



**Request for Applications (RFA) Number RFA-CATALYZE-PSD-2021-0008
TOURISM SECTOR ONLY**

Country: Sri Lanka
Issuance Date: August 5, 2021
Closing Date: August 31, 2021, 5 p.m. Sri Lanka Time
Anticipated Number of Grants: Multiple grants, each grant for a maximum award of \$50,000
Questions Deadline: August 11, 2021
Applicants Conference: August 13, 2021, 8 a.m. Sri Lanka Time
Deadline to register for Conference: August 11, 2021

Dear Prospective Applicants,

Palladium is seeking applications from qualified Non-Governmental Private Sector (registered) businesses to implement, as recipients, for the COVID-19 Emergency Economic Relief Program (Tourism Sector only) under “USAID/Sri Lanka Private Sector Development (PSD) activity”. Palladium is implementing this Project under contract with USAID Contract Number: AID-7200-AA-19-C-0-0080.

Grants will be administered in accordance with USAID regulations as applicable.

The RFA is comprised of the following main sections:

- i. **Program Description**
- ii. **Award Information**
- iii. **Eligibility Requirements**
- iv. **Application Review Information**
- v. **Award Administration Information**
- vi. **Submission Requirements**
- vii. **Other Information**

Successful Applicants will be responsible for ensuring achievement of the program objectives. Please refer to the Program Description section of this RFA for a complete statement of goals and expected results.

Subject to availability of funds, Palladium intends to issue multiple grant agreements based on the qualifications below up to a maximum award of \$50,000 per applicant for immediate emergency relief. Payment under these agreements will be made either directly by Palladium under in-kind grants or based on the achievement of milestones under a Fixed Amount Award (FAA) grant agreement.

To be eligible for award, Applicants must provide all required information in their application, including the requirements found in any attachments to this RFA. Applications that are submitted late, incomplete or are non-responsive will not be considered. Completed applications will be reviewed beginning on August 21, 2021 through the deadline of August 31, 2021 on a



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rolling, first come-first served basis. Awards will be made to the responsible applicants whose application best meet the requirements of this RFA and the evaluation criteria contained herein.

Palladium requires that applications be submitted electronically (e-mailed) to SriLankaPSD.Procurement@thepalladiumgroup.com no later than the closing date listed above.

Palladium team will host a virtual Applicant's conference on the date stated above with all interested applicants to answer any questions related to the RFA. Applicants should register for this conference not later than the deadline listed above.

Issuance of this RFA does not constitute an award commitment on the part of Palladium, nor does it commit Palladiums to pay for any costs incurred in the preparation and submission of an application. Further, Palladium reserves the right to reject any or all applications received. Applications are submitted at the risk of the Applicant, and all preparation and submission costs are at the Applicant's own expense.

Sincerely,

Sri Lanka PSD Procurement Team



I. Program Description

USAID CATALYZE is a global umbrella contracting mechanism designed to facilitate partnerships and craft solutions to mobilize \$2 billion in blended private sector and other financing to USAID partner countries. The program can work in any development sector or region, enabling USAID Bureaus and Missions around the world to efficiently facilitate investment solutions that respond to the needs of specific sectors, issues, and geographies and leverage private sector financing to achieve development objectives.

USAID/CATALYZE Sri Lanka Private Sector Development (PSD) Activity is a 5-year, \$19.5 million activity under CATALYZE that will drive increased competitiveness, financing, and economic opportunity of small and medium sized enterprises (SMEs). The activity will focus on expanding employment and entrepreneurship of women within target sectors and supply chains. The activity will provide technical assistance to SMEs, both directly and through business advisory service (BAS) providers, to build capacity, upgrade technology, access new markets, and strengthen the pipeline of bankable deals. As opportunities present, PSD will work with local institutions to provide transaction advisory services to facilitate large inbound investment. The PSD activity, will also boost resilience and adaption of SMES to the second order impacts of COVID-19, enabling firms to adapt and recover.

In order to counter COVID-19's effects on Sri Lankan livelihoods, rapid response is essential given the deteriorating financial positions of **Tourism Micro-Small-Medium Enterprises (MSMEs)** and the difficult decisions they face on retaining their employees and maintaining operations.

This specific RFA is aimed exclusively at providing economic relief to tourism businesses to help them stay afloat and not go permanently out of business during the COVID-19 pandemic. As such, all RFA respondents must meet **ALL** of the following three criteria:

1. The business is categorized as a Micro, Small, or Medium Enterprise (**MSME**) – a for-profit enterprise with less than 300 employees and/or annual revenue of less than 750 million LKR in FY 2018-19.
2. The business operates in the **tourism** sector; AND
3. The business has been in operation for a **minimum of three years**.

Expected Results

The expected results of these relief funds are to assist Tourism MSMEs to mitigate lost revenue due to COVID-19, retain employees, to stay operational through the pandemic period.

Definitions

Micro, Small, or Medium Enterprise (MSME) – a for-profit enterprise with less than 300 employees and/or annual revenue of less than 750 million LKR.

Description of Funding



Subject to availability of funds, Palladium intends to issue multiple grant agreements based on the qualifications below up to a maximum award of \$50,000 per applicant for immediate emergency relief. Payment under these agreements will be made either directly by Palladium under in-kind grants or based on the achievement of milestones under a Fixed Amount Award (FAA) grant agreement.

Applications could request support for the following expenses, (applicants may apply for one, some, or all of the types of support for a maximum assistance award of \$50,000):

1. Salary Support: 75% of last drawn basic monthly salary OR maximum LKR 75,000/- per permanent employee, whichever is lower.
2. Asset Refurbishment or repair: Refurbishment/Repair/Renovation of assets relevant to the operation. **PSD will NOT pay for new construction, unit additions, or property extensions¹.**
3. Sales Promotion and Marketing: Marketing content (photography, video, branding); Costs of advertisements. **PSD will NOT pay for social media marketing.**
4. Health and Safety: Cost of adopting COVID-19-specific health and safety practices (face masks, hand sanitizer, gloves, PPE kits, face shields, increased cleaning in line with WHO guidance, etc.).

II. Award Information

A. Form of Grant

As a result of this RFA, Palladium intends to issue multiple grant agreements up to a maximum award of \$50,000 per agreement. Payment under these agreements will be either made directly by Palladium under in-kind grants or based on the achievement of milestones under a Fixed Amount Award (FAA) grant agreement.

B. Duration

Awards will be for a period of performance of three to six months from the date of the grant award.

¹ PSD considers asset refurbishment and repair to include the following: non-structural, cosmetic work, including painting, floor covering, wall coverings, window replacement that does not include changing the size of the window opening, replacement of plumbing or conduits that does not affect structural elements, and non-load bearing walls or fixtures (e.g., shelves, signs, lighting, etc.). Major repair to roofing and flooring is considered “structural”, and cannot be considered for funding.

PSD will not consider applications that include construction alteration, or repair (including dredging and excavation) of buildings, structures, or other real property and includes, without limitation, improvements, renovation, alteration, and refurbishment. The term includes, without limitation, roads, power plants, buildings, bridges, water treatment facilities, and vertical structures.



III. Eligibility Requirements

Tourism SMEs that wish to respond to this RFA must meet the following minimum eligibility criteria and provide corresponding supporting documents:

1. Must be categorized as a Micro, Small, or Medium Enterprise (MSME);
2. Must operate in the tourism sector;
3. Must have been in business for a minimum of three years
4. Must be a registered legal entity in Sri Lanka (copy of Articles of Association, copy of Company Registration Certificate and Form 1 must be attached);
5. Must not be debarred, suspended, excluded or otherwise ineligible to receive US Federal funding.

IV. Application Review

1. Review and Selection Process

Sri Lanka PSD Evaluation Committee will evaluate the responses of applicants according to the Evaluation criteria noted below.

2. Evaluation Criteria

Applicants will be scored against the following criteria:

Evaluation Criteria	Max Points
1. Justification of how COVID-19 has negatively impacted the MSME; please include financial (sales, revenue, employment) information where applicable	40 points
2. Ratio of jobs supported to total cost of grant	40 points
3. Evidence of how the grant award will support the business to adapt to post-COVID economic realities to get back on track for the future	20 points



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Evaluation Criteria	Max Points
Total Points Available: 100 points	

V. Award Administration Information

1. Award Notices

Upon USAID approval, selected grantees will receive a notice of award signed by the Palladium PSD Team Lead or CATALYZE Chief of Party as the authorizing document.

2. Reporting

Grantees must comply with monthly reporting. Monthly reports will provide progress updates on how funds have been helping the grantee. Reports will be submitted electronically to the Sri-Lanka PSD Grants & Procurement.

3. Branding and marking standards

The successful applicant must follow the mandatory standard provision entitled MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (July 2015) in preparing the Branding and Marking Plan.

4. Environmental compliance

The Project will conduct an Initial Environmental Examination or Environmental Assessment where the proposed activity or investment activity may directly affect the environment, to ensure compliance with 22 CFR 216 and the USAID Environmental Guidelines.

5. Contact Information

Applicants may use the following email address to contact Palladium regarding this Request for Application:

Email Address: SriLankaPSD.Procurement@thepalladiumgroup.com

VI. Submission Requirements

Applications in response to this RFA are due on the date indicated on the cover page above. PSD will give priority to applications that are submitted early, accepting applicants who score above the approval threshold on a first come first serve basis. As such, early submission prior to this deadline is highly encouraged. Interested Tourism MSMEs shall submit electronic applications by email to: SriLankaPSD.Procurement@thepalladiumgroup.com with the subject line, “**COVID-19 Relief Funds for Tourism Sector MSMEs Application- (Your Institution’s name)**”. Late submissions will not be considered.



Your Full Application should include a cover letter (no longer than 1 page) to the RFA for the activity (specify the RFA number) the following elements. Please see the Attachment 1: Application and follow the template therein. The application template includes the following elements:

1) **Basic Information**

A. Fill in the following sections in the application:

- (1) Legal Name of Organization
- (2) Legal Status (Sole Proprietor/ Partnership/ Limited Liability)
- (3) Organization Type (must be for-profit to apply); Category (Sector- Tourism)
- (2) Tax ID number (TIN number)
- (3) Mailing Address
- (4) Physical Location
- (5) Contact Information
- (6) Organization's Legal Representative and Management Details
- (7) DUNS number or **commitment to request it before the award of a grant** unless exemption applies (awards less than \$25,000 performed by foreign entities overseas). A DUNS number is not required for application submission, but will be required before award. Instructions for obtaining a DUNS number may be found here <https://www.dnb.com/duns-number/get-a-duns.html>. To obtain this registration is free and it could take no more than two days.

2) **Project Description (Tourism Sector - Emergency Relief Funds):**

Describe the problem statement (how COVID-19 has impacted your business); Select the type(s) of relief assistance your SME is requesting and the value in the application.

Please note, requests that exceed 50,000 US\$ will be reduced to the maximum award.

3) **Project Milestone Schedule:**

On the application you will find a section to select the milestones for the type of assistance requested. Please put a check mark next to the milestones that correspond to your requested assistance and be prepared to submit the required documentation as listed. Calculate the amount to be paid based on your business needs and the date the milestone will be completed in the table on the application form.

4) **Experience and Capacity:**

Please provide contact information of at least three references that can speak of your performance and capabilities.

5) **Cost and Budget:**

Please include a summary of the information provided in the application budget forms and include the total grant request. Provide a detailed budget with budget notes and adequate cost, and historical or unit pricing data to establish a reasonable cost.



Please also describe, within the budget notes, whether you are currently receiving other donor funding and how you will allocate resources for multiple grants. No profit above actual cost is allowed under this RFA.

6) **Required attachments**

Copies of all required documentation listed in **Section III. Eligibility Requirements** and the additional ones listed below:

- a. Copy of Articles of Association;
- b. Copy of Company Registration Certificate and Form 1;
- c. Copy of the board resolution for authorized signatories;
- d. Copies of Financial Reports for past three years (2018, 2019, 2020);

VII. **Other Information, must include:**

a. **Questions Regarding this RFA**

Questions regarding this RFA are due on the date and time indicated on the cover page of this RFA. Interested tourism sector MSMEs shall submit electronic applications by email to: SriLankaPSD.Procurement@thepalladiumgroup.com with the subject line, "**COVID-19 Relief Funds for Tourism Sector MSMEs Application-(Your Institution's name)**". All questions and answers will be made available to all interested applicants.

b. **Virtual Bidders Conference**

Palladium team will host a virtual Applicant's conference on the date stated on the cover page of this RFA with all interested applicants to answer any questions related to the RFA. Applicants should register for this conference not later than the deadline also listed on the cover page.

c. **Right to Conduct Negotiations**

Sri Lanka PSD reserves the right to conduct negotiations once a successful application is identified, or to make an award without conducting negotiations based solely on the written applications if it decides it is in its best interest to do so. In addition, Sri Lanka PSD reserves the right to not accept an application and not proceed to the awarding phase.