have excellent business reputation including that of beneficial owners and related parties.
- Have successfully provided or facilitated finance and investment for Ukrainian businesses for a minimum of three of the past five years (Type B only).
- Have a large and diverse portfolio of multiple Ukrainian SMEs (Type B only).
- Have sufficient financial and technical capability to provide and / or facilitate financing to Ukrainian businesses.
- Be financially sound and sustainable as an organization.
- Have audited financial statements for at least three years.
- Not be an entity found to be legally responsible or liable for graft or corruption, environmental degradation, injury to persons or property, or a history or pattern of non-compliance with Ukrainian or international law.
- Not be an entity included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID.

- Not be an entity whose name appears in the System of Award Management (SAM) with an active exclusion.
- Not appear on the Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control, sometimes referred to as the “[OFAC List](#)”.
- Not be listed in the [United Nations Security designation list](#).
- Obtain a Unique Entity Identifier in the USG system for award management at the time of award—this process can take between three weeks or up to two months or more. Therefore, applicants are strongly encouraged to immediately initiate the process.
- Not be an entity affiliated with DAI Global LLC or any of its directors, officers, or employees.
- Sign all required certifications and assurances.
- Fully complete all the requirements described in this RFA.
- Prior experience with USAID or other US Government (USG) entities is not required.

Section B – Grant Application Instructions

Three procedures comprise the application process and will be described in this section.

1. **Application Submission**
2. **Selection Process (competition concludes)**
3. **Post Competition (Co-design, pre-award negotiation, due diligence), and Final Review and Approval**

Procedure 1: Application Submission

Applications and supporting documentation must be submitted online using the appropriate link for each grant type. If an applicant wishes to apply to both grant types, an application must be submitted for each.

- [Application for Type A Grant](#)
- [Application for Type B Grant](#)

Applicants shortlisted by the TEC will complete co-design, pre-award negotiation, and due diligence. Only those applicants who show sufficient financial and organizational capacity and complete the co-design process will be considered eligible for a grant award recommendation submitted to USAID for final approval.

A complete application consists of the following:

1. Completed Application Form with Statement of Liability submitted through the Grants Intake Portal. Technical applications must describe the proposed activities and address each of the criteria listed under Type A or Type B grants to be considered for IBR co-investment grant funding. Failure to address all of the criteria under the grant type for which the applicant is applying may result in a non-responsive technical application, and therefore will be ineligible for review.
2. Projected Detailed Budget, Budget Notes and Cost Narrative (See format in Annex 1 and Annex 2)
3. CVs of all key project team members; CVs of all members of the board, directors, or other governing body; legal names and addresses of any shareholder with more than a ten percent share or any controlling ownership in the applicant.
4. Completed Annex 6 – Representation of an Applicant’s Processes for Due Diligence and Monitoring (Type B applicants only)
5. Completed Annex 7

Technical Applications:

Technical Applications will be reviewed, scored, and shortlisted by the TEC following the selection criteria and scoring system provided below. All applicants will be scored on these criteria. Technical applications for each grant type must address all technical criteria for that grant type to be considered for award funding for each grant type; otherwise, the technical application will not be reviewed. Type B grants specifically additionally include an applicant’s capability and willingness to perform the tasks required to support IBR grants to businesses.

Scoring Criteria:

Applicants will be scored based on the grant type selected. Below we present the scoring criteria used by TECs for Type A and B grants. Note: applicants should reasonably answer all questions below in their responses to questions in each grant application type in order to receive full scores

SCORING CRITERIA FOR TYPE A APPLICANTS: TOTAL POINTS = 100

Past performance (experience), reputation, capability and demonstrated commitment to implement the proposed project (10 points)

- Does the applicant have experience providing financial and other services to SMEs?
- How many active SME clients does the applicant have?
- Does the FI applicant demonstrate its ability and commitment to invest in target businesses, including those impacted by Russia’s war in Ukraine, relocated or located in formerly occupied regions, women-owned?
- Does the FI applicant have relevant institutional, technical, staff and financial capacity to implement the proposed activities?

Project justification and design (20 points)

- Does the applicant provide a clearly structured project that is clearly linked to IBR's goals?
- Does the applicant demonstrate a clear understanding of how to reach the target businesses, namely business that can significantly increase sales, exports, and jobs?
- Has the applicant demonstrated that there is market demand for the proposed products and services by the target businesses? Is the project sufficiently adapted and/or adaptable to meet the current market conditions?
- Is the timeline suitable for the goals and are the proposed targets realistic and ambitious?
- Does the FI applicant have relevant institutional, technical, staff and financial capacity to implement the proposed activities?
- Is the project sustainable beyond the life of the grant?

Leverage (20 points)

- What is the forecasted volume of financing that will be provided to target businesses as a result of this project? Is the forecast credible?
- What is the forecasted value of capital unlocked for Ukrainian business as a result of the grant, including funds from the applicant, the businesses, or other third parties? Is the proposed value of capital unlocked credible? Note: 'capital unlocked' refers to different kinds of financing (grants, FI loans and other financing, SME co-investment, and increase in SME retained earnings) that results from the provision of finance to a target business.
- How will the applicant ensure that the additional financing is new funding for businesses, and otherwise would not be available, and not the refinancing or substitution of the financing from another bank/FI?
- What is the expected cash or in-kind contribution from the applicant? How does it demonstrate the applicant's financial commitment to the project?

Contribution to IBR goals (30 points)

- What is the total number of businesses that the applicant believes will benefit from the project during the grant period?
- What are the estimated number of full-time employees of the target businesses benefiting from this project? Has the applicant clearly explained how it will verify this indicator?
- What are the estimated sales of businesses benefiting from this project? Has the applicant clearly explained how it will verify this indicator?

Economic and Social Impact (20 Points)

- Does the project support businesses directly affected by the war, including businesses impacted by physical damage, stolen or expropriated property, relocation, or other material impacts such as loss of suppliers/supply chain disruptions?
- Will the proposed project contribute to rebuilding and economic recovery, regions, sectors, and businesses impacted by the war, businesses that are critical to providing non-military services during the war?
- Does the project contribute to the development of the Ukrainian financial sector?
- Will the proposed project create new employment and economic opportunities for women, youth, internally displaced persons, and veterans?

SCORING CRITERIA FOR TYPE B APPLICANTS: TOTAL POINTS = 100

Past performance (experience), reputation, capability and demonstrated commitment to implement the proposed project (10 points)

- What is the FI applicant's experience in providing financial and other services to businesses, including SMEs, in achieving the loan objectives? What is the FI's outstanding portfolio of SMEs, including number of clients, value of portfolio and terms and conditions? How does it source new clients?
- Does the FI applicant demonstrate its ability and commitment to invest in target businesses, including those impacted by Russia's war in Ukraine, relocated or located in formerly occupied regions, women-owned?

Ability to manage a co-investment project (10 points)

- Does the applicant have the systems in place to identify businesses that meet the eligibility criteria for IBR co-investment grants?
- Does the applicant demonstrate its ability to conduct the data gathering, analysis, and monitoring required for IBR co-investment grants as described in Annex 6?
- Does the applicant demonstrate its understanding and willingness to assist its business clients in the application process and reporting requirements for IBR co-investment grants?
- Does the applicant demonstrate the willingness to monitor results desired by IBR for the duration of the grant and beyond?

Project justification and design (15 points)

- Does the applicant provide a clearly structured project that is clearly linked to IBR's goals and targets?
- Is the timeline suitable for the goals and are the proposed targets realistic and ambitious?
- Are their adequate monitoring and controls to achieve results?

Leverage (15 points)

- What is the forecasted volume of additional financing that will be provided to businesses as a result of this project? Is the forecast credible?
- What is the forecasted value of capital unlocked for Ukrainian business as a result of the grant, including funds from the applicant, the businesses, or other third parties? Is the proposed value of capital unlocked credible? Is the forecast credible?
- Does the applicant have the required financial resources to provide the forecasted co-financing?
- What is the expected cash or in-kind contribution from the applicant? Does it demonstrate the applicant's financial commitment to the project?
- How will the applicant ensure that the additional financing is new funding for businesses, and otherwise would not be available, and not the refinancing or substitution of the financing from another bank/FI?

Contribution to IBR goals (30 points)

- What is the total number of businesses expected to benefit from co-investment from the FI and IBR grants?
- Does the applicant propose a clear method to identify and propose businesses that can contribute to IBR goals and targets, namely business that can significantly increase sales, exports, and jobs?
- Is the portfolio of businesses diverse in terms of geography and business sectors served?
- What are the estimated number of full-time equivalent employees of businesses benefiting from this project? How credible is the estimate? Has the applicant clearly explained how it will verify this indicator?
- What are the estimated sales of businesses benefiting from this project? How credible is the estimate? Has the applicant clearly explained how it will verify this indicator?
- Does the applicant propose milestone payments linked to the IBR-FI partnership, specifically linked to SME clients that the FI identifies, supports and monitors?

Economic and Social Impact (20 Points)

- Does the project support businesses directly affected by the war, including businesses impacted by physical damage, stolen or expropriated property, relocation, or other material impacts loss of suppliers/supply chain disruptions?
- Will the proposed project create new employment and economic opportunities for women, youth, internally displaced persons, and veterans?
- How will the proposed project contribute to rebuilding and recovery of the businesses impacted by the war, businesses that are important to providing non-military services during the war?
- How will the proposed project increase the overall value addition in Ukraine through the strengthening of the domestic value chain, reducing dependence on imports and increasing economic security?

Cost Application:

Applicants must submit a cost application in support of their application using Annexes 1 and 2. Both Annexes must be completed in full. Proposed costs will be reviewed based on cost effectiveness, reasonableness, allocability, and allowability. Costs that do not meet the criteria below will be deemed non-responsive, and therefore, ineligible for review.

- **Are costs effective?** Will proposed costs provide a good value, achieving desired outcomes at a relatively low cost or becoming more cost-effective over time?
- **Are costs reasonable?** Are proposed costs generally recognized as ordinary and necessary and would they be incurred by a prudent person in the conduct of normal business in support of the proposed activities?
- **Are costs allocable?** Do proposed costs have a legitimate justification that is aligned with the funding amount requested and is the cost clearly captured in the budget and application?
- **Are costs allowable?** Do the costs include the purchase of alcohol, luxury goods or other items that are restricted? See list of ineligible cost below.

Applicant contribution: Applicants must contribute co-investment. The co-investment match can take the form of directly financing Ukrainian business clients, providing interest rate compensation or other discounts or rebates to businesses, bringing in third-party financing, other donor financing or other in-kind, verifiable contributions.

Ineligible Costs and Ineligible Use of Funds:

No IBR grant funds shall be used to finance any of the following:

- Any cost related to construction — including building renovations — cannot be funded under this RFA, whether through the grant or as part of the one-to-one cash contribution. IBR defines construction costs as the construction, alteration, rehabilitation, improvement, or repair (including dredging, excavating, and painting) of a variety of structures or facilities.

This may include agricultural facilities, such as irrigation systems or other improvements, markets, warehouses, or other types of buildings, roads, bridges, and collection sites. IBR can fund activities such as environmental assessments, building design, and feasibility assessments for construction projects.

- Profit or fee, application preparation costs, or payment of debt.
- VAT, duties, or any other form of local tax.
- Political elections, fees for public and elected government officials, fines and penalties or creation of endowments.
- Goods or services which are to be used primarily to meet military requirements or to support police or other law enforcement activities.
- Surveillance equipment.
- Equipment, research and/or services related to involuntary sterilization or the performance of abortion as a method of family planning.
- Gambling equipment, supplies for gambling facilities or any hotels, casinos or accommodations in which gambling facilities are or are planned to be located.
- Activities which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas.
- Establishment or development of any export processing zone or designated area where the labor, environmental, tax, tariff, and/or safety laws of the country in which such activity takes place would not apply.
- Pharmaceuticals or Pesticides.
- Logging equipment.
- Luxury goods (including jewelry).
- Alcoholic beverages.
- Establishing or expanding any enterprise that will export raw materials that are likely to be in surplus in world markets at the time such production becomes effective and that are likely to cause substantial injury to U.S. producers.
- Activities which would result in the loss of forest lands due to livestock rearing, road construction or maintenance, colonization of forest lands or construction of dams or other water control structures.
- Activities which are likely to have a significant adverse effect on the environment, including any of the following (to the extent such activities are likely to have a significant adverse impact on the environment):
 - Activities which may lead to degrading the quality or renewability of natural resources;
 - Activities which may lead to degrading the presence or health of threatened ecosystems or biodiversity;
 - Activities which may lead to degrading long-term viability of agricultural or forestry production (including through use of pesticides);
 - Activities which may lead to degrading community and social systems, including potable water supply, land administration, community health and well-being or social harmony.
- Activities which are likely to involve the loss of jobs in the United States due to the relocation or expansion outside of the United States of an enterprise located in the United States.
- Activities which the grantee is aware are reasonably likely to contribute to the violation of internationally or locally recognized rights of workers.
- Activities to support the production of agricultural commodities for export from Ukraine when such commodities would directly compete with exports of similar United States agricultural commodities to third countries and have a significant impact on United States exporters.

Pursuant to 2 CFR 700.13, it is USAID policy not to award profit under grant awards. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards are accepted.

- See [2 CFR 200 Subpart E](#) for all US-based and for non-US based non-profit organizations.
- See Federal Acquisition Regulation ([FAR Part 31](#) for for-profit organizations), may be paid under the grant.

Procedure 2: Selection Process:

Applications received on or before the due date will be pre-screened by the grants team for completeness and then reviewed and scored by a TEC using the criterion set forth in this RFA. Applications that do not meet all RFA requirements will not be scored. Completion of the scoring and evaluation process for all eligible applications received indicates the RFA competition phase has concluded. IBR is open to receiving multiple applications from FIs for Type A and B grants.

Based on the scoring, the TEC will recommend applications for award and IBR will then engage with apparently successful applicants (ASAs) to co-design and negotiate a final grant application, which includes finalizing the budget, conducting cost verifications, and completing due diligence and an environmental compliance review.

The TEC will include voting and non-voting members of the IBR team. Throughout the evaluation process, IBR will take steps to ensure that members of the TEC do not have any conflicts of interest or the appearance of such with the organizations whose applications are under review. An individual shall be considered to have the appearance of a conflict of interest if that person, or that person's spouse, partner, child, close friend, or family member works for or is negotiating to work for or has a financial interest (including being an unpaid member of a Board of Directors) in any organization that submitted an application currently under the TEC's review.

Final grant agreements will not be issued until Procedures 2 and 3 are completed, all parties are in agreement, and USAID approval is received.

Procedure 3: Post Competition (Co-design, pre-award negotiation, due diligence) and Final Review and Approval

Co-Design: To the extent necessary, all ASAs will co-design the final application with IBR to enhance the prospects of meeting the RFA objectives by providing investment for Ukrainian businesses to increase sales, exports, and jobs in Ukraine. IBR and the financial intermediary applicant will work together to ensure that:

- (1) The use of the IBR grant maximizes the leverage and additionality for the benefit of Ukrainian businesses;
- (2) The negotiated milestones and schedule of milestone payment are realistic, verifiable, sufficiently ambitious and linked to IBR's goals;
- (3) Over the life of the grant, the combined applicant and IBR investment result in a significant full-time equivalent jobs and increased sales, including exports;
- (4) The roles and responsibilities of the applicant and IBR for IBR co-investment grants to businesses, if applicable, are well defined; and
- (5) The award maximizes the impact on recipient businesses and the economy as a whole.

It is estimated that IBR co-design support will not exceed 16 hours of engagement with IBR staff and will include calls or meetings to discuss the application, review supporting documents related to co-design, and review comments on several drafts of the application. Please note that co-design of the application does not guarantee award of a grant. For applicants proposing to facilitate IBR co-investment grants (Type B) additional time may be required. An award will only be made when the applicant has met all the criteria and is approved by USAID.

Proposed Milestones: Applicants shall propose milestones and corresponding means of verification under a pay-for-results schedule. Proposed milestones shall clearly demonstrate progress toward providing financing to Ukrainian businesses as well as those businesses achieving increased sales, exports, and jobs. For applicants proposing to facilitate co-investment grants to business clients, applicants should also indicate how they would work with business clients to help them develop a pay-for-results milestone schedule. These milestones shall be refined during co-design.

Organizational, Financial, and Environmental Due Diligence Procedures:

All applicants will fully complete IBR's organizational, financial, and environmental due diligence procedures, which shall occur concurrently to co-design. The IBR team will provide guidance to the applicant on which documentation is necessary for meeting the full RFA requirements and pre award responsibility determination. It will be the applicant's responsibility to produce all required documentation. If the applicant is unable to meet all requirements, the applicant will be notified by the IBR team that they are ineligible for award consideration.

The IBR team will contact the applicant to schedule a consultation during which detailed instructions will be provided for completing the due diligence procedures. As part of this, all applicants will be expected to provide the following documents:

- **Incorporation Papers or Certificate of Registration and Statute**
- **Organizational Chart (within last 2 month)**
 - CVs for staff responsible for implementation of activities. IBR will provide additional guidance based on activities proposed.
- **Financial Reports**
 - Copy of the applicant's most recent financial report, audited by a certified public accountant or other auditor satisfactory to IBR.
 - If recently audited financials are not available, a "Balance Sheet" and "Income Statement" for the most current and previous fiscal year will be requested.
 - This information will be captured in DAI's Pre-Award, Due Diligence Questionnaire.

- **Financial Systems and Control Policies and Manuals (or similar documents)**
 - Copy of Accounting Manual.
 - Description of management structure and/or oversight procedures, if available.
- **Past Performance References**
 - A minimum of three references will be requested.
- **Personnel Policies and Procedures Manual**
 - Copy of Human Resources Manual, Personnel Manual, or other written policies.
- **Procurement and Inventory Control Policies and Manuals (or similar documents)**
 - Copy of applicant's Operations Manual.
 - Copy of purchasing policies and description of the applicant's purchasing system.
- **Cost Verification Documents.** Documentation to support the costs included in enterprises' co-investment budget as fair and reasonable (IBR will provide additional guidance based on costs included).
- **Documentation that the applicant has the ability to comply with the award conditions,** taking into account all existing and currently prospective commitments of the applicant. The applicant must demonstrate its ability to segregate funds obtained from the award of a grant from other activities of the organization. A separate FI account or the equivalent is required should a grant award be made. (Documentation may include certification from the applicant's FI or a summary of previous awards, including type of funding, value, client, etc.)
- **Documentation that the applicant has a satisfactory record of integrity and business ethics.** Documentation may include references from suppliers, customers, or others with a summary of the business relationship, including duration of relationship, value of transactions made, satisfaction with performance, etc., and/or other donors with a summary of previous awards, including type of funding, value, client, etc.
- **Separate Account:** A separate account must be established to house all funds provided under the grant, as well as all interest income.

Environmental Due Diligence:

The IBR Grants Team will work with the applicant to ensure proposed partnership activities comply with host country environmental regulations and/or USAID policies for environmental procedural reviews, unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter will govern (www.usaid.gov/policy/ads/200).

All applicants will complete IBR's financial, organizational, and environmental due diligence process. This may include a site visit or other in-person meetings to discuss the content of an application or verify financial or organization documents listed in procedure 2.

Final Award Approval:

Following the completion of co-design and due diligence IBR will prepare a final award package and request approval from USAID to award the grant. **All grants must be approved by USAID.**

Upon USAID approval of the grant, a grant agreement will be prepared and signed between the approved awardee and IBR. After IBR and the successful application sign the grant agreement, IBR will host a kick-off meeting with the awardee and USAID. All reporting and agreement obligations will be explained to the grant recipient as well as procedures for collaboration, learning, and adaptation (CLA) during implementation.

Project Monitoring:

IBR staff will monitor implementation of grant activities for programmatic, milestone attainment, and performance indicators. Grant recipients will be expected to produce relevant information to IBR staff in the monitoring of the grant, including requisite verification documentation and reporting for milestone review and completion. Monitoring and reporting requirements will be agreed upon during final award negotiation.

Section C - Special Grant Requirements

The applicant shall bear in mind the special requirements for any grants awarded in response to this RFA.

Unique Entity ID (SAM):

There is a mandatory requirement for the applicant to provide a Unique Entity ID (SAM) to DAI if the IBR co-investment value is greater than USD 25,000. Without a Unique Entity ID (SAM), DAI cannot deem an applicant to be "responsible" to conduct business with and therefore, DAI will not enter into an agreement with any such organization. The Unique Entity ID (SAM) number submission is not required as part of the application process but will need to be provided before DAI signs a grant agreement. Enterprises who fail to provide a Unique Entity ID (SAM) will not receive an agreement and DAI will select an alternate awardee. See Annex 3 - Instructions for Obtaining a Unique Entity ID (SAM).

Use of Funds:

Funds provided under any grant awarded shall be used exclusively to successful application implementation and current activities under the grant. Diversion of grant funds to other uses will result in cancellation of award and retrieval of funds disbursed to the grant recipient.

Permitted Uses of Program Income:

The Grantee will inform DAI of any program income generated under the grant and agrees to follow USAID's disposition requirements for such program income, which is in accordance with 2 CFR 200.307. Program income earned under this agreement will be disposed in one of the following ways, which will be determined during the award stage:

- A. Added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives;
- B. Used to finance the non-Federal share of the project or program; or
- C. Deducted from the total project or program allowable cost in determining the net allowable costs on which the federal share of costs is based.

If the terms and conditions of the award do not specify how program income is to be used, then item B. shall apply automatically. Grantees who are commercial organizations may not apply Option 1 to their program income. IBR will provide additional guidance regarding program income during the co-design and final award negotiation phases.

Co-Branding and Co-Marking:

Co-branding and co-marking mean that the program, project, or activity marking represents both USAID and the grantee. All USAID-sponsored assistance awards are required to adhere to branding and marking requirements in accordance with ADS 320. ADS 320 may be found at the following website: [ADS Chapter 320 Branding and Marking](#). The Activity must approve all public communications and program materials produced under this grant before printing or publication.

USAID may grant presumptive exceptions to general marking requirements on a case-by-case basis for grants under contract in accordance with ADS Chapter 320 Section 320.3.2.5. These exceptions are presumptive, not automatic and must seek approval from USAID. The grantee must, therefore, include requests for presumptive exceptions in its co-branding and co-marking plan.

Further, the grantee must not use the USAID Identity on any communications that are strictly administrative, rather than programmatic, in nature. Examples include, but are not limited to, letterheads and business cards. Co-branding and co-marking do not apply to the offices, vehicles, or non-deliverable items of recipients of funding from USAID, such as office supplies used primarily for administration of a USAID-funded program.

Environmental Procedures:

The grantee must comply with ADS 200 and host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter will govern. www.usaid.gov/policy/ads/200

Environmental requirements of this RFA are governed by the USAID Initial Environmental Examination (IEE) DCN: 2021-UKR-033 dated April 29, 2021, and IEE Amendment DCN: 2021-UKR-033-001 dated July 25, 2023. Compliance with this IEE and its amendments is required to fund and implement grant activities, as described below.

No activity funded under the grant will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that grant activity. Environmental threshold determinations include:

- a. Categorical Exclusion (CE).
- b. Negative Determination with Conditions (NDC).
- c. Positive Determination.

For activities that fall under NDC, grantees will be requested to provide documents listed in item 5 below which are necessary for preparation of the USAID E&E Small-Scale Procurement Environmental Review Form (ERF) or Environmental Review Checklist and Environmental Monitoring and Mitigation Plan (ERC/EMMP).

Facilities used for grant implementation shall comply with the laws of Ukraine. To verify legally permitted facilities/buildings, where applicable and according to nature and purpose of the grant, successful applicants will be asked to submit the documents listed below but not limited to:

- a. Lease agreement or Extract from the Government Registry of Rights of Real Estate.
- b. Declaration of Fire Safety from the State Service of Ukraine for Emergencies.
- c. Technical Passport from the Bureau of Technical Inventory (BTI), including added marked premises for grant activity on the plan.
- d. Declaration of Readiness for Operation from the State Agency of Architectural and Construction Inspection (when available).
- e. Results of a Technical Inspection Report in compliance with Cabinet of Ministers of Ukraine decree Number 257 dated 12 April 2017 (If Declaration of Readiness is not available).
- f. Contract for waste disposal.

Combating Trafficking in Persons (TIP):

For work performed outside the United States, FAR clause 52.222-50, shall be incorporated into grant award agreements with awards above \$500,000 requiring a TIP compliance and training plan. www.acquisition.gov.

Certifications, Assurances, Other Statements of the Recipient and Solicitation Standard Provisions:

In accordance with ADS 303.3.8, MSP will require awarded grant partners to submit signed copies of required certifications and assurances. www.usaid.gov/sites/default/files/documents/303.pdf

Mandatory Standard Provisions:

Any grant issued under IBR will be managed according to the following Mandatory Standard Provisions:

Mandatory Standard Provisions for Fixed Amount Awards Nongovernmental Recipients: [ADS 303 FAA](#)