



Turizam-G005-RFA: Expanding Source Market Travel Agent Networks

Request for Applications (RFA) No. 3

Issuance Date: February 6, 2023

Closing Date: March 13, 2023

Funding available: BAM 93,000

Dear Applicant:

USAID Developing Sustainable Tourism in Bosnia and Herzegovina (Turizam) implemented by Chemonics International, is seeking grant applications for implementation of by qualified Destination Management Companies (DMCs) in Bosnia and Herzegovina (BiH), or inbound travel agencies, for the purpose of expanding international travel agent networks in prioritized source markets. The grants will be awarded and implemented in accordance with USAID and US Government regulations governing grants under contracts and Turizam's internal grant management policies.

The project will hold an online pre-application workshop on February 15, 2023 via Zoom from 14:00 to 15:00. This workshop will allow eligible and interested applicants the chance to ask questions about the RFA and receive guidance on how to complete the application form. Interested applicants that meet the eligibility requirements defined in Section III below and would like to attend this workshop must confirm their attendance by sending the participant's name and the organization's name to grants@turizambih.ba. Up to three people may attend from each organization. When confirming attendance, please note if the person has any special needs to access the workshop facilities. No reimbursement for costs of attendance will be met.

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

Annexes included with this Request for Applications:

- **Annex A** – Grant Application Form
- **Annex B** – Grant Application Budget Form
- **Annex C** – Applicant Self-Assessment Form
- **Annex D** – Required Certifications
- **Annex E** – Mandatory and Required As Applicable Standard Provisions
 - Standard Provisions for U.S. and Non-U.S. Nongovernmental organizations receiving a fixed amount award can be accessed through the following URL:
https://www.usaid.gov/sites/default/files/2022-12/303mat_1.pdf
 - Standard Provisions for Non-U.S., Nongovernmental recipients receiving all other types of grants can be accessed through the following URL:
<https://www.usaid.gov/sites/default/files/2023-01/303mab.pdf>

SECTION I. PROGRAM DESCRIPTION

IA. OBJECTIVE

USAID Turizam is soliciting Request for Applications (RFA) from qualified and legally registered inbound travel agents (DMCs) in Bosnia and Herzegovina (BiH) to apply for a grant to support efforts to expand and grow the network of international tour operators and travel agents in prioritized source markets. The goal is to support local trade increase the number of international arrivals, improve spend, increase the length of stay, and help reduce the sharp seasonality while ensuring a fair dispersion of visitors to wider and lesser visited destinations around the country.

IB. BACKGROUND

USAID Turizam is a five-year project financed by USAID and implemented by Chemonics International. The goal of the project is to support broad-based tourism-driven economic growth and promote social harmony by capitalizing on its rich cultural heritage and distinctive nature. In addition, the project seeks to support the Bosnia and Herzegovina tourism industry to quickly recover from the negative impacts of the COVID-19 pandemic and set it on a robust growth trajectory toward a sustainable tourism economy.

The project is built upon five objectives:

- Objective 1: Enabling environment with the harmonized policies and regulations necessary for noticeable growth in the tourism sector established
- Objective 2: Tourism quality, services, and branding strengthened resulting in improved BiH tourism industry
- Objective 3: Tourism service providers, agriculture, and other tourism-related SMEs gain improved access to finance resulting in a substantial increase in investment
- Objective 4: Tourism and local agriculture products gain increased access to regional and global markets
- Objective 5: Land classified as protected increased and environmental best practices in the industry promoted to conserve nature and the environment

As a cross-cutting objective, the project promotes inclusive tourism for youth, women, persons with disabilities, and other disadvantaged and underserved groups by: i) Expanding entrepreneurial opportunities in the tourism and agriculture value chains; ii) Promoting inclusive and safe working environments without occupational segregation; and iii) Improving the tourism offerings for tourists from those groups.

IC. DETAILED PROGRAM DESCRIPTION

Situation Analysis

Bosnia and Herzegovina is a beautiful destination with a globally competitive tourism offering. Demand to BiH has seen a steady growth since 2015 that peaked in 2019 with one of the highest global visitor's growth of around 12% compared to 2018. Though interrupted by the pandemic during 2020 and 2021, 2022 has witnessed a promising return to pre-pandemic levels that are expected to even out during 2023.

Historically, BiH international arrivals, regardless of the purpose of travel, has been skewed towards individual visitors with regional tourists making the biggest chunk.

TABLE 1: 2018 – 2022 YTD ARRIVALS AND AVERAGE LENGTH OF STAY

EN	Average Length of Stay	Average Length of Stay	Average Length of Stay	Change I-IX	Change I-IX	Change	Change	Change	I-IX 2022	2021	2020	2019	2018
	I-IX 2022	2021	2019	22/19	22/21	21/19	21/20	20/19					
Total number of arrivals	2.23	2.2	2.06	-12.54%	26.78%	-40.82%	93.91%	-69.48%	1,121,267	971,302	500,916	1,641,201	1,467,807
Total- Arrivals - Foreign tourist	2.23	2.39	2.02	-26.30%	41.84%	-58.11%	154.95%	-83.57%	704,432	501,945	196,878	1,198,219	1,053,505
Total- Arrivals - Domestic tourist	2.23	2.09	2.15	27.78%	7.49%	5.95%	54.37%	-31.37%	416,835	469,357	304,038	442,982	414,302

Source: [Agency for Statistics of Bosnia and Herzegovina, December 2022](#)

It is estimated that around 20% of total international visitors come through DMCs while the rest are individual arrivals organizing their trips directly, through Online travel Agencies (OTAs) or 3rd party booking platforms.

By analyzing these numbers and trends, and based on in depth discussion with some of the key DMCs in BiH, and with the absence of detailed tourism data and statistics, the following observations were identified:

- There are two types of inbound tourism business in BiH – Travel Agents and DMCs.
- With almost 300 registered inbound tourism businesses in BiH, the majority operate as ground handlers for the short trips and excursions sold by DMCs in the neighboring countries. Most of these trips are sold as a day visit, followed by a night stay, and very few visitors stay for longer. Some of the Travel Agents also provide booking options of individuals visiting BiH (direct to consumer) through their website or 3rd party platforms such as TripAdvisor and Viator.
- The remaining inbound tourism businesses, DMCs, are challenged with a limited network of international tour operators or travel agents. This is attributed to several reasons including:
 - 1- Limited direct air access through legacy airlines
 - 2- Low appetite to grow the international network citing satisfaction with realized business up until 2019
 - 3- Cost of developing linkages with international partners, especially with absence of national level tourism board, and limited financial capacity of some of the city-based tourism boards, that can potentially offset such costs
 - 4- Limited technical capacity of existing tourism boards to grow new source markets and expand existing ones i.e., conducting roadshows, trade and trade media familiarization trips
 - 5- Historically, BiH has been sold as part of the wider Western Balkan region, and accordingly, gets a very short stay as an add on, as opposed to being the hub, like Croatia, for example
 - 6- Also historically, most of the DMCs have been actively selling their programs and itineraries for the summer season, bypassing the opportunity to promote and sell the country year-round, especially during the off-peak Fall and Spring seasons September till November and March till May, where many other destinations consider as their high season, as well as the winter season December till February where BiH can offer an attractive proposition that combines cultural as well as winter themed activities.

Opportunities

The devastating effects of the pandemic have triggered DMCs in BiH to rethink their existing business model and actively seek to expand their existing network of international tour operators and travel agents and push to sell BiH as the hub, while offering excursions to nearby destinations. Even local Travel Agents are considering expanding their business model to become a DMC.

The recent efforts by the USAID Turizam project to expand and grow demand from priority and promising markets have further prompted the DMCs to pursue their plans. Such activities included support in tradeshows participation, conducting roadshows, destination presentations and launching the Online Travel Agents Academy, amongst others. USAID Turizam also provided support to BiH airports to introduce new carriers, new routes, as well as increase operational frequencies.

ID. AUTHORITY/GOVERNING REGULATIONS

USAID Turizam grant awards are made under the authority of the U.S. Foreign Affairs Act and USAID's Advanced Directive System (ADS) 302.3.5.6, "Grants Under Contracts." Awards will adhere to guidance provided under [ADS Chapter 303](#), "Grants and Cooperative Agreements to Non-Governmental Organizations" and will be within the terms of the USAID Standard Provisions as linked in the annexes, as well as the USAID Turizam grants procedures.

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

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

Full text of 2 CFR 200 can be found at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl and 2 CFR 700 at <http://www.ecfr.gov/cgi-bin/text-idx?SID=531ffcc47b660d86ca8bbc5a64eed128&mc=true&node=pt2.1.700&rgn=div5>. USAID Turizam is required to ensure that all organizations receiving USAID grant funds comply with the guidance found in the regulations referenced above, as applicable to the respective terms and conditions of their grant awards.

Under the USAID Turizam grant program, USAID retains the right at all times to terminate, in whole or in part, USAID Turizam grant-making authorities.

SECTION II. AWARD INFORMATION

USAID Turizam anticipates awarding grants between BAM 5,000 and BAM 10,000 to no more than 10 recipients. The final amount will be dependent upon grant activities and final negotiation and may be lower than originally requested. The duration of any grant award under this solicitation is expected to be no more than 12 months. The estimated start date of a grant awarded under this solicitation is April 1, 2023.

The type of grant will be determined during the negotiation process.

IIA. PROGRAM PURPOSE AND SELECTION CRITERIA

Purpose: USAID Turizam is planning to extend its support towards growing networking of international tour operators and travel agents in prioritized source markets by offering grants to qualified DMCs to help them achieve their objectives.

Through this grants program, USAID Turizam plans to support BiH achieve the following objectives which have been included as part of the country's tourism development strategies 2023 – 2027 across the three entities:

- 1- Increase the number of international overnight arrivals
- 2- Improve spend
- 3- Extend the length of stay
- 4- Reduce the sharp seasonality
- 5- Ensure a fair dispersion of visitors to wider and lesser visited destinations around the country.

Prioritized Source Markets: Those are the markets that have been identified to have a measurable high impact on the tourism performance in BiH in terms of alignment with the country's tourism offer, spend, stay and affinity towards community-based tourism experiences. These markets include:

- 1- USA and Canada
- 2- Scandinavian markets
- 3- German speaking markets
- 4- United Kingdom
- 5- Sweden
- 6- Netherlands

Applications that propose other markets can be considered as well and will be assessed per the selection criteria. In this phase, the Chinese market will not be considered under this RFA.

Activities Covered Under the Grants: Applicants need to submit a grant proposal that can help achieve the program's objectives mention above and in line with the eligibility criteria detailed under Section II. The awarded grant funds can be invested in the following activities:

- 1- *Co-hosting trade famtrips*, excluding airfare travel. Costs under this activity can include ground transportation, accommodation in standard rooms, dinners and lunches, guiding services, site entry fees as well as activity costs. This excludes alcohol as well as other items not allowable under the grant policy. Applicants need to present criteria and rationale for selection the buyer(s). These can include, but are not limited to:
 - a. New, returning or existing buyers
 - b. Past performance or expected number of pax that will be realized as a result of the partnership
 - c. If the participating representative has taken part in previous famtrips, along with position of the proposed participants
- 2- *Conducting consumer marketing activities through cooperative marketing*. Through this mechanism, applicants can propose cooperative marketing opportunities with selected travel agents and tour operators (buyers) in the source market whereby the buyers will conduct direct-to-consumer marketing via their digital channels such as website, email database, social media channels, targeted at their existing and potential clients prioritizing BiH as a destination for their next trip.

USAID Turizam welcomes and encourages partnerships between different DMCs, DMCs and service providers such as hotels, as well as between DMCs and airlines to organize such activities in source markets. In such cases, the grant will be awarded to the main applicant and is anticipated not to exceed BAM 10,000.

As part of the evaluation process, USAID Turizam will provide a Yes/No answer, or offer feedback for potential partial support, given selection criteria and marketing considerations.

Selection Criteria: Applications will be reviewed per the criteria details under Section V below.

SECTION III. ELIGIBILITY

IIIA. ELIGIBLE RECIPIENTS

The ideal candidates have proven experience in creating, packaging and selling multi-day leisure programs and itineraries for BiH to source market tour operators and travel agents, ideally non-regional markets. Leisure programs include cultural and heritage, adventure as well as faith-based programs. DMCs working in the Meetings, Incentives, Conferences and Exhibitions (MICE), with focus on Meetings and Incentive business are also eligible to apply. Specifically:

- Applicants must be a registered Bosnia and Herzegovina legal entity, formally constituted, recognized by and in good standing with appropriate Bosnia and Herzegovina authorities, compliant with all applicable civil and fiscal regulations, and functional and providing services for at least three years.
- Applicants must have produced no less than 2,000 international room nights in BiH during 2022 realized through Business to Business (B2B) channels. *Proof can be provided in the form of airport or border crossing manifests, or hotel invoices.*
- Applicants must have at least three full-time technical staff members, including an Executive Director.
- Applicants may only submit one application per prime organization under this RFA.
- Applicants must be able to demonstrate successful past performance in implementation of integrated development programs related to USAID Turizam priority areas.
- Applicants must be financially sustainable, display sound management in the form of financial, administrative, and technical policies and procedures, and present a system of internal controls that safeguard assets; protect against fraud, waste, and abuse; and support the achievement of program goals and objectives. USAID Turizam will assess this capability prior to awarding a grant.
- Applicants must sign certain required certifications prior to receiving a grant. The certifications are attached to this solicitation (Annex D) and USAID Turizam will review them with applicants.
- The project will work with the successful grantee to draft a marketing and branding plan which will be annexed to the grant agreement.
- Faith-based and community groups will receive equal opportunity for funding in accordance with the mandated guidelines laid out in ADS 303.3.28 except for faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objective of the grant is of a religious nature.

SECTION IV – APPLICATION AND SUBMISSION INFORMATION

IVA. INSTRUCTIONS TO APPLICANTS

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

IVA1. PRE-AWARD RISK ASSESSMENT

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

IVA2. GRANT APPLICATION

Templates to be utilized when developing the application are provided in Annexes A and B. Applicants shall present their technical application and budget in the formats provided and shall follow the instructions and guidelines listed in these annexes.

All grant activity costs must be within the normal operating practices of the Applicant and in accordance with its written policies and procedures. For applicants without an audited indirect cost rate, the budget may include direct costs that will be incurred by the Applicant to provide identifiable administrative and management costs that can be directly attributable to supporting the grant objective.

Additional documentation required for the assessment of the applications is also included as part of the Selection Criteria under Section V.

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

IVA3. INELIGIBLE EXPENSES

USAID Turizam grant funds may not be utilized for the following:

- Construction or infrastructure activities of any kind.
- Ceremonies, parties, celebrations, or “representation” expenses.
- Purchases of restricted goods, such as: restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, used equipment; without the previous approval of USAID Turizam, or prohibited goods, prohibited goods under USAID regulations, including but not limited to the following: abortion equipment and services, luxury goods, etc.
- Covered telecommunication and video surveillance equipment or services – per the standard provision entitled “Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment”, grant funds including direct and indirect costs, cost share and program income may not be used to (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services (“CTES”) as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition covers certain telecommunications equipment and services, including, but not limited to, phones, internet, video surveillance, and cloud servers, produced or provided by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou

Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities) unless USAID Turizam has determined that there is no available alternate eligible source for the CTES. For fixed amount awards, this restriction is only applicable if any of the milestones are for telecommunication or video surveillance services or equipment.

- Alcoholic beverages.
- Purchases of goods or services restricted or prohibited under the prevailing USAID source/nationality (Cuba, Iran, North Korea and Syria).
- Any purchase or activity, which has already been made.
- Purchases or activities unnecessary to accomplish grant purposes as determined by the USAID Turizam Project.
- Prior obligations of and/or, debts, fines, and penalties imposed on the Grantee.
- Creation of endowments.
- Airline tickets, in part or in full amount.

IVB. APPLICATION AND SUBMISSION INFORMATION

Applications (including the budget and supporting documentation) must reference RFA no. 3 be submitted no later than 17:00 hours on March 13, 2023, in English language, and in electronic copy to the following USAID Turizam e-mail address:

grants@turizambih.ba

Late or unresponsive applications will only be considered at the discretion of USAID Turizam.

In addition to the application form and budget, applicants should submit the following to USAID Turizam:

- Applicant Self-Assessment form (Annex C),
- Signed and dated Required Certifications included in Annex D,
- A copy of the Applicant's valid legal registration (PDF version, not necessarily notarized),
- Statute and mission statement,
- A copy of their audited/official financial statements for the last two years,
- A brief (ideally not to exceed a page, consider a spreadsheet overview) on projects and activities funded by donor agencies or the government, performed during 2019, 2020, and 2021 that are related to expanding international travel agent networks, if applicable, to include:
 - Name of the project,
 - Goals and objectives,
 - Period of performance,
 - Target groups/beneficiaries,
 - Source of funding and budget,
 - Key outputs and results,
- At least three programs proving experience in designing, packaging and selling itineraries to international tour operators and travel agents in international source markets,
- Any formal documentation proving experience in organizing or participating in any of the activities that can be funded by the program.

Applications will be considered on a rolling basis and until the allocated tranche of a cumulative estimated BAM 93,000 has been allocated. Turizam may increase or decrease the allocated amount for this program, as needed.

Please submit all questions concerning this solicitation to the attention of Imano Panjeta via email to grants@turizambih.ba. USAID Turizam will assist applicants in understanding the application process, and can provide coaching in application development at the request of applicants. All questions must be submitted in writing no later than 17:00 local time, on February 13, 2022.

SECTION V. APPLICATION MERIT REVIEW CRITERIA

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

Merit Review Category	Rating (Points)
A. Feasibility of Design & Quality of the Technical Approach <i>1- Proposed markets</i> <i>2- Proposed activities</i> <i>3- Proposed list of international travel agents and/or tour operators that will be part of the proposed activities, with rationale on their importance and relevance, when applicable</i>	25
B. Sustainability/Financial Self-Reliance/External Leverage <i>1- Amount of co-funding by the applicant whether from own resources or 3rd party, cash or in kind</i>	30
C. Management and Staffing Approach & Program Implementation Capacity <i>1- Proven experience in designing, packaging and selling itineraries to international tour operators and travel agents in international source markets. Programs that promote no less than 4 nights in BiH, include community-based activities and feature multiple cities and destinations will be looked at favorably</i> <i>Attach three of the programs that will be shared with the international buyers</i> <i>2- Proven experience in organizing or participating in any of the activities that can be funded by the program. Attach any formal documentation that provides evidence of such participation and CVs of the key people who will take part in managing and overseeing the implementation of the proposed activities</i>	20 10 10
D. Outputs, Impact on Target Group, including gender awareness <i>1- Expected number and quality of international travel agents and tour operators that will take part in the proposed activities</i>	15
E. Past Performance	10
Overall Rating (out of 100 points)	100

These merit review criteria elements are described more fully below.

A. Feasibility of Design & Technical Approach. The quality and feasibility of the application in terms of the viability of the proposed technical approach, (i.e., the proposed technical approach can reasonably be expected to produce the intended outcomes), appropriateness of the proposed methodology, innovativeness, and the work plan for achieving project objectives to offer significant impacts on tourism in Bosnia and Herzegovina. The technical approach must directly contribute to the achievement of the USAID Turizam’s expected results and performance under the activity, and must be measurable under one or more of the USAID Turizam’s indicators for development of sustainable tourism. Evaluation of approaches may include either approaches proven to be effective or new untried approaches with promise. Proposed mechanisms for monitoring and evaluation with objectively measurable indicators will also be appraised. **25 points**

B. Sustainability/Financial Self-Reliance/External Leverage. The extent to which the funded activity will result in building and strengthening the capacity of the community and local organizations, and whether the activity itself is sustainable or will promote sustainability of the organization and sustain itself beyond the funding period. Applicant will need to explain how they will be able to generate revenue and income to sustain the operation of the activity and longevity of the brand. The degree to which budgeting is clear and reasonable and reflects best use of organizational and grant resources, including resources that will be used by the applicant and 3rd party contributions. **30 points**

C. Management and Staffing Approach & Program Implementation Capacity. Evidence of the capability to undertake and accomplish the proposed activities. The application should demonstrate the organization's effectiveness in terms of internal structure, technical capacity, and key personnel, in meeting USAID Turizam's goals and objectives. In addition, the organization must demonstrate adequate financial management capability. The evaluation will be based principally on the background, qualifications, reputation, appropriateness, and skills of its key personnel; and the "track record," reputation, and achievements (including development of self-sufficient, sustainable activities) of the organization. **20 points**

D. Outputs, Impact on Target Group, including gender awareness. The extent to which the proposed activity corresponds to the needs of target group(s) and will directly benefit them. Also, the degree to which it will directly or indirectly stimulate other organizations and resources to replicate, develop, or implement activities supporting the objectives of USAID Turizam. This also considers Gender Awareness; the extent to which the proposed activity includes a gender component or represents a strong commitment to women as beneficiaries. **15 points**

E. Past Performance. Previous or ongoing experience implementing similar activities. This examines an Applicant's references and experience, which is a critical factor in assessing the capacity of the organization to implement the activity. **10 points**

Grant applicants should present their technical approach for the tasks and duties listed above and explain how they will implement it to achieve the proposed targets. To do so, application form included in Annex A – Grant Application Form and the grant budget form included in Annex B – Grant Application Budget Form should be filled carefully and per the instructions provided therein.

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

SECTION VI. AWARD AND ADMINISTRATION INFORMATION

All grants will be negotiated, denominated and funded in BAM. All costs funded by the grant must be allowable, allocable and reasonable. Grant applications must be supported by a detailed and realistic budget as described in Section IV.

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