

Turizam-G006-RFA: Growing and Strengthening Local Tourism Offerings through Improved Competitiveness and Market Positioning of Handicraft and Agritourism M/SMEs

Request for Applications (RFA) No. 4 extension

Issuance Date: December 20, 2023

Closing Date: February 29, 2024

Round 1 deadline for concept papers: January 31, 2024

Round 2 deadline for concept papers: February 29, 2024

Funding available: BAM 230,000

Dear Applicant:

USAID Developing Sustainable Tourism in Bosnia and Herzegovina (Turizam) implemented by Chemonics International, is seeking grant applications for implementation of strengthening the competitiveness of SMEs working primarily in the handicraft and agritourism to enhance their tourism offerings and better position themselves on the market. 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.

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 Concept Paper
- **Annex B** – Grant Application Form
- **Annex C** – Required Certifications
- **Annex D** – Applicant Self-Assessment Form
- **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/about-us/agency-policy/series-300/references-chapter/303mat>
 - 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/about-us/agency-policy/series-300/references-chapter/303mab>

SECTION I. PROGRAM DESCRIPTION

IA. OBJECTIVE

USAID Turizam is issuing a Request for Applications (RFA) from qualified and legally registered organizations or service providers in Bosnia and Herzegovina (BiH) to apply for grant funding to boost the competitiveness of M/SMEs in handicraft and agritourism, but not exclusively. The objective of the RFA is to support local producers expand their tourism offerings (products, services and experiences), improve market positioning, and integrate their offerings within tourism value chains. Tourism initiatives like the Herzegovina Wine Route (HWR) and the Most Beautiful Villages in Bosnia and Herzegovina Program will be prioritized. Grant applicants supporting entrepreneurs and producers in six HWR wine cities and municipalities (Mostar, Stolac, Čitluk, Trebinje, Čapljina, and Ljubuški) and 17 MBV villages will be prioritized to enhance tourism offerings, leading to better products, experiences, bookings, stays, and spending in covered destinations. The 17 labelled MBVs are: Blagaj, Bratač, Gornji Srebrenik, Guča Gora, Kraljeva Sutjeska, Krupa na Vrbasu, Lukomir, Martin Brod, Mijakovići - Dragovići - Bobovac, Ostrožac, Pecka, Prokoško jezero, Ravno, Stupe Žabljak, Umoljani, Vrancani, and Vranduk. Visit www.hwr.ba and www.mbv.ba for further information on both initiatives.

IB. BACKGROUND

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 the following 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.

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

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. In order to further improve the tourist offer of BiH, USAID's Developing Sustainable Tourism in Bosnia and Herzegovina Project (Turizam) invested efforts in the development of:

The **Herzegovina Wine Route (HWR)** is a cultural route encompassing the ancient wine-producing regions of Herzegovina. The HWR is managed by the Foreign Trade Chamber of BiH in cooperation with the cities/ municipalities of Ljubuški, Čitluk, Mostar, Čapljina, Stolac and Trebinje and supported by USAID Turizam. The HWR was officially certified as a member of *Iter Vitis* Cultural Route of the Council of Europe, while Mostar has been designated by the European Wine City 2024 by European Network of Wine Cities – RECEVIN. The HWR comprises an estimated 200 businesses ranging from vineyards, wineries, travel agencies, restaurants, lodging facilities, and other tourist attractions. These establishments are united by a shared dedication to the region's wine production heritage, which includes rural households and a rich culinary scene. The future progress of the HWR is contingent on the strengthening of ties between local producers, wineries, and businesses operating in the tourism and agricultural value chains. For more information on the HWR, visit www.hwr.ba.

The **Most Beautiful Villages of BiH (MBV of BiH)** is an initiative that aims to promote and preserve the traditional architecture, cultural heritage, and natural beauty of BiH's rural areas. The initiative MBV of BiH is led and managed by the local champion - the Association for Development of Rural Tourism in BiH *Alterural* – with the support of USAID Turizam project. The MBV of BiH aims to provide visitors with distinctive and genuine encounters that offer insight into the nation's abundant natural beauty and cultural heritage. To achieve this, there is a need to enhance the standard of tourism products and services. Strengthened products, experiences, and destination marketing is necessary to increase visitor arrivals and achieve future growth. For more information on the MBV in BiH, visit www.mbv.ba.

In addition to the tourism initiatives elaborated above, USAID Turizam has been investing efforts in boosting agriprenurship throughout BiH to grow domestic and export sales. The focus is on handicraft producers (woodworking, metalworking, tapestries, etc.) and agricultural SMEs to improve product design, marketing, and pricing. USAID Turizam will continue to grow local tourism offers by supporting conversion of products (handcrafts, agricultural products) and their integration into tourism value chains.

With a preference for grant applications strengthening HWR and MBV, but not to the point of exclusion, applicants are required to provide clear evidence of how their projects will enhance the capacities of the targeted beneficiaries and their products, ultimately resulting in improved tourism offerings and increased revenues. Below is an exemplary list of activities that may be supported:

- Conversion of products (handicrafts, agricultural products) into tourist offerings and their integration within tourism value chains;
- Development of new or enhancement of existing tourism products or experiences, especially along the HWR and within MBV of BiH;
- Technical assistance for tourism product design, packaging, presentation, placement, sales, marketing, and/or promotion;
- Support local events and experiences connecting wineries to other producers or providers in the tourism and agricultural value chains;
- Collaboration among local businesses to create tourism value chains that can attract more tourists.

- Creation and improvement of cutting-edge tourism experiences, focusing on intricate aspects such as the design of the experience itself, crafting compelling narratives, refining the approach to hospitality, and optimizing both business-to-business (B2B) and business-to-consumer (B2C) sales channels. Additionally, this involves bolstering the digital footprint through innovative marketing strategies and online presence enhancement.
- Procurement of essential materials and resources required to not only implement but also maintain the newly introduced or refined tourism experiences.

ID. AUTHORITY/GOVERNING REGULATIONS

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 Turizam grants procedures.

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

SECTION II. AWARD INFORMATION

Turizam anticipates awarding up to BAM 230,000 through 20-25 awards with each individual grant award in the range of BAM 5,000 – 20,000. It is anticipated that each grant award may range between BAM 5,000 and BAM 20,000, but the final amount will be dependent upon grant activities and final negotiation and may be higher than that range. The duration of any grant award under this solicitation is expected to be no more than 10 months. The estimated start date of grants awarded under this solicitation is March 2024.

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

SECTION III. ELIGIBILITY

IIIA. ELIGIBLE RECIPIENTS

The ideal applicants have proven experience in tourism product development, creating and strengthening products, establishing market linkages in agricultural economics, tourism and rural tourism development. Experience in integration and sale of products in the tourism value chain is a plus.

- Applicant must be a registered non-governmental, non-public BiH legal entity (association, firm, company, service provider or foundation) formally constituted, recognized by and in good standing with appropriate BiH authorities, compliant with all applicable and fiscal regulations, and providing services for at least two years.
- 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 E) and USAID Turizam will review them with applicants.
- The project will work with the successful grantee to draft a marking 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.

Turizam encourages applications from new organizations who meet the above eligibility criteria.

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 Turizam, to ascertain whether the organization has the minimum management capabilities required to handle US government funds.

IVA2. GRANT APPLICATION

This is a two-stage application process. The first stage is for the applicant to submit a concept paper. Concept paper forms (Annex A) will be evaluated against the merit review criteria listed in Section V below. If the applicant successfully meets or exceeds the merit review criteria, they will be invited to submit a full application. Only those applicants who meet or exceed the merit review criteria at the concept paper stage will be invited to submit a full grant application.

The template to be utilized when developing the concept paper is provided in Annex A. 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.

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

IVA3. INELIGIBLE EXPENSES

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 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 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 Turizam Project.
- Prior obligations of and/or, debts, fines, and penalties imposed on the Grantee.
- Creation of endowments.

IVB. APPLICATION AND SUBMISSION INFORMATION

Concept papers shall be submitted in English or local language and may not be more than 5 pages. Concept papers should be submitted in electronic copy to Turizam’s email address grants@turizambih.ba and should reference RFA No. 4. Concept papers must be submitted no later than deadline dates for each round indicated on the first page. Late or unresponsive applications will only be considered at the discretion of Turizam.

Please submit all questions concerning this solicitation to the attention of Imano Panjeta, Grants and Procurement Manager, via email to grants@turizambih.ba. Turizam will assist applicants in understanding the application process and can provide coaching in application development at the request of applicants.

Concept papers and applications will be considered on a rolling basis and until the allocated tranche of a cumulative estimated BAM 230,000 has been allocated. Turizam may increase or decrease the allocated amount for this program, as needed.

SECTION V. APPLICATION MERIT REVIEW CRITERIA

As described above, applications will be evaluated in a two-step evaluation process:

- The first step is for applicants to submit a concept paper.
- If the concept paper is accepted, you will be asked to submit a more detailed application.

All concept papers and applications will be reviewed by an internal review panel comprised of Turizam technical implementation staff, and recommendations may be vetted by a larger group. Concept papers will be evaluated against the criteria below.

- Does the organization meet the eligibility requirements?
- Does the organization’s concept paper highlight relevant past performance in this area?
- Does the proposed activity fit within the Project Name objectives described in the RFA?
- Is the request for funding commensurate with the potential impact?
- Is the product or service sustainable?

More specific criteria will be used for evaluating full applications for those whose concept papers have been approved to continue to the grant application step, as shown in the table below.

Merit Review Category	Rating (Points)
Feasibility of Design & Technical Approach	25
Impact on Target Group	20
Management & Programmatic Capacity	15
Sustainability/Financial Self-Reliance	15
Cost Effectiveness	10
Past Performance	10
Gender Awareness	5
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. The objective of the RFA is to support local producers expand their tourism offerings (products, services and experiences), improve market positioning, and integrate their offerings within tourism value chains. Tourism initiatives like the Herzegovina Wine Route (HWR) and the Most Beautiful Villages in Bosnia and Herzegovina Program will be prioritized. The technical approach must directly contribute to the achievement of USAID Turizam’s expected results and performance under the activity, and must be measurable under one or more of 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. Impact on Target Group. The extent to which the proposed activity corresponds to the needs of the tourism industry or relevant 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. **20 points**

C. Management and Programmatic Capacity. Evidence of the capability to undertake and accomplish the proposed activities and positively strengthen the tourism sector. The application should demonstrate the organization's effectiveness in terms of internal structure, technical capacity, and key personnel, in meeting tourism development goals. 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. **15 points**

D. Sustainability/Financial Self-Reliance. 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. Factors considered also include ability of the Applicant to commit own or generate external funds from public, private or donor sources. **15 points**

E. Cost Effectiveness. The degree to which budgeting is clear and reasonable and reflects best use of organizational, third party and grant resources. **10 points**

F. Past Performance. Previous or ongoing experience implementing similar (industry) 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**

G. 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 offer for tourists from those groups. The extent to which the proposed activity expands opportunities and promotes inclusive environment for women, youth, persons with disabilities or other disadvantaged and underserved groups, or represents a strong commitment to women, youth, persons with disabilities or other disadvantaged groups as beneficiaries. **5 points**

Additionally, 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.

Issuance of this RFA and assistance with application development do not constitute an award or commitment on the part of Turizam, nor does it commit Turizam to pay for costs incurred in the preparation and submission of an application. Further, 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.