## USAID Kosovo Compete Activity

## Request for Applications (RFA)

|  |  |
| --- | --- |
| Issuance Date | Friday, May 19, 2023 |
| Deadline for Receipt of Questions | Monday, June 5, 2023, by 17:00 local time |
| Information Session | Tuesday, May 30, 2023, from 11:00 – 12:30  Location: USAID Kosovo Compete Office at *Str. Ukshin Hoti, No. 120, Building C3/3/b, 1st floor*  *Online: via* [*Microsoft teams*](https://teams.microsoft.com/l/meetup-join/19%3ameeting_MDdkMjFiYjQtM2JkYi00YjI4LTljMjItNGY3YjkxYzVjY2Ey%40thread.v2/0?context=%7b%22Tid%22%3a%22009f8b3b-e644-4c03-b545-0969ab33a3e0%22%2c%22Oid%22%3a%222f5858a2-7094-4f21-a4a5-2e5100a722ec%22%7d) |
| Closing Date/Time for Submission of Applications | Monday, June 19, 2023, by 17:00 local time |
| Subject | Request for Applications (RFA) for **establishing the long-term presence of Kosovo-made furniture/wood products in international markets** |

***Summary overview***

USAID Kosovo Compete Activity (hereinafter referred to as “USAID Compete”, “Compete” “Activity”, or “Project”) is funded by the United States Agency for International Development (USAID). It is implemented by DT Global. The Project is designed to facilitate sector-wide improvement in private-sector export competitiveness in its key focus sectors of wood processing, food processing, and information and communications technology (ICT) sectors.

Through this Request for Applications, the USAID Kosovo Compete Activity seeks qualified companies and local implementing organizations to implement a planned activity on **establishing** **the long-term presence of Kosovo-made furniture/wood products in international markets**.

The grants will be awarded and implemented in accordance with U.S. government regulations governing grants under contracts and the Project’s internal grant management policies. The successful applicant(s) will be responsible for ensuring the achievement of specified grant objectives. Please refer to Section 1 - Funding Opportunity Description - for a complete statement of goals and expected results.

This RFA consists of the following sections:

Section 1 – Funding Opportunity Description

Section 2 – Award Information

Section 3 – Eligibility Information

Section 4 – Information Session

Section 5 – Application and Submission Information

Section 6 – Application Review Information

Section 7 – Award and Administration Information

Section 8 – Annexes (Application Form and Budget Template)

Pursuant to 2 CFR 200 Subpart E and 2 CFR 700.13, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable, and allowable expenses, both direct and indirect which are related to the grant activity and are in accordance with applicable cost standards (2 CFR 200 Subpart E for non-profit organizations and educational institutions, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations), may be paid under the Award.

USAID Kosovo Compete Activity intends to provide up to 50% of the cost per proposal, which should not exceed EUR 150,000, dedicated to a group of beneficiary companies in the wood sector. The cost of implementation will be covered by the applicant and the beneficiary companies from the wood processing sector. Any application that reaches the maximum ceiling will need to be strongly justified. The overall activity in each beneficiary company is expected to last over an estimated 10-month period.

The Project reserves the right to fund any or none of the applications submitted. Issuance of this RFA does not constitute an award commitment on the part of USAID Kosovo Compete, nor does it commit the Project to pay for costs incurred in the preparation and submission of an application. Further, USAID Kosovo Compete Activity reserves the right to reject any or all applications received if such action is considered to be in the best interest of the U.S. Government. Applications are submitted at the risk of the applicant; should circumstances prevent making an award, all preparation and submission costs are at the applicant’s expense.

Applicants should submit any questions concerning this RFA in writing via email at [**grants@kosovocompete.org**](mailto:grants@kosovocompete.org). The deadline for receipt of requests for clarifications/explanations is Monday, June 5, 2023, by 17:00 local time. No questions will be accepted after this date. An information session for interested applicants will be held on Tuesday, May 30, 2023, from 11:00 – 12:30, at USAID Kosovo Compete’s office in Prishtina, Kosovo (noted below). The information session can also be attended virtually through this [Microsoft Teams Link.](https://teams.microsoft.com/l/meetup-join/19%3ameeting_MDdkMjFiYjQtM2JkYi00YjI4LTljMjItNGY3YjkxYzVjY2Ey%40thread.v2/0?context=%7b%22Tid%22%3a%22009f8b3b-e644-4c03-b545-0969ab33a3e0%22%2c%22Oid%22%3a%222f5858a2-7094-4f21-a4a5-2e5100a722ec%22%7d)

Applicants should submit applications via E-mail at [grants@kosovocompete.org](mailto:grants@kosovocompete.org) with the subject line RFA#01-2023. The closing date for submission of applications is **Monday, June 19, 2023,** and the closing time for submission of applications is 17:00 hours local time. Late applications will not be considered.

Section 1 – Funding Opportunity Description

***Objective***

USAID Kosovo Compete Activity plans to award grants to organizations to increase exports of Kosovo furniture/wood processing companies. The objective of the grant activities is three-fold: (i) establish a strong presence in international markets for Kosovo wood processed products, (ii) increase sales for Kosovo Wood processors, and (iii) achieve sustainable growth for Kosovo wood processing companies.

***Background***

USAID Kosovo Compete is a five-year project (2020-2025) financed by USAID and implemented by DT Global USA, Ltd. The goal of the Activity is to promote resilient, self-sustaining market systems and facilitate the private sector’s improved competitiveness in local, regional, and global markets. Compete utilizes a market systems approach aligned with USAID’s Private Sector Engagement Policy, which aims to support an improvement in export competitiveness in the targeted sectors of wood processing, food processing, and ICT. The expected goals of Compete across the three sectors are:

* Market systems are strengthened to increase sector competitiveness; and
* Market actors within those market systems are more productive and competitive.

The purpose of this RFA is to solicit applications from qualified applicants for improving and increasing exports of the Kosovo wood processing companies in international markets.

Kosovo wood processors have increased their presence in international markets. In recent years, Kosovo furniture/wood processing companies have made substantial progress in investing towards modernizing their technologies to improve production and promoting their products in international markets, but there is still much work to be done. It is important for Kosovo producers to be permanently present in international markets as this will enable them to build long-term relationships with customers, understand their needs and preferences, and tailor products to meet their demands. By doing so, they will be able to establish a strong brand presence in international markets, which will enhance their reputation and credibility.

Furthermore, being permanently present in international markets will allow Kosovo producers to keep up with the latest market trends and developments. They will be able to learn about new technologies, best practices, and emerging consumer preferences. This knowledge will help them to improve their products, innovate, and stay ahead of the competition. By staying abreast of the latest trends, they will also be better equipped to respond to changes in the market, adapt to new regulations, and overcome any challenges they may face.

Another important reason for Kosovo furniture/wood processors to be permanently present in the international markets is to establish partnerships with other local and international companies. By collaborating with other businesses, they can gain access to new markets, expand their customer base, and increase their revenue. Partnerships can also help Kosovo producers to share knowledge, resources, and expertise, which can lead to greater innovation, efficiency, and competitiveness.

Finally, being permanently present in the international markets will help Kosovo producers to promote their country's economy and image. By showcasing their products and services, they will be able to demonstrate the potential of Kosovo as a business destination, attract foreign investment, and create employment opportunities for the local population. This will not only benefit Kosovo producers but will also have a positive impact on the country's overall economic growth and development.

***Detailed Program Description***

Increasing exports and production of the local companies is one of the key goals of the USAID Kosovo Compete Activity. Long-term partnerships with international companies have already been proven to be successful and enabled with the presence of Kosovo products in the international markets. There is a significant potential to improve exports of Kosovo products in international markets, and the competitiveness of Kosovo’s private sector by promoting and facilitating similar activities. Considering USAID Kosovo Compete’s approach to foster overall sector competitiveness within its focus sectors, the Project is seeking to implement an activity where **three or more** production companies from the target sectors partner to ***jointly present their products in one or more international markets***, thereby supporting such activity, companies in the wood sector to improve overall competitiveness. Implementation of these activities are designed to serve as examples for the rest of the wood furniture industry, and other economic sectors and industries. The Project’s goal is therefore to foster – over time – a greater presence of Kosovo producers in international markets. In short, a move toward greater presence and exposure of Kosovo products in main international centers.

***Goals and objectives***

This RFA aims to provide support for Kosovo companies in the wood sector to establish a **long-term presence in international markets**. To achieve this, partnerships between companies are considered advantageous, as joint presentations can help reduce costs and allow for the showcasing of a wider range of products from Kosovo in a single location.

The major objectives of this intervention are:

1. Increase market share: The primary goal for these companies would be to increase their market share in the international markets. This can be achieved by creating a strong brand identity, promoting high-quality products, and offering competitive prices.
2. Diversify product range: Companies could aim to diversify their product range to cater to different customer needs and preferences. This can help them expand their customer base and increase sales.
3. Enhance quality standards: Quality is crucial in international markets, and companies should strive to maintain high-quality standards for their products. This can help build trust with customers and enhance their and Kosovo’s reputation in the market.
4. Expand distribution channels: Companies should aim to expand their distribution channels to reach more customers in different regions. This can include partnerships with local distributors/installers, online platforms, and joint participation in international trade shows.
5. Develop export capabilities: Companies should focus on developing their export capabilities, including logistics, transportation, and export regulations. This can help them streamline their export processes and reduce costs (customs).
6. Foster international partnerships: Building relationships with international partners, such as suppliers, distributors, and retailers, can help companies establish a foothold in new markets and expand their reach.
7. Adapt to cultural differences: Companies should be aware of cultural differences in different international markets and adapt their products and marketing strategies accordingly. This can help them connect with customers and improve their market penetration.
8. Increase competitiveness: Companies should continuously analyze the competition in international markets and adapt their strategies to stay competitive. This can include investing in research and development.

By focusing on these goals and objectives, wood companies from Kosovo can establish a strong presence in international markets, increase their sales, and achieve sustainable growth.

***Intended target group***

The *intended target group* will be up to three (3) initiatives (minimum 3 wood companies in one group) that are supported to establish showrooms/shops/presentations in the international markets.

The **targeted** wood sector beneficiary companies are those who are *committed to cooperating in establishing a permanent presence in international markets* and *have already or are willing to establish showrooms/shops in targeted countries* **–** and are thus ready for the next stage of exports.

***Intended activities***

The intended activities by selected implementers, in collaboration with beneficiary companies, should include some or all the following (the list is tentative):

* Market Research: Conducting market research can help companies identify potential markets for their products and services. This research can include identifying the size of the market, target customers, and competitors in the market.
* Networking: Building relationships with potential customers, suppliers, and distributors in the target market can be critical for success. This can be done through attending trade shows, conferences, industry events, and events in the shops/showrooms.
* Developing a strong brand: A strong brand can help differentiate a company's products and services in the market. This can include developing a compelling brand identity, messaging, and marketing materials.
* Building an online presence: In today's digital age, having a strong online presence can be critical for success. This can include building a website, using social media, and developing an e-commerce platform.
* Renting space: A direct presence and offering of the products in the showrooms/shops in certain markets is crucial for the selection of the product by buyers.

***Expected results***

The *long-term presence of Kosovo products in international markets* activity envisages the following expected results:

* At least 15 companies in wood sector are presenting their products permanently in the international markets
* At least 500k to 1MM projected yearly sales per applicant (group of companies, i.e. initiative).

***Important note for applicants/bidders***

The intended activity is to establish a long-term presence in international markets for Kosovo companies. Keeping in mind the complex nature of the presence in the international markets, USAID Kosovo Compete Activity seeks to support successful bidders in achieving the abovementioned results, but not to provide admin and technical support for legal and admin issues in targeted markets/countries.

When applying, companies that are part of the consortium are required to have a pre-agreement signed. Also, companies that are applying with a partner company from the diaspora are required to sign pre-agreements with all companies involved in the group.

Companies established in Kosovo are not automatically recognized as EU companies since Kosovo is not a member of the EU. Consequently, companies from Kosovo may face additional legal and administrative hurdles when attempting to do business in the EU or establish subsidiaries in EU member states. Furthermore, non-EU citizens may face additional challenges when attempting to establish companies in the EU, such as obtaining the necessary work permits and visas. Similarly, in Switzerland, non-Swiss citizens may face restrictions on their ability to establish companies.

Thus, applicants from Kosovo who are considering establishing companies in the EU or Switzerland should be aware of these potential limitations and seek expert advice before embarking on this process. It is important to thoroughly research the requirements and regulations in the specific country where you wish to establish your company and to seek legal and financial advice where necessary.

Section 2 – Award Information

Subject to the availability of funds, the Activity intends to provide grant funds to support a *long-term presence in international markets* to be allocated over an estimated period of 10 months. The anticipated award date is July 3, 2023, and the anticipated period of performance of the grant is expected to be July 17, 2023 – May 17, 2024. The Project anticipates the awarding of up to three (3) Fixed Amount Awards under this RFA. Under a Fixed Amount Award, all payments will be a fixed sum payable upon completion of activity milestones, which will be defined in detail during grant agreement negotiations. The size of the award per successful application shall not exceed **Euro 150,000**.

***Successful applicants are expected to cost share at least 50% of the overall cost of the activity.***

Section 3 – Eligibility Information

All awards issued under this RFA will be subject to the eligibility requirements set forth below. Eligible organizations include:

* Legally registered Kosovo or US-based entities, institutions, or organizations. Third-country organizations may be considered on a case-by-case basis.
* Non-profit/NGOs, business associations and chambers, regional development agencies, public educational institutions (institutes, extension services, etc.), or commercial and/or for-profit organizations that understand that no profit or fee will be allowed under the grant agreement.

***The intended applicants are companies in the wood sector that have capacities to implement such projects. Diaspora companies are also eligible to apply.***

Eligible organizations shall be able to comply with and achieve the proposed Program Description, including Goals and Objectives, display sound financial, administrative, and technical management in the form of a system of controls that safeguards assets and protects against fraud and waste, and have a satisfactory performance record and record of business integrity and ethicality.

Ineligible organizations include:

* Individuals.
* Political parties or institutions.
* Organizations that advocate, promote, or espouse anti-democratic policies or illegal activities.
* Organizations that intend to use funding for religious objectives.
* Entities that have misused USAID funds in the past.
* Entities that are on the list of parties excluded from federal procurement and non-procurement programs or the United Nations Security Sanctions Committee or have owners or managers that are so excluded.

Prior to the award of a grant under this RFA, successful applicants will be required to sign a Certification Regarding Terrorist Financing certifying that the applicant’s organization does not provide and has never provided assistance to terrorists for terrorist activities. Successful applicants may also be required to sign other Certifications applicable to the award. The certifications are attached as Annex C.

Prior to the award of a grant under this RFA, successful applicants will also be subject to a pre-award responsibility determination, which will be conducted by USAID Compete. In making this determination, the Activity will determine whether the applicant possesses the organizational capacity, financial capacity, internal controls, procurement systems (if required), and past performance record in order to successfully implement the grant activities. Only organizations that are determined to be responsible will be eligible for an award.

No activities will be considered that have a negative environmental impact that is not mitigated.

**Minimum requirements for applicants**

|  |  |
| --- | --- |
| **Requirements** | **Documentary evidence** |
| **Administrative compliance** | |
| Eligible nationality of the legal person | Registration certificate |
| **Economic and financial capacity** | |
| The total annual average turnover of the applicant (s) over the past 3 years (2020, 2021, and 2022) must equal to or exceed €1.000,000 | Copy of financial statements, preferably audited by a certified auditor |
| **Professional and technical capacity** | |
| Applicant must have carried out similar projects in the past years and/or participated in projects that involve exports (i.e. trade fairs, B2B events, etc). | A list of projects accompanied by confirmation letters that demonstrate successful implementation of relevant projects. Evidence of participation in international trade fairs |
| Applicant proposes at least 3 (three) professional staff in the field of exports and has experience in the organization of trade fairs, events, and conventions in the past | CVs of 3 professional staff members |

Section 4: Information Session

The Project intends to hold an information session allowing anyone interested in applying to the RFA to ask questions about the application process. The information session will be held on Tuesday, May 30, 2023, from 11:00 – 12:30 at the Project’s premises at Str. Ukshin Hoti, No. 120, Building C3/3/b, 1st floor. All interested applicants are welcome to attend and should RSVP to [grants@kosovocompete.org](mailto:grants@kosovocompete.org) by May 28, 2023, to ensure space availability. Participants can also attend the presentation via [Microsoft Teams.](https://teams.microsoft.com/l/meetup-join/19%3ameeting_MDdkMjFiYjQtM2JkYi00YjI4LTljMjItNGY3YjkxYzVjY2Ey%40thread.v2/0?context=%7b%22Tid%22%3a%22009f8b3b-e644-4c03-b545-0969ab33a3e0%22%2c%22Oid%22%3a%222f5858a2-7094-4f21-a4a5-2e5100a722ec%22%7d)

Section 5 – Application and Submission Information

Applicants should submit written applications to Grants Manager **via email delivery** at the following project email address: [grants@kosovocompete.org](mailto:info@kosovocompete.org).

The application should be clearly marked in the subject of email with the appropriate RFA number i.e., RFA#01-2023. The closing date for submission of applications is Monday, June 19, 2023, and the closing time for submission of applications is 17:00 hours local time. Late applications will not be considered.

All applications in response to this RFA shall consist of a **technical proposal** and a **budget proposal**. The technical and financial proposals should each be submitted as separate files.

***Technical proposal***

The technical proposal must be no longer than 10 pages in length. Applications submitted in excess of more than 10 pages will not be reviewed. All supporting documents and CVs of the proposed key staff members, which the applicants are required to submit (please see Annex A - Application Form – Technical Proposal), will not be counted toward the 10-page limit. The technical proposal must be submitted in English, while the supporting documents can be provided in original language or English.   
The technical proposal shall consist of the following:

1. **Description of the planned activities and proposed methodology for implementation of the activities (approx. 6-7 pages)**

* State the objectives and define the activities under each objective, including anticipated outcomes and impact
* Produce a timeline elaborating on the timing, sequence and duration of the proposed activities, taking into account mobilization time. Propose an elaborate and detailed implementation action plan
* Describe how the “expected deliverables” outlined in Section 1 will be realized.

1. **Background on the applicant/organization (approx. 2-3 pages)**

* Describe the previous experience of the applicant in implementing similar programs (demonstrated by documentary evidence)
* Provide a list of professional staff with demonstrable experience to implement the project

1. **Proposed list of professional staff with demonstrable experience to implement the project**

The technical proposal should be submitted using **Annex A – Application Form – Technical Proposal.**

***Cost proposal***

The cost proposal shall be submitted as a separate file from the technical proposal. Applicants are advised to fill in the budget form as detailed as possible. Lump sums will not be accepted. Applicants are allowed to add new lines and modify the budget lines (not Budget Headings) according to the needs of the proposal’s activities. Applicants should also provide a detailed budget description.

The required format for the budget is included as **Annex B - Budget Form**.

According to the Mandatory Standard Provisions for Non-U.S., Nongovernmental Recipients, uniform administrative requirements on cost principles for federal awards 2 CFR 200, Subpart E, Cost Principles, and Cost Principles for Commercial/For-Profit Organizations (48 CFR 31.2 Federal Acquisition Regulations), taxes, including value added taxes, are not allowable costs where an exemption or refund of such taxes’ mechanism exists. Please do not budget VAT cost in the project budget breakdown for the costs incurred within Kosovo.

Section 6 – Application Review Information

Applications will be evaluated in accordance with the criteria set forth below. The criteria have been tailored to the requirements of this RFA. Applications should note that these criteria serve to: (a) identify the significant matters which Applicants should address in their applications, and (b) set the standard against which all applications will be evaluated.

To the extent necessary, the Project may request clarification and supplemental materials from Applicants whose applications have a reasonable chance of being selected for the Award. The entry into the discussion is to be viewed as part of the evaluation process and shall not be deemed as indicative of a decision or commitment upon the part of the Project to make an award to the Applicants with whom discussions are being held.

Applications will be evaluated by the Grants Selection Committee (GSC) on the basis of 100 possible points. The weighting of various sections will be as follows:

**Category Maximum Points (100 Total)**

Description of proposed activities 15

Profile of the company (applicants) 20

Value and methodology described of the projected results (exports) 30

Implementation team 10

Cost effectiveness 20

Number of pre-agreements signed with wood companies 05

Selection of the Applicant for the award will be made by the Project’s GSC. Prior to the award of any resultant grant agreement, the Project must obtain prior approval from USAID.

Section 7 – Award and Administration Information

**Unique Entity Identifier (UEI):**

Beginning April 4, 2022, the Unique Entity ID (UEI) from SAM.gov is the authoritative identifier for those doing business with the federal government. The DUNS Number is no longer valid for federal award identification. The Unique Entity ID is generated in SAM.gov (www.sam.gov). If you are registered in SAM.gov (active or not), you already have a Unique Entity ID. It is viewable at SAM.gov.

Whereas applicants can submit their applications without the UEI number, however, grant recipients must provide the UEI before they can receive any funding.

Due to delays in processing of UEIs, applicants are encouraged to apply for the number early.

**Notifications:**

The successful applicant(s) will receive written notice from the Grants Manager informing the applicant(s) that the Project either intends to award a grant to the applicant without negotiation or that the Project intends to engage the applicant(s) in further negotiations with respect to a potential grant award. Negotiations conducted after the receipt of an application do not constitute an obligation on the part of the Project to award a grant. Unsuccessful applicants will be notified in writing by the Grants Manager.

Any resultant award will be subject to the terms and conditions of the Prime Contract for the USAID Kosovo Compete Activity, Standard Provisions for Non-U.S. Non-governmental Recipients.

**Pre-Award Assessments**

The Project must be fully satisfied that the applicant has the capacity to adequately perform in accordance with the principles established by USAID. An award can be made only after the Project makes a positive determination that the applicant possesses, or has the ability to obtain, the necessary management competence to carry out the grant activity and will practice mutually agreed upon methods of accountability for funds and other assets funded by USAID. At a minimum, the Project will conduct a pre-award assessment on shortlisted applicants in order to make determination of responsibility.

Issuance of this RFA does not constitute an award commitment on the part of the Project or the U.S. Government, nor does it commit the Project or the U.S. Government to pay for costs incurred in the preparation and submission of an application.

Section 8: Annexes

Annex A: Application Form – Technical Proposal

Annex B: Budget Form

Annex C: Certifications