



MCA Georgia

Industry-led Skills and Workforce Development Project Manager

PROGRAM IMPROVEMENT COMPETITIVE GRANTS

Request for Proposals (RFP)

Submitted by:

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In association with:

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And

ICON Institute (GER)



Request for Proposals (RFP)

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MILLENNIUM CHALLENGE ACCOUNT- GEORGIA

On Behalf of:

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PROGRAMME IMPROVEMENT COMPETITIVE GRANTS

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LIST OF ABBREVIATIONS

CV	Curriculum Vitae
EMIS	Educational Management Information System
ESIDA	Educational and Scientific Infrastructure Development Agency
ESMS	Environmental and Social Management System (of MCA-Georgia)
ESP	Environment and Social Performance
EU	European Union
GoG	Government of Georgia
GS	Grant Scheme
HE	Higher Education
HRD	Human Resources Development
IFC	International Finance Corporation (World Bank)
IR	Inception Report
ISWD	Industry-Led Skills and Workforce Development (project)
LLL	Lifelong Learning
MCAG	Millennium Challenge Account – Georgia
MCC	Millennium Challenge Corporation
MES	Ministry of Education and Science
NCEQE (EQE)	National Centre for Educational Quality Enhancement
NQ	National Qualification
NQF	National Qualifications Framework
OHS	Occupational health and safety
OS	Occupational standard
PICG	Program Improvement Competitive Grants
PR	Public Relations
OVI	Objectively Verifiable Indicator
QA	Quality Assurance
SGI	Social and Gender Integration
SGIP	Social and Gender Integration Plan
STEM	Science, Technology, Engineering and Mathematics
TAT	Technical Assistance Team
TEP	Technical Evaluation Panel
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training

UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VAT	Value Added Tax
WB	World Bank

1 PROGRAM IMPROVEMENT COMPETITIVE GRANTS (PICG)

1.1 Background

The Millennium Challenge Compact between the USA and Georgia was signed on 26 July 2013 to assist Georgia in addressing a major constraint to economic growth by supporting strategic investments in general education, TVET and higher education to strengthen quality, with an emphasis on science, technology, engineering, and mathematics (STEM) education and on skills development.

The Government of Georgia has created the Millennium Challenge Account - Georgia (MCA-Georgia) to oversee, manage, and implement the Compact.

The Industry-led Skills and Workforce Development (ISWD) Project is a \$16 million project under the Compact, which aims to improve the linkage between market-demanded skills and the supply of Georgians with technical skills relevant to the local economy. Investments to support TVET are necessary to address industry demand for skilled technicians and to reach potential beneficiaries who may not have the opportunity to obtain further education and training.

The ISWDPM has 4 main components:

- Programme Improvement Competitive Grants;
- Strengthening TVET Provider Practice;
- Strengthening TVET Sector Policy;
- Annual TVET Conference.

All the project components are interrelated and will complement each other in an integrative way to achieve the overall objectives of the ISWD project.

The Grant Scheme under the ISWD will be implemented through two sub-components: Programme Improvement Competitive Grants (PICG) and the Strengthening of the TVET Provider Practice.

This Request for Proposals (RFP) concerns only Programme Improvement Competitive Grants (CPIG).

1.2 Objectives of the program

- To run a competitive process to solicit and fund innovative, industry-driven proposals from Georgian TVET providers for establishing new or expanding/improving existing training programs, to meet industry needs and thus provide a mechanism for incentivizing the development and implementation of sustainable and innovative industry-led programs that set leading examples for TVET reform in Georgia.
- To enhance the employability of TVET graduates leading to a higher proportion of employed graduates with higher salaries.

Specific objectives:

- To establish new or expand/extend existing innovative industry-led TVET programs. Programs need to be developed in line with TVET legislation in Georgia¹. Programs

¹ Please, note that the law may be amended to reflect ongoing systemic changes.

should be modular and utilize work based learning approaches. Programs should be in STEM areas, agriculture and tourism in accordance with approved VET strategy;

- To develop public/private sector partnerships in TVET nationally and internationally;
- To set leading examples for TVET reform in Georgia.

Cross-cutting objectives:

- To ensure that all projects that are funded through the program ensure environmental and social protection and follow OHSs;
- To strengthen social and gender inclusion in the TVET provision by promoting innovative approaches to social and gender integration and overcoming of stereotyping.

1.3 Expected Results

- Innovative and effective approaches to employment-oriented skills development in Georgia are developed by providing investment funding to new or existing TVET programs through a competitive grants program.
- TVET providers are incentivized to engage with local and international industry by providing initial investments in the form of funding and technical assistance to overcome financial and capacity barriers to market entry, particularly in the more costly and complex higher-level STEM areas, agriculture and tourism.
- New TVET programs are established or existing TVET programs are expanded and/or improved to result in a defined qualification (i.e. degree or diploma recognized by NCEQE and/or internationally recognized certification, which will also will be part of/linked of with relevant qualification providing program).

1.4 Grant Budget under PICG

The overall indicative grant fund amount available for PICG under this Grant Scheme is \$12 million.

Depending on the number and quality of grant applications and the available grant money, up to three requests for proposals will be announced during the Compact term.

The minimum grant amount per project is \$300,000 and the maximum grant amount may be up to \$3,000,000.

Grant project proposals, exceeding \$1,000,000 should involve well-established international partner company(ies) and/or TVET providers(s). Preferences will be given to projects responding to local labour market needs partnering with international companies and/or TVET providers who can provide internationally recognized certification. Preference will be given to projects where the outcome is a co-badged, dual or joint qualification.

2 ELIGIBILITY

In order to be eligible, Grants should:

- support projects that establish new or expand/improve existing TVET programs and courses, clearly demonstrating how they are serving needs of the industry and are driven by industry.
- result in a defined qualification (degree, diploma recognized by National Centre for Education Quality Enhancement and/or internationally recognized certification).

Qualifying projects will be expected to enhance the employability of TVET graduates leading to a higher proportion of employed graduates as well as leading to higher salaries for those graduates.

Programs should:

- propose innovative models and practices, including the greater integration of girls and social disadvantaged in TVET provision.
- integrate occupational health and safety standards through curriculum development, training, and practical application.

The results should be sustainable beyond the life of the Compact and plans for sustainability will be a key assessment and selection criteria.

In this manual the eligibility and non-eligibility of partners, activities and different types of costs are specified.

2.1 Applicants Eligibility: Who May Apply

2.1.1 PICG Scheme Eligible Organisations

The Program Improvement Competitive Grants is open for public or private TVET providers or universities, public or private companies, professional organisations, non-governmental organizations (NGOs) or agencies operating in the field of TVET. TVET provider applicants that do not have authorization from the NCEQE by the time of initial grant application should obtain the necessary authorization within three months after selection for awarding a grant.

Newly established TVET providers/institutions will be expected to demonstrate sustainability through, for example, partnerships with established industry partners and/or existing educational institutions including a 5-year plan explaining the scope and benefits of the partnership and co-contribution, or other appropriate sustainability methods. By the time of signing of the grant agreement, all potential grantees should demonstrate that they have obtained authorization or have an authorized lead partner in the consortium (or international certification). In the case of newly established TVET providers, courses will need to utilize professional standards already approved in Georgia.

These include the following types of organisations:

- Public or private TVET providers;
- Educational establishments – universities, public or private schools;
- Public or private companies;
- Professional organizations;
- NGOs.

The applicants, lead organizations and partners, should be duly established and registered in accordance with the relevant Georgian or other national legislation and be directly responsible for the preparation and management of the project with their partner/s, not acting as an intermediary.

Only organizations which envision in their proposals the accreditation of new/updated and innovative training programs and courses in the **STEM areas and agriculture and tourism** in the life span of the project will be eligible for funding under the current grant scheme.

Priority will be given to levels 4 and 5, while level 3 and lower level programs may also be eligible.

The proposal should be justified with strong analysis of the needs of the labor market, indicating the demand and the benefits of a new course(s) at the respective level.

In the case of a consortium (TVET provider partnering with industry/association) the lead applicant should be a TVET provider organization/educational institution. A pre-bid partnership agreement has to be provided at the full application stage in English and Georgian clearly describing the project management and partnership arrangements, description of division of roles, inputs by the parties, main functions and responsibilities vis-à-vis project activities and deliverables, partnership representation and representation officer authorization, partnership management seat of office and project office address and communication contact details.

There is no limitation on the number of submitted applications in which an organization can participate. However, a single grantee cannot apply for more than one grant as a lead applicant. There is no limitation on authorized partners in the consortium and they may be represented in multiple projects. Projects approved by the Technical Evaluation Panel will be ranked and then funded in order. The TEP will make a decision to only recommend projects over a specific threshold score. If during the process a project is excluded, then the next project on the list will be considered for funding. This process will continue until all funding is exhausted.

A single proposal may include the development and introduction of more than one new TVET training program, which may relate to different qualifications. The proposal should envision the elaboration of the related professional standard and/or national qualification as needed and required under the current regulation and methodology of the NCEQE, if the qualification for the new program proposed does not exist.

International companies or international educational institutions can also participate as partners. Their participation is obligatory for grants over \$1,000,000. Although all grantees are encouraged to partner with international companies or educational institutions, recipients of grants in excess of \$1 million will be expected to partner with international companies or educational institutions with a clear plan explaining the scope and benefits of the partnership and co-contribution.

Applicant's (main applicant and partners) average annual turnover for the last two audited financial years should be equal or above the requested grant contribution.

Co-financing contributions must be toward meeting the objective of the project. Co-financing contributions may be financial or in kind and should amount as minimum to 10% for grants between US \$ 300,000 and up to US \$ 1,000,000 and minimum 15% for grants of US \$ 1,000,001 to US \$ 3,000,000. Per MCC's Guidelines for Country Contributions: <http://www.state.gov/documents/organization/232094.pdf>, co-financing must go towards meeting the objectives of the project and must directly support the activities identified in the project.

Co-financing contributions may be financial or in kind. Financial contributions include, without limitation: cash, grants, loans (principal and any interest thereon), securities, guarantees, and other

financial instruments, that may be provided by the applicant through own resources or from non-U.S. Government donors or non-government entities.

In-kind contributions may include goods, services, works, studies, equipment, materials, land, and leased property provided by the applicant. The value of in-kind contributions should be estimated during the selection process based on the expected value of the goods, works or services provided, assessed for reasonableness, and related explicitly to the project. The recorded value for any in kind contribution will be the fair market value.

All co-financing contributions, whether financial or in-kind, will be acceptable when such contributions meet all of the following criteria:

- are verifiable from the applicant's accounting records, are not included as contributions for any other grant;
- are necessary and reasonable for proper and efficient accomplishment of the project objectives;
- are allowable under the MCC Cost Principles and are not paid by the US Government under another grant or loan.

IMPORTANT:

The partnership established for the purpose of this Grant scheme is not required to be registered in the court. **The parties (the Applicant and each partner organisation) have to sign pre-bid partnership agreement.** In case the applicant is awarded the grant, prior to the grant contract signing the partners have to present a notary certified partnership agreement in English and Georgian, clearly describing the project management and partnership arrangements, description of division of roles, main functions and responsibilities vis-à-vis project activity implementation and deliverables, partnership representation and representation officer authorization, partnership management seat of office and project office address and communication contact details.

2.1.1.1 The following entities are not eligible for granting:

- *Political parties, groups or institutions, or their subsidiaries and affiliates;*
- *Organizations that advocate, promote or espouse anti-democratic policies or illegal activities;*
- *Any organisation, whose management or staff includes a person or entity that has been blacklisted from participation in procurements funded with The World Bank assistance or debarred or suspended from participations in procurements funded by the US Federal Government or otherwise prohibited by applicable United States law or Executive Order or United States policies including under any then-existing anti-terrorist policies shall be excluded from grants awarded by MCA-Georgia.*
- *MCA-Georgia Board members, staff, and immediate family members thereof are not eligible for granting.*

Provisions on Fraud and Corruption specified in the MCC Program Procurement Guidelines shall be applicable to all granting activities.

Vendors listed on any of the following websites shall be recognised as ineligible for doing business with MCA-Georgia:

<http://web.worldbank.org?WBSITE/EXTERNAL/WWWBSITE/EXTERNAL/EXTABOUTUS/ORGANIZATION/OR GUNITS/EXTDOLL/Q>

System for Award Management

<https://www.sam.gov>

US Treasury, SND:

<http://www.treas.gov/offices/enforcement/ofac/sdn/>

US Commerce, Denied Persons List

<http://www.bis.doc.gov/entities/default.htm>

US State Department, DTC:

<http://www.pmddtc.state.gov/compliance/debar.html>

US State Department, Terrorist Exclusion List (TEL)

<http://www.state.gov/g/ct/rls/other/des/123085.htm>

<http://www.state.gov/j/ct/rls/other/des/143210.htm>

The ISWD TAT will check eligibility of applicants, partners and contractors as early as possible (for applicants at the stage of the concept paper check and for procurement procedures of grant projects – at the opening of the bids and the forwarding of the information on bidders to the ISWD TAT).

2.2 Project Eligibility

Only projects which focus on programs in the following priority areas will be considered for financing under the Program Improvement Competitive Grant Scheme:

- Level 4 and level 5 TVET programs (i.e. for skilled workers and technicians) in STEM fields, agriculture and tourism;
- Programs at other levels (1-3) in STEM fields, agriculture and tourism, and,
- Internationally recognized certificate programs.

Strong justification is required for proposed programs based on analysis of labour market needs, indicating strong demand and high potential for significant impact, based on profession-oriented outcomes, towards economic development of Georgia, employability and high income for end beneficiaries.

Internationally recognized certificate programs introduced in this project need to be sustained within Georgia and still offered within Georgia at the end of the project.

Such priority programmes would provide a highly visible sign of investment by Georgia in the occupations necessary to develop high technology capabilities and attract foreign investment.

The conducting of surveys and analysis of industry sector needs may be unnecessary if analysis has already been conducted by other donors or the GoG on required competences, quality of training and employability of TVET graduates relating to proposed new courses.

Project elements must clearly contribute towards the achievement of the stated objectives and the expected results. The project must comply with the IFC Performance Standards.

All projects must be implemented primarily in Georgia and be tailored to Georgian labour market needs.

Grant project duration cannot be less than 12 months and not longer than 24 months. Grant projects activities will be required to end before the MCA-Georgia Compact term. Thus, grantees can receive extension of grant project duration through a justified request for extension without increasing of the grant budget amount if the Compact timeframe allows for such an extension.

Grantees may also apply for a new grant within the frame of further requests for proposals under the ISWD project.

2.3 Activity Eligibility

The following types of activities should be considered by applicants when preparing their applications. Good proposals will normally include multiple set of activities (but not necessarily limited to the listed activities), leading to specific milestones/deliverables in the project implementation as relevant for financing under the Program Improvement Competitive Grant Scheme:

- Establishing new or expanding/improving existing TVET programs and courses, which clearly demonstrate the needs of industry, have clear outcomes for students, and incorporate occupational health and safety concerns into curricula;
- Teacher internships, job shadowing and training with international partners and forging of national and international partnerships;
- Development of new or upgrading of existing professional standards and qualifications in agreement with government policies and priorities as per NCEQE methodology and with NCEQE support and supervision;
- Development and adoption of best practice occupational health and safety standards for TVET programs through curriculum development, training, and practical application;
- Development, accreditation and implementation of new or upgrading of existing training curriculum. Programs should be modular and utilize work based learning approaches which are competence-based and outcome oriented;
- Design, development and implementation of TVET management and teacher/trainer training programs and workshops in the professional fields and surveying industry needs, modern didactical methods and use of ICT;
- Training of senior workers and heads of workshops from industry in basic pedagogical skills from companies where trainees take practice classes; internships of TVET teachers with companies with up-to-date technologies and equipment for upgrading their knowledge and training skills² in Georgia;
- Development of new training and learning materials for TVET courses introduced. Note: All new training and learning materials developed during the project and with project funding will be provided to MES for public use. Company-specific training materials previously developed for commercial use may be exempt from this requirement;
- Improvements to TVET facilities and equipment that directly support the new TVET programs and courses, driven by industry demands and meeting Georgian labor market needs;
- Infrastructural improvements work design development, design and construction supervision;
- Development and implementation of quality and OHSS management systems in the TVET providers;
- Development and implementation of education management information systems of TVET provider(s)/provision in harmony with MES' EMIS policies and requirements;
- Development and implementation of TVET provider institutions' policies, standards, plans (environmental and social management plan, social and gender integration plan, emergency evacuation plans, HR policy and management plans) and special initiatives that promote and ensure environmental protection, and inclusion and access to TVET

² This activity needs to be implemented in coordination with TPDC and in accordance with the TVET teacher's professional development concept, accepted by GOG; www.mes.gov.ge.

for marginalized social groups, women, other disadvantaged groups and people with disabilities;

- Special initiatives intended to improve access and quality of TVET for marginalized social groups, women, language minorities and other disadvantaged groups in “non-traditional” fields. These initiatives can focus on one or more program aspects, e.g. a) recruitment and communications, b) identification of training needs, c) training program design and content, d) implementation of courses (setting, conduct, student services, apprenticeships), and/or e) monitoring and evaluation of training program and courses;
- Making training courses and programs available for individuals with disabilities, by ensuring that disabled students and trainers have full access to buildings, classrooms and other facilities as required by Georgian Regulations, and possibly through the use of web-based platforms;
- As a complement to industry-specific TVET initiatives proposed, special partnerships/outreach to employers, civil society, and policy makers to address constraints facing women workers, e.g. discrimination, harassment, inadequate facilities, lack of flexible work opportunities;
- Introduction and replication of national and international good practices models in the TVET provision;
- TVET graduates’ career orientation and guidance support;
- Student recruitment mechanisms, strategies, plans and campaigns, (including but not limited to funded program marketing, PR and promotion) especially ones to ensure that disadvantaged youth and female students are included into TVET without regard to gender or ethnic identity, with regard to access to or treatment during the training, including the production of branded PR and visibility video, audio and printed materials;
- Development and/or enhancement of TVET provider/project web-site designed for ensuring the access for persons with special needs.

Project proposals which offer other innovative activities, which correspond to the needs of the industry sectors and the national priorities in the TVET are encouraged.

The specific choice and definition of activities in the grant proposal application will also depend largely on the identified labor market needs, the existence of approved occupational standard and national qualification(s) by NCEQE and the proposed strategy of the project proponent towards the updating or development and accreditation of new TVET program/course. A consultation with the NCEQE is strongly recommended during the pre-application stage.

2.4 Activities Ineligible for Funding

- Purchase of equipment and furniture which is not directly related to the establishment of a new or upgrading of existing TVET program is not eligible.
- General infrastructural improvements, which are not directly related to classroom/teaching-learning environment improvement needs ensuing from the new, expanded/extended training programs and courses (e.g. not related to equipment investments), will not be financed under the Program Improvement Competitive Grants scheme.
- Activities that the training institution already implements cannot be financed. Only activities that provide a new tangible value-added to the partners' normal activities will be supported.

- Scholarships and stipends, as well as salaries for existing staff for existing activities are ineligible.
- Any activities or purchases that would be ineligible under the Compact agreement (See Section 2.7 of Compact - <http://www.mcc.gov/documents/agreements/compact-georgia-ii.pdf>).

2.5 Eligible Target Groups

The project proposals have to define the main stakeholders and justify the choice of target groups on the basis of the analysis of the labor market, industry and the TVET provider's needs.

The direct beneficiaries of the project are industry and TVET providers and partners thereof in STEM areas, agriculture, tourism and other sectors.

The final beneficiaries will be Georgians gaining new skills in areas of demand in industry.

2.6 Cost Allowability

The grant to the project is awarded on a fixed-price basis tied to milestones and deliverables. Budget of the contract gives a cost estimate of the project activity outputs, the cost sharing and the justification of the related eligible costs.

It should also be noted that the MCA-Georgia will not pay more than a stipulated proportion of grant beneficiary's total allowable costs.

Only "allowable costs" can be taken into account for a grant. These are detailed below. The budget is therefore both a cost estimate and a ceiling for "allowable costs". Note that the allowable costs must be based on real costs, not lump sums.

Recommendations to award a grant are always subject to the condition that the checking process carried out by ISWD TAT and MCA-Georgia CFO as per MCC's Cost Principles, which precedes the signing of the contract with the grantee, does not reveal problems requiring changes to the budget other than correcting arithmetical mistakes.

It is therefore in the applicant's interest to provide a **realistic and cost-effective budget**.

Grant beneficiaries should be aware that:

- Cost must be made in compliance with the principles of sound financial management, in particular, value for money and cost-effectiveness;
- All costs must be real costs, i.e. actually incurred by the grant beneficiary (and partners, if applicable) only during the project implementation period;
- Cost must be recorded in the accounts or tax documents of the grant beneficiary (or their partners, if applicable) and be identifiable, verifiable and backed by originals of supporting evidence;

There are additional requirements to the allowability of expenditure under the budget headings as shown in the annexed table.

There are some costs which are unallowable under this Grant Programme for covering by the grant amount. These are:

- Currency exchange losses;
- Payment to civil servants or other officials of the public administration unless in leave of absence during project assignments. Payments made to the project personnel by the institution can be regarded as co-financing.
- Purchase of land or buildings;
- Purchase of prohibited fertilizers, pesticides, etc.;
- Fines, financial penalties and expenses of litigation;
- Debts and provisions for possible future losses;
- Interest owed;
- Items already financed in another framework/program;
- Costs of project preparatory studies or other preparatory activities;
- Miscellaneous and/or Contingency costs are not allowable.
- Purchases of goods or services that have their origin in countries that may be identified by the US Government consolidated list of debarred, suspended or ineligible contractors.
- Entertainment representation, gifts, gratuities, donations, alcoholic beverages, tobacco products, fines and penalties;
- Activities involving physical violence by any individual, group, or government;
- Costs related to campaigns for public office;
- Lobbying directed at influencing public policy decisions of local, State, or National governments;
- Costs related to education, training or informing audiences of any partisan policy or practice or candidate for office;
- Activities unlawful under the Georgian law.

The main provisions for allowability of cost are as follows:

- Costs have to be included in the project budget
- Costs must be necessary for carrying out the Project;
- Costs must be allocable;
- Costs must be reasonable;
- Costs must be incurred within the Grant period;
- Costs must not be included as an unallowable cost under section above;
- The activities for which the grant beneficiary requests payment should correspond to those described in Annex I of the Grant Agreement.

Tracking and Validation of Co-Financing

ISWD TAT will be responsible for collecting co-financing reports from grantees. A detailed Budget template which denotes Grantee vs. Co-financing (counterpart contributions) specific to budget line items is submitted by applicants at the Concept Paper and Full Application stage, with the final budget annexed in the Grant Agreement.

ISWD TAT will validate co-financing commitments during the due diligence check following Full Application, and will check on financial viability of all partners. MCA-Georgia will have responsibility for validating, tracking and ensuring compliance of co-financing with MCC's policies. ISWD TAT's Monitoring Visit report provides feedback to MCA-Georgia on partners' understanding of grant contracts and procedures and quality of accounting records.

2.7 Information, Training and Capacity Building of Applicants and Grant Beneficiaries

The ISWD TAT in collaboration with MCA-Georgia will organize a kick-off event in Tbilisi where all key stakeholders will be invited and media will be called to publicize the event.

The ISWD TAT will continuously provide information, consultation, training and capacity building support and technical assistance to applicants and grantees throughout the ISWD project implementation.

During the PICG launching and pre-application stage the ISWD TAT will provide the following support to applicants and interested parties:

- PICG launching and awareness raising;
- Information and clarifications on PICG guidelines and overall proposal development and evaluation process and timeline;
- Explanation of special requirements and applicable standards and procedures: IFC Performance Standards, ESP, OHS, SGI proposal development and budgeting related issues;
- PICG-related information handouts, presentations and trainings at the concept paper and full application development stages online and during open events;
- Helpdesk support with publicly shared file of Q&A relating to PICG specific issues raised by applicants.

During the PICG implementation stage the ISWD TAT will provide the following support to awarded projects:

- Capacity building of the grant beneficiaries – introductory and follow up project implementation, procurement and reporting training;
- Provision of support to grant beneficiaries in grant project implementation, monitoring, procurement, visibility, good practices development and the ESP, SGI, Stakeholder Engagement Plan (SEP), Grievance Redress Mechanism (GRM) and other relevant plans development;
- PICG quarterly monitoring and information system;
- Support and training of grantees to facilitate compliance with IFC Performance Standards, including management and monitoring of compliance throughout the project cycle;
- Support and training of grantees in the application of ESP, OHS, and SGI relevant to the specific TVET subject, industry and grant deliverable, including risk identification, assessment and management;
- Grant Scheme Quarterly and Final Technical and Financial Reporting;
- Grant Scheme Evaluation and Good Practices.

The ISWD (TAT) will deliver four PICG-related and ESP-, OHS-, SGI- and infra-specific trainings in the application and implementation stage. The trainings will be provided with gradual expansion and increased focus on aspects as relevant to the PICG needs at the different stages of the application and the implementation and reporting. The information and training materials will be developed by the ISWD TAT experts, while MCA-Georgia will provide essential inputs and information and review training content and materials and monitor the quality of the trainings. MCC will monitor the quality of the training content, materials and delivery process.

3 GRANT SOLICITATION, APPLICATION AND SELECTION PROCESS

3.1 Information, Orientation and Training Sessions

3.1.1 Public Information Sessions

The ISWD TAT will organize one-day information sessions in 4-5 major cities in order to promote the PICG Scheme.

All interested institutions and potential candidates should be provided with an invitation to attend an Information Session for PICG. The information sessions will be organized after the launching of the request for proposals with an announcement in the national media. They will be open to all interested parties to attend. In addition, the ISWD will send information about them to all authorized TVET Providers and all the main employers and industry branch associations and trade unions. All the information about the information sessions will be made available to all interested candidates via the project web-site.

The one-day sessions will be scheduled and organized in consultation with the MCA-Georgia. The ISWD TAT experts will develop the information and orientation materials, which will be consulted with the MCA-Georgia responsible officers.

Detailed information on the exact venue places of the information sessions will be given on the following internet address: www.mcageorgia.ge or inquired at: helpdesk@pem-consult.de.

The agenda will state the purpose of the Information Session, such as:

- To introduce the goal and objectives of the PICG Program;
- To introduce eligibility – eligibility of applicants, eligibility of activities, expenditures etc.;
- To introduce the Request for Proposals for the PICG scheme;
- To provide information on the IFC performance standards and other MCC Guidelines applicable to the PICG;
- To discuss the program's primary priority which is to foster industry partnership and co-financing to improve the quality and relevance of TVET;
- To discuss other advantages of leveraging the Grant Scheme to ensure compliance with NCEQE requirement, e.g. modular approach and prioritization of teaching occupational health and safety standards in TVET curricula;
- To explain the role and responsibilities of the ISWD TAT.

The ISWD TAT will prepare a brief summary report on the information session. Information could include the number of participants, the organizations represented, the issues raised during the workshop and the general ability and interest of potential applicants in submitting a project proposal and participating in the training for grant applicants.

3.1.2 Orientation and training workshops for proposal development

The ISWD TAT will organize one-day trainings on the concept paper development and submission in 2-3 major cities following the Information Sessions, depending on the number of interested participants and the advice of MCA-Georgia. An additional one-day training will be provided for the full application submission after the short-listing of concept papers.

The Orientation and Training Sessions will be advertised in the national media.

The Orientation and Training sessions will be open to ALL interested parties at the Concept Paper development stage. The workshops will be organized 4 -5 weeks before the submission deadline of project proposals.

Concept Paper Orientation and Training

The Project Orientation and Training Workshops will be arranged by ISWD TAT in conjunction with the MCA-Georgia and all papers and presentations will be approved by the MCA-Georgia.

The agenda will state the purpose of the workshop and will include topics, such as:

- Introduction of the goal and objectives of the PICG;
- Introduction of the Request for Proposals for the PICG;
- Explanation of the role and responsibilities of the ISWD TAT;
- Enhancing the participants' knowledge and skills in the preparation of the proposals, including outlining what is needed in the way of capacity at the applicant institution and how to remedy any gaps in existing capacity;
- How to complete Application form – Concept Paper and Full Application, with a focus on the challenging aspects in the proposal preparation so that the projects can lead to desired outcomes for the students;
- Integration of the MCC's SEP, SGIP, ESP, OHS related requirements into the project design, activities and budget;
- ISWD TAT will also provide information on the grant implementation process which are relevant to the project design and resource planning as well as the financial reporting requirements.

Full Proposal Orientation and Training

The ISWD TAT will provide an additional intensive orientation and training for Full Proposal development for the short-listed concept paper applicants, which will focus on the full application development requirements, ESP, OHS, SGI and infrastructural aspects of the proposals, activity description and budgeting, financial and procurement requirements, proposal evaluation process and applicable standards and requirements – due diligence checking, CBA, infrastructure feasibility and cost reasonableness checks, taking into account strengths and weaknesses of the concept papers.

After the initial review of the full applications compliance, the ISWD TAT will organize another orientation and training workshop at the Due Diligence Checking stage for short-listed full application promoters to provide feedback and discuss activity and budget changes, which may still be needed to meet highest ESP, OHS, SGI and infrastructural requirements.

Feedback from the workshop participants will be received on the organization, content and other aspects of the workshops. Time will be given to the workshop participants to fill out the evaluation questionnaire sheet. After the workshops, ISWD TAT will analyze the answers and use the results to improve the further workshops and the PICG.

3.1.3 Application Documents

The application process under this Request for Proposals will take place in two stages: (i) development and submission of a Concept Paper, and, (ii) development and submission of Full Application of short-listed concept papers.

3.2 Concept Paper Submission

3.2.1 Concept Paper Form

The ISWD TAT has developed a Concept Paper template, which has to be used by all applicants.

The Concept Paper will provide background and justification of proposal, objectives, expected results, summary of main activities, deliverables and related methods, proposed innovations, risk factors and management thereof, overall implementation timeframe of the project. The Concept Paper will outline relevance of the project to labor market, industry and stakeholder needs. Prospective grantees will be expected to identify relevant social/gender, environmental, and OHS risks and opportunities, and recommend how these can be addressed through the project.

Applicants must submit their Concept Papers one original in English and one translation in Georgian, as well as in electronic format (CD, Flash memory, etc). The electronic format must contain the exactly the same concept paper as the printed version enclosed. In case of discrepancies, the English original will supersede the Georgian language one.

Concept Papers must be received in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the postal address, address for hand delivery and address for private courier service for all PICG application related documents – concept paper as well as full applications, given below:

Grant Management Officer, PICG, ISWD Office

27 Alexander Griboedovi Street, 0108 Tbilisi

Program Improvement Competitive Grants

Request for Proposals № MCA-GEORGIA-PICG -2015-09-14-01

Full name of the applicant:

Full address of the applicant: "Not to be opened before the opening session" and "არ
გაიხსნას პროექტების განხილვამდე"

Concept Papers sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected. Any concept paper received after the deadline will automatically be rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the courier service.

The deadline for the receipt of concept papers is **14th September 2015 at 18.00 local time**. Any concept paper received after the deadline will automatically be rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

Information about the Concept Papers

Prospective applicants may send questions by e-mail no later than 10 business days before the deadline for submission of Concept Papers to the e-mail below, indicating the reference code for this Request for Proposals: **MCA-GEORGIA-PICG-2015-09-14-01**

E-mail address: helpdesk@pem-consult.ge.

The ISWD TAT will provide clarifications and respond to questions no later than 5 business days before the deadline for submission of Concept Papers. All questions and answers will be published on the project web-page and will be sent to all applicants registered with the ISWD TAT.

3.3 Full Application Submission

Applicants invited to submit a full application form following shortlisting must do so by using the application form. Applicants should keep strictly to the format of the application and fill in the paragraphs and the pages in order.

The elements, such as main deliverables (outputs) and budget co-financing ratio, contained in the concept paper cannot be modified in the full application form. The description of activities, related outputs and budget for the project at the full application stage can be refined, further detailed and balanced as needed to meet the ESP, OHS, SGI and infrastructure requirements, applicable to PICG, while staying within the total limit allowed by the call for proposals).

Applicants must submit one original and one copies of their full applications in English with a translation into Georgian language.

Applications must be received in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the address given above.

The application form must be filled in as carefully and as clearly as possible so that it can be properly assessed. Applicants should be precise and provide enough detail to ensure the application is clear.

The Full Application should be submitted with the set of supporting documents which will be examined for the eligibility of its applicant and the partners.

Submission of supporting documents for short-listed proposals

Applicants should supply the following documents in order to allow the ISWD TAT and TEP to verify the eligibility of the applicants and their partners:

1. Court Registration or Legal Act of Establishment – notary certified copy.
2. Current Legal Standing Certificate – original or notary certified copy. This document must be issued not later than 90 days prior to the full proposal deadline;
3. Organizations’ status and list of key staff (if applicable);
4. Certificate, stating that the applicant is not in procedure of bankruptcy, issued by the relevant court. This document must be original or notary certified copy and must be issued not later than 90 days prior to the full proposal deadline;
5. A copy of the applicants (including lead organization and all partners) latest audited balance sheets for 2013 and 2014;
6. Proof of at least 3-years operation in the local or international market;
7. Copies of contracts and project references, proving TVET related experience;
8. A pre-application agreement undersigned by all partners;
9. Information about number of employees locally and/or internationally, projection of increase or decrease in numbers for the next five years, outlining staff with specific TVET background.

In case of works and/or refurbishment the following documents should be presented:

1. Pictures of the Building(s) and Architectural Plan(s) (if applicable) of the premises (and surroundings) to be refurbished;

2. Notary deed for real estate property - copy, certified "Identical with the original" by the Applicant;
3. An assessment of environmental and social risks and impacts and a proposed plan and budget for undertaking any necessary studies, assessments; developing and implementing management plans and reporting plans;
4. Conceptual, technical or work design and list of studies required for any proposed infrastructure investments, including proposed related environmental and social work, with associated costs (incorporating studies and appropriate contingencies) and project work plan;
5. Environmental and Social Impact Assessment (check list).

The partner organisation/s must provide the following documents, if awarded the grant before the disbursement phase:

1. Court Registration or Legal Act of Establishment – notary certified copy;
2. Current Legal Standing Certificate (if applicable) – original or notary certified copy. This document must be issued not later than 90 days prior to the full proposal deadline;
3. Certificate, stating that the partner organisation is not in procedure of bankruptcy, issued by the relevant court or public authority. This document must be original or in notary certified copy and must be issued not later than 90 days prior to the full proposal deadline.

The Application form must also be supplied in printed version and electronic format (CD-Rom, DVD or Flash memory). The proposal must be written in word format (no smaller than Times New Roman, 10), and budget in Excel Sheet. The electronic format must contain exactly the same proposal as the paper version. Each component of the application must be submitted in a separate and unique electronic file (for example, the application form must not be split into several different files, while budget and CV annexes should be presented in separate files).

Important!

Please note that only the requested annexes, which have to be filled in - Application form, Logical framework, the Budget, Bill of Quantities, Priced Technical Specifications), CVs of the Project Manager and key project staff and infrastructure designs - will be transmitted to the TEP members. It is therefore of utmost importance that these documents contain ALL the relevant information concerning the project. Documents must be submitted in one original in English and one copy in Georgian. In addition, Annexes must be supplied in electronic format (floppy disc or CD-Rom, DVD or Flash memory).

No supplementary annexes should be sent.

The supporting documents requested must be supplied in the form of originals or notary certified copies if so indicated in the text above, and photocopies in all other cases, verified "Identical with the original" by the applicant or the partner organization.

Where the documents are not in English, a translation has to be provided into English of the relevant parts proving eligibility and for the purposes of the analyzing of the application.

If these supporting documents requested are missing, the TEP may request the applicant to provide them and if they are not provided before the set deadline - 10 working days from the receipt of the letter sent by the ISWD TAT - the application will be rejected.

Applications must be received in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) or send to the applicant in case of carrier delivery.

Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.

The Checklist (Section V of the grant application form) and the Declaration by the applicant (Section VI of the grant application form) must be stapled separately and enclosed in the envelope.

Any error related to the points listed in the Checklist (section V of the grant application form) or any major inconsistency in the application form (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the application form) may lead to the immediate rejection of the proposal.

Applicants must verify that their application is complete using the checklist (section IV of the grant application form).

Clarifications will only be requested when information provided is unclear, thus preventing the TEP members from conducting an objective assessment.

Hand-written applications will not be accepted.

Incomplete applications will be rejected.

Deadline for receipt of applications

The deadline for the receipt of applications will be indicated in the letter sent to the shortlisted applicants. Any application received after the deadline will be automatically rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

3.4 Appraisal of Concept Papers

Screening of Concept Papers Proposals

The First Screening is a preliminary review of Concept Paper proposals against the eligibility criteria listed in the Request for Proposals.

STEP 1: Opening and Administrative Check

The ISWD TAT assigned officers will carry out the compliance of the Concept Paper against the criteria mentioned in the Checklist (Section III of the Concept Paper form). If any of the requested information is missing or is incorrect, the Concept Paper **may** be rejected on that sole basis.

Following the Concept Paper opening session and administrative check, the ISWD TAT will send a letter to all applicants, indicating whether their Concept Paper was received prior to the deadline, informing them of the reference number they have been allocated and whether their Concept Paper has satisfied all the criteria mentioned in the Checklist³ and has been recommended for Evaluation.

³ Please, note that the length of period between the opening session and the sending of this letter will depend on the number of proposals received while it is expected to take approximately 1 month.

A list of the concept papers received will be published on the same webpage where all the documents of the request for proposals have been published.

STEP 2: Applicant and Partners Eligibility Check

The ISWD TAT will check whether the applicants (lead organization and partners) do not fall into any of the exclusion lists of organizations (see section on eligibility), which may render them ineligible for doing business with MCA-Georgia.

STEP 3: Evaluation of the Concept Paper

All Concept Papers will be evaluated and discussed in the TEP, except those which have not met the deadline, those which have not fulfilled the administrative check criteria and do not fall into any of the exclusion list of organizations.

The evaluation will cover the relevance of the action, its methodology and sustainability, including possible issues, risks and how these will be addressed in the ESP, OHS, SGI areas, as well as the operational capacity and expertise of the applicant.

The Concept Papers will be evaluated using a standard check list and the table below presents the main criteria areas.

1. Summary of Action
2. Relevance
3. Methodology and Sustainability

STEP 4: Simple Cost-Benefit Analysis

The ISWD TAT request applicants to provide baseline information concerning their proposals in the concept paper to allow a simple cost-benefit analysis to be carried out at this evaluation stage of the proposals. The ISWD TAT will analyze the potential impacts, cost and benefits of the submitted concept papers and basic information, which the applicants will be requested to present relating to major inputs described, such as training program, teaching aids, assessment tools, teachers trained, equipment supply and infrastructural improvements. A variety of information will be considered, as provided by the applicants and backed up in due diligence, including background of labor market information about the need of a vocation, number of students to be trained, expected level of salaries in the respective industry sector and the particular vocation.

The following is the template for the simple Cost-Benefit Analysis, which will be carried out at the Concept Paper stage:

Size of grant	(GEL)				
Proposed co-funding contribution size	(GEL/Year)				
Term of investment	(Months)				
Incremental increased operating costs of providing new programs	(GEL/Year)				

Incremental increased maintenance costs of new infrastructure	(GEL/Year)				
Number of students in a cohort for new programs	(number/year)				
Base wage	(GEL/Year)				
Wage increment	(percent)				
Length of program study	(years)				
Target occupation (what can graduates do in the workforce, what kinds of jobs are you training them for)		Crane operator			
		Year 1	Year 2	Year...N	Year 30
Costs					
Size of grant					
Co-financing					
Incremental Operating Costs					
Incremental Maintenance Costs					
Benefits					
Without project scenario					
With project scenario					
Total Net benefits					
Net present value	\$0.01				
ERR	10%				

The ISWD TAT request applicants to provide baseline information concerning their proposals to allow the simple CBA analysis to be carried out at this evaluation stage of the concept papers.

Only project promoters, whose concept papers meet the selection criteria will be requested to submit full proposals.

Screening Report/Concept Papers Evaluation Report

A First Screening Report in English will be submitted to the MCA-Georgia within a week of the first screening. It will clearly provide the list of applicants (in a checklist template) that met ALL of the eligibility criteria and therefore will progress to the next stage of the grant selection process. The report will include reasons for not progressing to the next stage (i.e. listing all criteria that were not met or not fully complied with – either by omission or by insufficient or incorrect details).

The report is subject to endorsement by the ISWD TAT and approval of MCA-Georgia before moving to Full Application.

General Notice to All Applicants and Invitation to Submit Full Application Proposals

Individual letters will be prepared by ISWD TAT for each organization that submitted a proposal announcing the results of the First Screening and notification of whether they met eligibility to

proceed to the next stage. All notification letters will be emailed to applicants as soon as possible after the first screening process.

Information to applicants will be general in nature and ISWD TAT will not divulge specific details. For example, the notification will only reveal that the applying organization(s) either met or did not meet eligibility criteria and not the specific reasons.

Applicants are not permitted to receive back their rejected or short-listed proposals.

3.5 Full Proposal Appraisal

Development and Submission of Full Proposals

Upon the announcement of the short-listed concept papers, applicants should submit full applications within the deadline specified in the notification letter, using the full application template developed by the ISWD TAT.

The ISWD TAT will provide ongoing support to short-listed applicants, which will encompass individual and group consultations, Q&A public file published on the MCA-Georgia web site, with guidance to short-listed applicants and specific recommendations and requests for provision of documents and information based on TEP's decisions.

The ISWD TAT will provide a specialized training to all short-listed applicants on the full application development with a focus on the ESP, OHS, SGI and infrastructural improvements issues and the budgeting of related costs on the basis of the findings of the concept papers evaluation and the recommendations of the relevant MCA and MCC experts. The ISWD TAT will also present the evaluation process, the due diligence steps and the cost-benefit template which will be applied.

Appraisal and Ranking of Proposals

STEP 1: Opening and Administrative Check

The following will be assessed:

- The deadline has been respected. If the deadline has not been respected the application will automatically be rejected;
- The application satisfies all the criteria mentioned in the Checklist. If any of the requested information is missing or is incorrect, the proposal may be rejected on that sole basis and the proposal will not be evaluated further.

Following the proposal opening session, the ISWD TAT will send a letter to all applicants, indicating whether or not their application was received prior to the deadline and whether their application has satisfied all the criteria mentioned in the Checklist.

A list of the applicants with the title of proposals received will be published on the same webpage where all the documents of the call have been published (under the “closed” section).

STEP 2: TEP Compliance Assessment of Full Applications

The TEP will carry out a compliance check and an assessment of the full applications. As a result of this initial evaluation, the TEP will recommend document, issue(s), data and site verifications as well as ESP,

OHS, SGI, Infra Due Diligence Checking issues in addition to the standard Due Diligence Checking list and will reject the non-compliant applications.

The TEP will reject the proposal, if:

- Organizations are not financially viable - average turnover of the applicant and its partners over the last 2 years is not equal to or more than overall project budget amount (evidence provided by applicant, if no evidence, reject);
- Includes something on the MCC Environmental Guidelines prohibition list;
- The full application proposal is radically different from the presented with the Concept Paper;
- There is no international partnership arrangement for proposals requesting US \$ 1,000,000 or above grant support;
- One or more of the formal criteria in the checklist IV are not met;
- The submission deadline is not respected.

The TEP will evaluate the pros and cons, the merits and the needs for proposal clarifications, detailing and corrections concerning the description of activities, implementation plan and budget and will summarize the findings and recommendations in a report to ISWD TAT for the Due Diligence Checking. The report will formulate the needs for clarifications, information and data, which needs to be provided and the issues and items, which have to be checked and verified during the Due Diligence checking on behalf of the TEP by the ISWD TAT experts.

STEP 3: Due Diligence Check and Site Visits

Upon the recommendations of the TEP, the ISWD TAT will conduct a due diligence checking of all short-listed full proposals, as requested and recommended by the TEP as well as using the standard due diligence check-list. The due diligence checking will include a full CBA and precede the final evaluation and decision for the selection of grantees under the Program Improvement Competitive Grants.

A Due Diligence Check list, ESP annexes including the CBA template will be developed following short-listing of concept paper applications and undergo a No-Objection review by MCA and MCC. The Due Diligence, throughout both desk research and field visits, will be conducted by the ISWD TAT experts as needed accompanied by applicant's representatives. The following areas will be checked by the ISWD TAT for compliance and for feasibility of grant project implementation, provided information validity and capacity of the grant applicants:

- Legal status of implementing entities;
- Economic return to proposed activities;
- Industry affiliations and partnerships and industry needs surveys;
- Human resources and human resources management systems;
- Infrastructure and technological facilities and software;
- Environment, Health and Safety;
- Economic Return and Budget reasonableness;
- Financial management, accounting, and record-keeping;
- Quality management and standards applied;
- Program, products and services;
- Branding and communication capabilities;
- Project management capabilities;
- Sustainability prospects.

As an element of the Due Diligence check, ISWD TAT experts will examine existing management systems and feasibility of proposed human resources deployment plans to meet grant project objectives. The ISWD TAT will assess management capabilities for key personnel proposed for the grant project, and may recommend personnel be changed in order for the grant to be accepted.

The ISWD TAT experts will assess the feasibility of the proposed project budget to ensure optimal ratio of high quality of provided services and cost-efficiency. In particular, they will assess if proposed budgets are realistic based on the actual findings of field visit and cost reasonableness checks, and will propose adequate budget corrections to the applicants. Substantial budget adjustments may be required related to proposed infrastructure, and/or to environment, health and safety issues.

Eligibility Verification

The eligibility verification, based on the supporting documents requested by the ISWD TAT will only be performed for the proposals that have been found compliant with the GOM requirements by the TEP.

- The Declaration by the applicant will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any discrepancy between the Declaration by the applicant and the supporting documents will lead to the automatic rejection of the proposal on that sole basis.
- The eligibility of the applicant, the partners, and the action will be verified according to the criteria set out.

Infrastructure Due Diligence

The ISWD TAT will discuss with the grant applicants infrastructural interventions reasonableness, if such are proposed in the project. ISWD TAT experts will examine feasibility of plans for improvements/expansions related to meeting grant project outcome targets and implementation timeline. This will include a conduct desk review of proposed construction schedule that correlates to a preliminary budget and implementation timeline for all necessary studies, resources and permits required for these improvements. The ISWD TAT will conduct site visits to ensure that the proposed grants are logical from a technical and budget perspective if infrastructure improvements include rehabilitation of existing structures.

Environment, Occupational Health and Safety and SGI Screening

The ISWD TAT will develop a unique environment, hazardous materials, and occupational health and safety due diligence check-list, to be agreed with MCA-G and MCC prior to conducting screening visits.

The ISWD TAT expert will conduct desk and on-site screening of each proposed project, including those that do not propose infrastructure, to identify and assess potential environmental, hazardous materials, such as asbestos, and health and safety risks and impacts, in compliance with the IFC Performance Standards, MCC Environmental Guidelines and MCA-Georgia's ESMS. ISWD TAT experts will look at how schools impart occupational health and safety (OHS) and SGIP information and training related to operations of the TVET program, including the proper use of equipment, physical facilities and might recommend equipment and premises upgrades and/or introduction of an OHS module to be included in the teaching curriculum and grant.

The ISWD TAT will develop the environmental and social assessment documents for each grantee summarizing desk research and field visit findings, and identify any assessment and studies to be conducted (e.g. asbestos testing), prior to grant award.

The ISWD TAT will guide the applicants in the development of their ES Risk Mitigation Plans which will be integrated into the rebalancing adjustments made to the proposals.

STEP 4: Due Diligence Orientation Session and Project Re-Balancing Negotiation

The ISWD TAT will provide immediate feedback to the grant applicants on the Due Diligence findings recommendations on the examined aspects relating to compliance with the IFC Performance Standards, ESP, OHS, SGI and infrastructure requirements, including environmental and social assessment and studies to be conducted by the ISWD TAT. This may require mitigation activities and management plans which have cost implications, including the necessary adjustments to the implementation plan (e.g. studies, mitigation strategies, activities and outputs descriptions) and budget.

Due Diligence Information and Orientation Session with Applicants

The ISWD TAT will hold one-day information and orientation session with applicants upon the completion of the Due Diligence checking to provide structured feedback and orientation on the necessary balancing of outputs descriptions and budget. The ISWD TAT will revisit and sharpen the focus on the IFC, ESP, OHS, SGI and infrastructure requirements and performance standards and the CBA and provide training to applicants on how these need to be balanced in terms of optimizing project outputs and ensuring the most effective use of resources. The agenda of the orientation and training session will be developed by the ISWD TAT on the basis of the findings of the Due Diligence checking and the recommendations of the TEP, MCA-Georgia and MCC.

Proposal Balancing Negotiation

Based on the findings of the environmental and social review and any additional assessment and/or studies, environmental and social conditionality will be developed and included in all the grant agreements and include the ESIA Reports and Risk and Impacts Mitigation Plans to the final Grant Agreement to ensure compliance with IFC Performance Standards and MCC Environmental Guidelines if proposals selected for grant awarding.

The ISWD TAT will discuss and negotiate with grant applicants the areas of project output and cost balancing associated in particular with follow-up studies and mitigation measures, which applicants have to address in the output descriptions and implementation plans and budgets within a set deadline.

If the ISWD TAT is unable to negotiate the needed re-balancing of the project proposals outputs and costs, including these relating to the environmental and social risk mitigation and monitoring activities and infrastructure work within the budget ceiling, then there is a risk for non-compliance and sub-standard delivery of proposed works/activities, therefore the ISWD TAT will recommend to TEP to reject the proposal.

The applicants will be given a deadline for providing the requested clarifications, data and updates of output descriptions and implementation plans and budgets to the TEP. The applicants are free to choose whether to provide the requested clarifications, data and updates, if any, and how to define, formulate and submit those within the relevant sections of the original application template. In case the applicant decides not to respond or is not in a position to respond to such information requests by TEP and/or on behalf of the TEP, the applicant should provide a written explanation within the set deadline. Failure to do so will lead to immediate taking out of the application from further consideration for grant awarding.

STEP 5: Cost-Benefit Analysis

A Cost-Benefit Analysis will be carried out for each compliant proposal after the re-balancing clarifications and updates relating to activity outputs, infrastructure, environmental, health and safety-associated studies and mitigation strategies and only such with an ERR ratio of 10% and above will be considered for grant award.

The ISWD TAT will analyze the potential impacts, cost and benefits of the submitted final full application papers and information, which the applicants will be requested to present relating to all major inputs described, such as training program, teaching aids, assessment tools, teachers trained, equipment supply and infrastructural improvements. A variety of information will be considered, as provided by the applicants and backed up in due diligence, including background of labor market information about the need of a vocation, number of students to be trained, expected level of salaries in the respective industry sector and the particular vocation.

The following is an initial template proposed, which will be used to conduct cost-benefit analysis. Specific program cost categories will require more refined definition and program costs to be reviewed may be adjusted depending on the grantee proposals. The final template will be modified in coordination with MCC, based on data deemed available and appropriate for the cost-benefit analysis.

Cost-Benefit Analysis – PICG template

	Program Costs	Current Year (CY) – Project Implementation In GEL	CY+1 – Project Implementation In GEL	CY+2 In GEL	CY+3 In GEL	CY+4 In GEL	CY... In GEL	CY+30 In GEL
1	New TVET Program development cost							
2	TVET Teacher training							
3	Incremental TVET staff salaries							
4	Infrastructure Improvement							
5	Equipment Supply & Materials							
6	Health and Safety Training Materials, Equipment, etc.							
7	Environmental and Social Assessment and Mitigation							
8	Incremental tuition from students							
9	Incremental Operations and Maintenance costs							
10	Other expected incremental costs							
	Total Cost (Present Value)							
	Program Benefits							
1	Cohort size							
2	Length of proposed program of study							
3	Number of years expected to offer the new program							
4	What is anticipated demand from industry for graduates?							
5	What job/position are graduates from current STEM programs attaining?							

6	What is the average salary of the above position?							
7	What job/position could graduates of improved STEM programs attain?							
8	What is the average salary expected for the above position?							
9	What is current level of unemployment among graduates of existing programs?							
10	What is expected level of unemployment among graduates of improved programs?							
11	Cost savings in training for employers from improved TVET training							
12	Cost savings in importation of workers for employers from improved TVET training							
	Total Benefits (Present Value - PV)							
		Cost Benefit Analysis						
	Total PV Benefits							
	Total PV Costs							
	Net Present Value of Benefits							

The result of the Cost-Benefit Analysis will be presented to TEP for further consideration and use in the full application final evaluation.

STEP 6: TEP Final Evaluation and Project Merit-Based Ranking

Proposal Presentations to TEP

The TEP will invite a select number of applicants to make oral presentations of project proposals in person or via skype. List of applicants invited to make oral presentations will be made on the basis of the compliance assessment, findings of the due diligence checking and outcomes of the proposal balancing updates and the CBA. The invited applicants should submit electronic and hard copies of proposal presentations negotiations with the grant applicants, while no new information should be provided.

It is up to the applicant to decide who will be participating at the presentations. The applicant should however ensure the availability of individuals of the applicant organization and the project team who will be able to respond to a range of questions that might arise from the members of the Technical Evaluation Panel in response to applicant's proposal and the evaluation criteria. No more than 3 representatives of the applicant will be expected at the presentations.

Final Ranking of Proposals

An evaluation of the quality of the proposals, including the proposed budget, and of the capacity of the applicant and his partners, the scoring and ranking of proposals will be carried out in accordance with the evaluation criteria set out in the evaluation grid and will be based on the findings of the Due Diligence checking, the CBA outcomes and the applicant's oral presentations to TEP.

The Full Applications will be evaluated using a standard check list and the table below presents the main criteria areas.

Full Application - Evaluation Grid

Section
1. Financial and operational capacity

2. Relevance
3. Methodology
4. Sustainability
5. Budget and cost-effectiveness
Maximum total score

The full evaluation grid and evaluation criteria are included in the Full Application set of documents, which is annexed to the Request for Proposals.

During the evaluation process following the due diligence and rebalancing adjustments agreed with the ISWD TAT and applicants, the TEP cannot make any further recommendations for alteration of budget, mitigation and implementation plans related to Infra work, ESP compliance and other issues. Upon the completion of the evaluation process, the TEP will make a merit-based ranking of the proposals recommended for funding, which will also indicate the findings of the Due Diligence checking, the recommendations made to applicants and the follow up action steps and the extent to which recommendations were met by applicants during the activity output and budget re-balancing negotiations.

3.6 Notification Procedure, Grant Agreement Negotiation and Signing

Based on the TEP's recommendations and the result of the due diligence check, the TEP ISWD TAT will prepare a report to the MCA-Georgia with final list of projects recommended for funding. The report will also contain recommendations for budget corrections/increase, if it is deemed necessary. The compiled report of recommendations will be sent to TEP and to MCA-Georgia for No Objection. After receiving No Objection Letter from MCC via MCA-Georgia, the ISWD TAT will then start contract negotiation with each grant beneficiary and prepare the draft grant agreement for signing.

Upon the preparation and the finalization of the contract dossiers in two originals (one for the MCA-Georgia and one for the grantee) and 1 copy to be used by the ISWD TAT, the originals will be signed by the grant beneficiaries and send to MCA-Georgia for signing. Communication and co-ordination with MCC will be carried out by MCA-Georgia.

3.7 Indicative Time Table

The following tentative schedule⁴ indicates the deadlines for the different activities for the first round of the Request for Proposals:

ACTION STEP	Tentative Timing
Media Announcement	July 14, 2015
PICG Kick-off event in Tbilisi	22 - July 2015

⁴ The current version of the schedule is subject to updates as circumstances require without No Objection procedure through exchange of communications between the ISWD TAT and MCA-Georgia.

Public Information Sessions (2 in Tbilisi and 1 in Telavi, 1 in Kutaisi and 1 in Batumi)	23 and 24, 28, 30, 31 - July 2015
Recruitment of PICG NKE	May-June 2015
Orientation and Training Workshops - CP	August 2015
Deadline for submission of the concept notes	<u>14 September 2015</u>
Information on administrative check and evaluation of concept papers	September 2015
Invitation to submit Full Application	<u>October 2015</u>
Orientation and Training Workshops FA	October-Nov. 2015
Submission of Full Applications	<u>13 November 2015</u>
Due Diligence Checks (DD checklist - compliance, CBA, cost/price reasonableness, infrastructure reasonableness, ESP risks and management plans, documents and data verification – c/a 20 projects)	Nov. - Dec. 2015
Grant Corrections Negotiations (7-10 projects)	End of December 2015
Grant Award Decision	January 2016
Grant Agreements preparation (contract dossiers for 7-10 projects)	February 2016
Signing of Grant Agreements	February 2016
Grant award announcements/Award Ceremony	February 2016

4 GRANT IMPLEMENTATION CONDITIONS

4.1 The grant contract

The grant agreement template is provided in the guidelines and with the signing of the full application the applicant agreed to accept contractual conditions of the standard grant contract and the general conditions.

4.2 Solicitation for Grants Approach

For the needs of Grant Projects implementation the ISWD TAT will develop solicitation documents, including technical specification templates for goods, works, non-consultant services and consultants and consulting services. Goods, works or consulting services valued greater than US \$25,000 will be procured by MCA-Georgia for the grantees. The purchase of goods, small works and consulting/non-consulting services (valued up to USD 25,000 per contract) required for implementation of the grant project will be conducted by the grantee using their own procurement procedures as per national law and must be compliant with MCC's procurement principles.

The grant procurement procedures valued greater than US \$25,000 will be carried out in the following manner:

- (a) Based on the provided tender templates, the ISWD TAT experts will work closely with the grant beneficiary to prepare the draft bid packages based on a template provided by the ISWD TAT and send it electronically to the ISWD TAT;
- (b) Each bid package will be reviewed and checked by the ISWD TAT and send back to the grant beneficiary for correction and improvement as advised;
- (c) The grant beneficiary edits the bid package and send the corrected version back to the ISWD TAT;
- (d) The ISWD TAT experts do a second check of the completeness and accuracy of the bid package and its full compliance with the MCC and MCA-Georgia procurement principles and sends the bid package to the MCA-Georgia or, if needed for further improvement and correction by the grant beneficiary (if the latter case, steps 3 & 4 are repeated);
- (e) The MCA-Georgia provide final endorsement before announcing and carrying out the procurement process.

The grant procurement procedures valued up to \$25,000 will be carried out in the following manner:

- (a) The ISWD TAT experts will work closely with the grant beneficiaries to prepare the draft bidding packages under the grant scheme and send it electronically to the ISWD TAT, the LEPL may use their own templates and procurement rules;
- (b) Each bid package will be reviewed and checked by the ISWD TAT and send back to the grant beneficiary for correction and improvement as advised;
- (c) The grant beneficiary will edit and correct the bid package and will send the corrected version back to the ISWD TAT;
- (d) The ISWD TAT experts will do a second check of the completeness and accuracy of the bid package and its full compliance with the MCC and MCA-Georgia procurement requirements and sends the bid package to the grant beneficiary who will commence the procurement process;

The ISWD TAT will do periodic audits of the carried out tender procedures and will advise and provide additional support to the grant beneficiary as needed based on the audit findings. These will be reported in the monitoring visit reports and communicated to the MCA-Georgia with relevant recommendations for corrective measures as necessary.

The ISWD TAT should work closely with grantees to provide specifications and ensure timely and quality procurement process. This approach will secure that grant solicitation operations are completed in time to conclude the full grant cycle in 24 months or less.

After the signing of the grant agreements, the ISWD TAT will prepare a grant procurement monitoring plan to ensure the provision of technical assistance and monitoring and high quality and timely outcomes of the procurement activities.

For further information and details, please, check: <https://assets.mcc.gov/guidance/mcc-guidelines-programprocurement.pdf>.

4.3 MCC Procurement Principles

The Procurement Principles that must be adhered to for all procurements under these grants can be found in the MCC Program Procurement Guidelines, Section P1.A.1.2, and are summarized as follows:

- (a) Open, fair, and competitive procedures used in a transparent manner to solicit, award, and administer contracts to procure goods, works, and non-consultant services;
- (b) Solicitations for goods, works, and non-consultant services shall be based upon a clear and accurate description of the goods, works, or non-consultant services to be acquired;
- (c) Contracts shall be awarded only to qualified and capable suppliers and contractors that have the capability and willingness to perform the contracts in accordance with the terms and conditions of the applicable contracts and on a cost-effective and timely basis; and,
- (d) No more than a commercially reasonable price (as determined, for example, by a comparison of price quotations and market prices) shall be paid to procure goods, works, and non-consultant services.

4.4 Sub-Contractor Eligibility

Grant Beneficiaries are permitted to award contracts under the Georgian national procurement regulations below the threshold of US \$25,000, and MCC's Procurement Guidelines established for this grant scheme must be followed for contracts of US \$25,000 or above. Partners of the applying partnership (potential grantee) cannot also be contractors for the project.

All participants who want to bid for goods, works and services will be required to:

- comply with the MCC's procurement principles if national procurement procedures are followed; or
- meet the eligibility requirements set out in MCC Program Procurement Guidelines in case of procurement are greater than US \$25,000. Please, check: <https://assets.mcc.gov/guidance/mcc-guidelines-programprocurement.pdf>.

4.5 PICG Cross-cutting Issue Requirements

MCC and MCA-Georgia have well-established policies, standards and requirements relating to the environmental protection, OHSS and social and gender inclusion which will be fully applicable to the awarded project.

The ISWD TAT will support the grant beneficiaries to implement their projects in an environmentally and socially responsible manner in compliance with the MCC Environmental Guidelines, MCC Gender Policy and IFC Performance Standards. The ISWD TAT will identify and assess environmental and social risks and develop mitigation measures for grantees, consistent with these policies, and will monitor grantee compliance during implementation. The ISWD TAT will provide guidance and advice to grant beneficiaries on following these policies, standards and procedures through the information, training sessions, monitoring visits and audits phone, electronic and other communications.

Support, guidance and consultation to grant beneficiaries will be provided during the public information sessions, public orientation and training workshops, training of grant beneficiaries and during the site monitoring visits.

4.5.1 Occupational Health and Safety Standards (OHSS)

OHSS have a varying measure of significance in the different areas of the vocational training, particularly with regards to the practical training, classes and company based internships in hazardous industries, where labor-related risks are relevant.

The ISWD TAT will employ a specific part-time expert to assess the OHSS policies, standards, personal protective equipment, technical equipment, procedures and practices pertaining to training and labor related risks in the awarded grant beneficiaries sectors and will discuss with beneficiaries relevant actions towards OHSS related good practices, which will range from purchase of new PPE and other technical equipment to enhance safety, insurance of VET teachers, students and involved staff and will recommend the certification under the ISO OHSS as applicable or the adoption of internationally comparable standards in addressing the TVET related OHSS issues. Grant recipients will be encouraged to share their experiences on OHS with the Ministry of Education and other TVET programs in Georgia.

4.5.2 Environmental Impact Assessment and Protection

MCC Environmental Guidelines adopt the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability as part of continuing efforts to enhance the sustainability and effectiveness of MCC compacts and improve our standards for managing environmental and social risks. Environmental screening is required for Concept Papers submission. Environmental and Social Assessment is required for Full Application submission.

The Performance Standards provide a comprehensive and internationally-accepted set of environmental and social standards. IFC provides a set of eight Guidance Notes that correspond to each Performance Standard. MCA-Georgia will carry out all its activities in accordance with the IFC Performance Standards.

The Performance Standards provide guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of achieving sustainable results, including stakeholder engagement and disclosure obligations in relation to project-level activities. In the case of its direct investments (including project and corporate finance provided through financial intermediaries), the application of the Performance Standards are helpful in managing environmental and social risks and impacts so that development opportunities are enhanced. IFC uses the Sustainability

Framework along with other strategies, policies, and initiatives to direct the business activities of the Corporation in order to achieve its overall development objectives.

Together, the eight Performance Standards establish standards that the PICG scheme will apply in the implementation of the financed projects. These standards are:

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts;
- Performance Standard 2: Labor and Working Conditions;
- Performance Standard 3: Resource Efficiency and Pollution Prevention;
- Performance Standard 4: Community Health, Safety, and Security;
- Performance Standard 5: Land Acquisition and Involuntary Resettlement;
- Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;
- Performance Standard 7: Indigenous Peoples;
- Performance Standard 8: Cultural Heritage.

As a rule, the majority of the deliverables of the PICG scheme are expected to be of intellectual nature, but IFC Performance standards still will be relevant in the case of both infrastructural components, including the presence of asbestos and other hazardous materials identified in all structures used by grantees as part of the proposed Grant activities. Assessment of OHS training and equipment in all industries will also apply to all Grant programs, regardless of investments in infrastructure. An environmental and social assessment (ESA) should be carried out according to the MCC's Environmental Guidelines.

Depending of the scale of the intervention and the potential risk related to the introduced training course, the ESA can be of different level of detail, commensurate with the potential impacts of the project, following the MCC requirements and ESA template in the following tentative order:

- Executive summary;
- Scoping;
- Policy, legal and administrative framework;
- Project description;
- Analysis of alternatives;
- Baseline data;
- Environmental and social impacts;
- Environmental Mitigation Action;
- Environmental and Social Management Plan;
- Consultation.

The application of the rest of the standards will be applied in the project planning and implementation phases.

The ISWD TAT will provide ESP related training at the orientation and application stage as well as to awarded organization. These trainings will include topics such as the MCA-Georgia's ESMS, ESP requirements at the concept paper and full application development stage, ESP requirements relating to the development of idea, technical or work designed of the infrastructural interventions envision in the project proposals, works supervision and reporting, legal and normative requirements relating to works in Georgia and other issues as agreed with MCAG. The ISWD TAT will also provide technical assistance in identifying and assessing environmental and social risks and will provide guidance to the grant proponents on the requirements to complete these assessments.

The ISWD TAT will provide a detailed template⁵ for use of grant beneficiaries and will provide technical assistance in the adoption and implementation of the grant project GRM.

To review the IFC Performance Standards, click on this link:
<http://www.mcc.gov/pages/activities/activity-two/environmental-and-social-performance#564>

To review the MCC Environmental Guidelines, click on this link:

<http://www.mcc.gov/pages/about/policy/environmental-guidelines>

4.5.3 Social and Gender Inclusion

The ISWD Technical Assistance team and the MCA-Georgia gender and social inclusion director and expert staff will help applicants and grantees to integrate gender and social inclusion into their activities, in a manner which does not fundamentally change the proposal.

Social and gender integration issues are highly relevant to TVET education in Georgia. Required by MCC's gender policy, MCA has developed a Social and Gender Integration Plan (SGIP), a binding document that spells out how gender and social inclusion are to be addressed in each activity of the Georgia Compact. This document should guide all stages of grant scheme implementation, including establishing the criteria used to select winning proposals, implementing and monitoring grant projects, and identifying and highlighting best practices.

Application of the SGIP to the grant scheme will focus on:

- Ensuring that the policy and procedures of TVET providers promote equal access for women, youth from remote areas, people with disabilities and members of socially vulnerable groups to TVET programs, and prevent any form of discrimination;
- Raising the awareness of TVET providers and their partners from industry regarding the need to improve the working environment for female teachers and students, as well as for persons with special needs, during training, internships, and employment;
- Designing TVET training programs that incorporate innovative and proactive approaches to attracting women, members of socially vulnerable groups and ethnic minorities to pursue careers/trades in which they are underrepresented;
- Making training courses and programs available in minority languages;
- Making training courses and programs available for individuals with disabilities, by ensuring that disabled students and trainers have full access to buildings, classrooms and other facilities, and possibly through the use of web-based platforms;
- Ensuring gender sensitivity issues are proactively addressed in the TVET educational environment;
- Informing the selection of indicators and the monitoring and evaluation of the grant scheme projects;
- Informing the presentation of grant project results and selection and presentation of best practices.

⁵ As specified in the Information Disclosure section

4.5.4 Grant Project Communication, Visibility and Branding⁶

Branding Handbook and guidelines will be provided to all grant beneficiaries and these have to be strictly followed and as necessary consulted with the ISWD TAT, ISWD communication expert and MCA-Georgia. Inability to abide with the policies standards and requirements may lead to non-acceptance of related expenditures made, halting the contract implementation or termination of contract.

Projects financed through grant schemes are generally of pilot nature, which aim to enhance the TVET sector reform and innovative practices in select number of vocational fields. This is why, the highlighting and promotion of the project activities and ensuring higher visibility of project results is important for the dissemination of their achievements and acknowledgement of the MCA-Georgia and MCC support.

For this reason, the grant scheme prioritizes actions for the raising of awareness within public and private sectors and engage the relevant stakeholders, etc. To this effect the grant beneficiaries will be advised by the ISWD TAT in the elaboration of their **Stakeholder Engagement Plans**, following the established standards and template by the MCC, MCA-Georgia and the ISWD SEP.

In implementing these and any other promotional type activity, Grant Beneficiaries are obliged to follow the MCA-Georgia policies and standards and the provided guiding instructions.

Please, note that in addition to the MCA-Georgia, MCC and Georgian Government direct grant support visibility, effective and efficient promotion of the overall ISWD project and programme beneficiary should also be taken into consideration by grant beneficiaries.

MCA-Georgia is the main authority in charge of reviewing and approving visibility-related materials and activities. Before initiating the production of any information, communication or visibility material and activity or procurement thereof, the grant beneficiary should seek written approval of the ISWD TAT and the ISWD communication experts.

4.6 Payments

4.6.1 Grant Disbursement

The Grant will be disbursed upon the Grantee's achievement of Project Milestones/deliverables identified in the Project Budget and Implementation Plan. The ISWD TAT certifies that the quality, completeness and timeliness of due milestones are met and obtains the receipt of goods and services signed by the grantee upon which the disbursement is made. The Project Budget and Implementation Plan will identify the method by which the Milestone Payment will be disbursed, which could be one of two options (each, a "**Milestone Payment Option**"):

- Project Procurement Payment to Supplier, or
- Milestone Payment to the Grantee.

4.6.2 Milestone Payment Options

All Milestone Payments will be tied to the Grantee's performance and outcomes of related grant project activities. No Milestone Payments will be made unless all applicable preceding Project Milestones have

⁶ <https://www.mcc.gov/pages/press/branding/mcc>

been achieved as indicated in the Project Budget and Implementation Plan. Milestone/deliverables payment options relate to the requirements and restrictions as per the applicable procurement procedure.

The ISWD TAT will be responsible for overseeing grants, monitoring implementation processes and delivery of goods and services as per the following payment options:

- “Project Procurement Payment to Supplier”: under this option, procurements will be conducted by MCA-Georgia on behalf of the Grantee. This option is available for procurement of Project-related works, supply and services valued at or exceeding \$25,000;
- “Milestone Payment to Grantee”: under this option, MCA-Georgia will make payment directly to the Grantee upon the Grantee’s achievement of certain Project Milestones identified in the Project Budget and Implementation Plan. This option is available for:
 - i. Milestone and project-related goods or services value under \$25,000, and
 - ii. Milestone Payment for activities related to construction, renovation and environmental mitigation, up to the amount approved in the Project Budget and Implementation Plan under \$25,000.

ISWD TAT monitors grantees in ex-ante and post-ante manner to ensure the procurement is carried out as per the MCC procurement rules and that goods and results of the provision of services are retained and used for the benefit of the project as part of their monitoring and evaluation obligations.

4.7 Further Information

Questions may be sent via the website of the project no later than 10 days before the deadline for the receipt of proposals to the addresses listed below, indicating clearly the reference of the request for proposals: helpdesk@pem-consult.ge.

Replies will be given no later than 5 days before the deadline for the receipt of proposals.

In the interest of equal treatment of applicants, the MCAG cannot give a prior opinion on the eligibility of an applicant, a partner or an action.

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at website: www.mcageorgia.ge.