REQUEST FOR APPLICATIONS FOR INNOVATIVE CLEAN HEATING SOLUTIONS IN ULAANBAATAR CITY OF MONGOLIA

Issuance Date: 2025.01.17
Due date for submission: 2025.02.14
Total funding available (all grants): $300,000
Anticipated Number of Grants: 3

REF: USAID/Mongolia Energy Governance (MEG) Activity
Prime Contract Number: 72043822F00001
Subject: MEG's Request for Applications (RFA) Number [RFA#1-2025-001]:

Dear Prospective Applicants,

The U.S Agency for International Development (USAID) is seeking applications from qualified Non-Governmental Organizations and private companies to implement grant activities through Mongolia Energy Governance (MEG) Activity in Mongolia. Abt Global (Abt) is implementing MEG Activity under USAID Prime Contract #7200AA19D00021, AID – Contract #72043822F00001.

This Request for Applications (RFA) is comprised of the following main sections:

I. FUNDING OPPORTUNITY DESCRIPTION
II. ELIGIBILITY REQUIREMENTS
III. APPLICATION AND SUBMISSION REQUIREMENTS
IV. APPLICATION EVALUATION
V. AWARD ADMINISTRATION INFORMATION

Successful Applicants will be responsible for ensuring achievement of the program objectives. Please refer to Section I of this RFA entitled Funding Opportunity Description for a complete statement of goals and expected results.

To assist Mongolia in reaching self-reliance in energy, MEG established the Mongolia Energy Research and Innovation (MERI) Fund, which will award grants that sustain the progress of MEG activities by building an energy sector ecosystem, strengthening institutional and workforce capacity of Mongolian organizations, and leaving behind the tools, The purpose of the MEG MERI Grants Program is to support local implementation and capacity building, thereby paving the way for transitioning MEG interventions to local organizations, in partnership with their government counterparts.

Subject to availability of funds, Abt intends to provide up to $30,000-100,000 in total funding for activities to be implemented no later than June 1st, 2026, with award amounts in the range of $300,000. Abt reserves the right to fund any or none of the applications submitted.

To be eligible for award, Applicants must provide all required information in their application, including the requirements found in any attachments to this RFA. Applications that are submitted late, incomplete, or are non-responsive will not be considered. Awards will be made to the applicant responsible whose application(s) best meets the requirements of this RFA, and the evaluation criteria contained herein.

MEG intends to use a single-stage application process to evaluate and select one or more grantees under this RFA. Prospective grantees are asked to submit a full application package following the instructions included in Section III of this RFA, which will be evaluated in accordance with Section IV of this RFA. Applications must be submitted electronically (To budee.mendbayar@abtglobal.com,Grants_Mongolia@abtglobal.com) no later than the due dates shown above.

Issuance of this RFA does not constitute an award commitment on the part of MEG Activity, nor does it commit MEG Activity to pay for any costs incurred in the preparation and submission of an application.

Further, Abt reserves the right to reject any or all applications received. Applications are submitted at the risk of the Applicant, and all preparation and submission costs are at the Applicant's own expense.

Sincerely,
Abt Grants Manager

Attachments:
The links to Attachment A and Attachment B are provided below.

A. Full Technical Application Template: Technical Application Form
B. Full Cost Application Template: Budget Application

SECTION I: FUNDING OPPORTUNITY DESCRIPTON

Program Description

United States Agency for International Development (USAID) seeks to bolster Mongolia's economic growth by facilitating the transition to clean energy through Mongolia Energy Governance (MEG) Activity's Mongolia Energy Research and Innovation (MERI) fund.

Through the MERI grant program, funding will be awarded to eligible think tanks, consulting firms, non-governmental organizations, private companies, research institutions, and other relevant organizations to implement interventions to support clean heating transition.

The grant is expected to help build a robust energy sector ecosystem, strengthen the institutional and human capacity of Mongolian organizations, and develop the necessary tools to facilitate the energy sector transition.

MEG is planning to provide help during the co-development process of the Grant application. Co-development is the negotiation process to co-develop the application only for the shortlisted applicants.

Introduction and Background: Mongolia aims to reach net-zero development by 2050 and to reduce its Greenhouse gas emissions by 22.7 per cent by 2030 according to its Nationally Determined Contributions. As stated in Mongolia's long term development policy document, Vision-2050, the Government has been working to diversify the country's coal-dominant energy mix, improve energy efficiency, and meet international climate commitments. The country has set a policy target to increase renewable energy (RE) to 30% of the total installed capacity by 2030. Installed capacity of the renewable energy in total energy mix of Mongolia was increased to 286MW or 18.1% of the total by 2023. From the other side, annual energy demand increase has been 6-7 per cent for the past decade and it is expected to continue increase due to the population growth and economic development of the country. With this increase in demand, Mongolia will need more ambitious renewable energy penetration in the energy sector to reduce its carbon footprint. Especially the heating sector's transition to clean energy is strategic for the country given its adverse impact on human health and environmental pollution.

Mongolia's capital, Ulaanbaatar is a home to nearly 1.5 million people[1] and the primary location of most businesses for the country. The city relies on coal-dominant heating systems, district and individual coal boilers and stoves for space heating. Due to heavy reliance on coal for space heating, Ulaanbaatar is considered as one of the most polluted cities – especially in winter, when many businesses and homes without access to district heating network must burn refined coal briquettes and/or raw coal at their low-efficient coal boilers and stoves.

A number of policies have been implemented to shift businesses and homes from coal heating to cleaner and low-carbon solutions such as scaling electric heating mostly at household level. Every winter, from November 1st to April 1st, the government pays utility (power) bills for targeted households to support electric heating in Ger district between November to April – during night-time from 9:00 p.m. to 6:00 a.m. Also, the small tourism companies (160) also benefit from the zero night-time electricity tariff from January 1 to Aprill 30, 2024 – which added expenditures of around MNT 1.8 billion to the state budget.

With the recent increase of the energy tariffs in November 2024 and anticipated index-based tariff adjustments under Mongolia's Energy Law in upcoming years, there is growing interest to shifting to more energy-efficient heating technologies- both at the business and household levels. This includes innovations like seasonal thermal energy storage and energy efficient heating sources like heat pumps backed up with solar PVs, which are increasingly appealing to the consumers and the energy sector.

[1] NSO, 2023

The heating sector has an immense opportunity to absorb clean heating technologies – the country has one of the longest heating seasons that lasts almost nine months a year. Supply chain-wise, available technologies are mostly imported from Europe and the People's Republic of China.

The private sector and homes have access to fewer opportunities and incentives to deploy and scale clean heating solutions and retrofit buildings at affordable prices and bulk amounts. Despite increased interest and willingness to shift to cleaner heating solutions, the consumers often have issues replacing their conventional and low-efficient coal stoves and boilers with modern alternatives.

Problem Statement:

Mongolia's energy sector is making efforts to overcome critical challenges, including energy security, energy transition, and financial instability across the industry. Coal is the primary fuel source (90%) for power generation and heating, abundant and subsidized coal supply is hindering renewable energy adoption. Aging infrastructure, such as Combined Heat and Power Plants (more specifically, CHP-4), operate at maximum capacity with no reserve, leaving the country dependent on imported electricity from China and Russia during shortages and meet high demands of the large mining corporates. The existing tariff structure, heavily subsidized, undermines cost recovery and stifles private sector participation in the energy market.

Rapidly growing ger districts of Ulaanbaatar have inadequate access to sufficient electricity for heating, forcing residents to burn refined coal in the frigid winters, which contributes to some of the world's worst air quality and to poor health outcomes, particularly for women and children. As of 2018, 72 per cent of Mongolia homes and 57.2 per cent of Ulaanbaatar homes use coal stoves for heating (e.g. not connected to the district heating systems). According to the National Statistics Office[2] (2020), Ulaanbaatar city alone had 3200 coal boilers for businesses and over 200,000 home coal stoves in the ger districts that alone emitted 80 per cent of the total urban air pollution. The remaining 10 per cent of the air pollution comes from vehicles, 5 per cent from combined heat and power plants, and 4 per cent from the other sources.

In addition, the city is surrounded by four mountains and when it is cold and polluted air is often trapped close to the ground by an inversion in the winter – e.g. the warmer air above does not allow the air pollutants to disperse.

In recent years, the adoption of clean heating solutions in Mongolia has increased among certain consumers, many of whom have received financial or technical support from development partner organizations or are early adopters in the energy sector. However, the widespread adoption of innovative low-carbon heating technologies in homes and small to medium-sized businesses remains limited. Key barriers include heavily subsidized heating services, high upfront costs of advanced technologies, inadequate electric grid infrastructure to support additional electric heaters, lack of awareness, and significant heat loss in many buildings. These challenges are further exacerbated by limited access to financing, the lack of direct incentives to scale clean heating solutions, and low awareness of the long-term benefits of transitioning to clean energy. Moreover, consumers often have limited trust in clean heating technologies due to a lack of access to evidence-based scientific studies and technical recommendations from reputable research institutions.

The private sector faces challenges in securing sufficient working capital to meet local market demand for clean energy solutions. Financial institutions are hesitant to lend to the energy sector, and individuals or loan applicants seeking to purchase energy-efficient technologies, such as heat pumps, storage systems, and photovoltaic (PV) systems, often lack adequate financial documentation, business plans, credit history, or are burdened with existing loans, disqualifying them from commercial or green loan opportunities. While the

[2] NSO, 2020 https://www2.1212.mn/BookLibraryDownload.ashx?url=Ub_health_2019.pdf&ln=Mn

Government of Mongolia (GOM) offers a 'Green Affordable Loan at 3%' for individuals, the disbursement rate remains low due to these barriers. According to the Bank of Mongolia's green loan portfolio report as of June 30, 2023, commercial banks have issued MNT 484.6 billion in green loans, with over 90% allocated to corporate clients. Only 9% of the green loan portfolio has been directed to individuals, and renewable energy loans account for just 7.6% of the total green loan portfolio.

While the energy sector offers expertise in certain technical areas, particularly in the installation, operation, and maintenance of innovative heating technologies, it still has limited access to specialized and coordinated technical assistance to better understand consumer decision-making of clean heating transition, and to support the implementation of large-scale clean heating transition efforts.

1. Scope of award

MEG seeks to identify and support innovative clean heating technologies, through concept development, pilots, and case studies, and support viable interventions to scale. Successful technologies will be promoted and socialized to build trust in affordable, diversified and sustainable clean heating solutions, and increase awareness throughout Mongolia.

Over the course of the grant period, it is anticipated that the Grantee will pilot and/or scale innovations to reduce reliance on coal and associated air pollution and educate the public about alternatives to shift to clean heating solutions and their co –benefits.

The Grant will help Mongolia to achieve self-reliance in the clean heating by building an energy sector ecosystem, strengthening institutional and workforce capacity of Mongolian local organizations, and provide lesson learned and best practices from the pilots and case-studies.

2. Objectives

The goals and objectives of this grant will feed into the MEG Activity's Objective 3: *Enable adoption of modern energy technologies*. The expected outcome of this grant program is increased deployment of innovative clean heating technologies in Ulaanbaatar city, resulting in measurable reductions in air pollutant and carbon emission levels and addressing the city's specific environmental and energy challenges.

Through this Request for Applications (RFA), the USAID Mongolia /MEG/Abt is offering the opportunity for the private sector actors, non-governmental organizations, think-thanks, non-public research institutes in Mongolia to strengthen their institutional and technical capacity, and to work towards one or multiple of the following overarching objectives:

The specific objectives for this grant are:

1. Pilot and/or scale clean heating innovations to reduce reliance on coal and associated air pollution and carbon emissions in Ulaanbaatar city.
2. Prepare evidence of Impact and Cost-Effectiveness of innovative clean heating solutions.
3. Develop the pilot case-studies and evidence-based results to build trust in clean heating innovations and technologies through showcasing and promoting applications of the technologies in Mongolia.
4. Strengthen Mongolian energy sector's technical capacity, outreach and use of data for strategic decision making to promote clean heating.

Activities

Think tanks, consulting firms, non-governmental organizations (NGO), private firms, energy institutions, and other relevant Mongolian organizations as well as non-US NGOs are encouraged to apply to this Grant under MERI Fund's Category 2 – Support for innovative energy technologies and applications.

Examples of activities that can be undertaken under this Grant include, but are not limited to:

- Pilot and/or scale modern energy technologies, such as heat pumps, seasonal thermal energy storage, solar thermal to improve access and quality of the energy services and address local air quality challenges. Contribution from the private sector resources for the pilot is encouraged but not mandatory;
- Carry out pre-feasibility and feasibility studies on innovative clean heating technologies and interventions for investment opportunities and project development;
- Develop the pilot case studies, including identifying criteria for selecting certain types of businesses and households, and key criteria for selecting technologies, analysis on technology performance, cost of heating and its share on the business and households' income, lessons learned and findings on installations, and operation and maintenance, level of operational flexibility to regulate the heating output of the piloted technologies, level of willingness of selected businesses and households, and developing guidelines to scale clean heating technologies building on existing locally available home insulation guidelines building on the pilot projects;
- Publish peer-reviewed scientific papers and/pr technical analysis regarding the technology performance, heating costs, environmental and health benefits, energy efficiency of piloted, proposed, and/or scaled clean heating solutions;
- Carry out analysis on supply chain, level of maturity of clean heating technologies suitable for Mongolian climate context; level of maturity - level of operation and maintenance.
- Initiate and facilitate dialogue on needs for increasing financial support and incentives to scale clean heating innovations in Mongolia (including stakeholder engagement sessions and other outreach activities).

3. Requirements

Applications must conform to the structure in Attachment A, Technical Application Format, which includes the following sections, described in more detail in SECTION III of this RFA.

Applications must present an approach to produce evidence of impact, cost-effectiveness, scalability and financial sustainability - in testing innovations to reduce both exposure to and contributors to poor air quality (using efficient alternative heating technologies and educating the public about the need for and co-benefits of air pollution reduction).

MEG anticipates that businesses and/or households selected for the pilot and/or scaled project will demonstrate a high level of readiness and commitment to implementing the pilot initiative. The complexity of adopting these technologies should be carefully considered in collaboration with the selected businesses and households, taking into account their specific interests, operational preferences, maintenance capacities, willingness to share pilot data and feedback, acceptable heating cost thresholds, and after-sales service expectations.

This pilot intentionally does not include activities to retrofit or reduce heat loss of the buildings and solely focuses on innovative clean heating solutions. Businesses and/or households selected for the pilot should either have adequately insulated buildings or possess actionable plans and own sufficient resources to improve building insulation. The selected buildings can have building energy efficiency certificates issued by the local authorities.

Applications should outline a robust technical approach capable of meeting the majority, if not all, of the space heating demands of the selected businesses and households. The proposed clean heating technologies must ensure efficient and stable performance by maintaining consistent thermal comfort in the buildings and households throughout the pilot implementation period. The pilot and/or scaled project applications should prioritize commercially viable and field-tested solutions specifically tailored to the heating requirements of the targeted businesses and households, accounting for their energy consumption patterns and needs. For the pilot projects, it is critical to integrate solutions that incorporate reliable data collection mechanisms and methodologies. This includes the installation of devices such as indoor and outdoor temperature sensors, as well as heat and power meters, to ensure comprehensive monitoring and evaluation of the project's performance.

For electrically powered clean and innovative heating solutions, it is essential to quantify and consider the incremental electrical load they impose on the central grid infrastructure and associated power transformers.

Innovative clean heating solutions are not limited by decentralized or stand-alone solutions. The project's geographical scope is not limited by the Ger district.

4. Anticipated Outcomes and Outputs

Anticipated Outcomes and Outputs are below. Grantees are encouraged to also propose Outcomes and Outputs for the expected grant that align with their proposed activities.

Intended Outcome	Output
Increased deployment and adoption of innovative clean heating technologies in Ulaanbaatar city, resulting in increased level of interest in shifting to clean heating solutions and addressing the city's specific environmental and energy challenges. [Percentage of homes, businesses and/or industrial facilities using or committed to using clean heating technologies is increased by 20%.] **Increased trust of consumers in emerging clean heating technologies/increased demand and improved profitability of the private sector**: Market penetration of new technologies increased. **Successful Pilots and Scaling of Clean Heating Solutions:** Scaling effective clean heating technologies, with increased private sector participation and investment, leading to a broader impact in terms of energy access and environmental improvements. **Partnership for air Pollution**: To seek innovative solutions to the challenge of providing clean energy and heating and	**Pilot and Scale Project Reports:** Documented pilot projects or scaled implementations of modern energy technologies, with a focus on clean heating solutions, highlighting improvements in energy access, quality of services, and air quality.
	Case Studies and Technical Reports: Documented examples of successful clean heating technology implementations and their impact on air quality and energy access in Ulaanbaatar (*including GHG emission reductions, green jobs created, women and children benefit from clean energy*)
	User Testimonials and Feedback Reports: Collected and analyzed feedback from early adopters of clean heating technologies to inform further of improvements (including survey or studies showing increased satisfaction etc.).
	Scientific Papers and Publications: Published research and technical papers detailing the effectiveness, cost-efficiency, and sustainability of clean heating solutions.
	Feasibility and Pre-Feasibility Studies: Comprehensive reports assessing the viability of emerging clean heating technologies, such as seasonal thermal storage systems, outlining potential for investment and project development.

lowering air pollution. A partnership is considered and formed when there is a clear agreement, usually written, between two or more formal entities to work together to achieve a common objective. **Improved Technical Capacity:** Strengthened local technical capacity to install, maintain, and manage clean heating technologies, supported by a trained workforce and vocational institutions, resulting in sustainable technological implementation. **Evidence-Based Decision Making:** Informed policymaking and investment decisions, guided by rigorous evaluations and evidence-based assessments of the benefits and challenges of clean heating technologies, which help optimize their potential for scaling. **Stronger Stakeholder Engagement:** A more collaborative environment among stakeholders, including government, private sector, and local communities, to collectively support the transition to clean heating solutions and address key challenges related to energy and air quality.	**Evidence-Based Impact Assessment Reports:** Detailed evaluations of the benefits of clean heating technologies, including data on financial, environmental, and social impacts, identifying what works and what doesn't, and providing recommendations for scaling. **Private Sector Partnerships**: Established collaborations with private sector partners to scale the deployment of clean heating technologies. **Capacity Building Needs Assessment:** A report identifying the technical training needs for local technicians and vocational training institutions to ensure effective installation and maintenance of clean heating technologies. **Stakeholder Engagement and Dialogue Outcomes:** Summaries of stakeholder meetings, including key discussions, identified needs, and proposed actions to secure financial support, incentives, and policy recommendations to scale clean heating technologies.

5. Schedule

Project anticipates awarding FAA grants as a result of this solicitation process by May 1, 2025. The expected performance period is June 1, 2025- June 1, 2026.

6. Monitoring

MEG will monitor the timely performance of the planned interventions and the delivery of results during the Grant implementation. MEG will monitor implementation of the grant to enable sound oversight and management; examples of such monitoring include:

- Monthly and Bi-Weekly meetings with Project Team
- Quarterly Program Reviews
    - Accomplishments in prior period
    - Planned activities for the upcoming period
    - Identification of any problematic issues
    - Action items list, if any
    - Modification of deliverables, if required

The awarded grantee will develop a Monitoring and Evaluation Plan along with Quality Assurance Acceptable Performance Requirements after the award.

Grant performance requirements include, but are not limited to, the following:

1. Rate of utilization of clean heating pilots and case studies:
2. Number of partnerships established with public and private sector to scale innovative clean heating technologies.
3. Number of scientific peer-reviewed papers published.
4. Presentation and/or acceptance of pre-feasibility and feasibility studies by the relevant authorized bodies.
5. Demonstration of the pilot's scalability and replicability, with detailed plans for expanding successful solutions beyond the pilot phase.
6. Installed capacity of piloted clean heating technologies.
7. Amount of fossil fuels in tons avoided (GHG emission reductions, CO2-eq) or number of chimneys (businesses and households) removed.
8. The number of suppliers and technicians increased in the local market.
9. Number of jobs created in installation and maintenance of clean heating technologies.
10. Number of households and/or businesses transitioning to clean heating systems.
11. Demographic diversity of grantees: businesses and research institutes, think thanks, and CSOs.
12. Indoor and outdoor air quality indicators such as temperature, humidity, comfort and health
13. Awareness raises for public perception of target audience
14. Compare energy bills before and after the technology test
15. Number of workshops conducted
16. Number of participants trained
17. Measuring the level of stakeholder engagement

18. Potential indicators to measure intended results

Measurable variables that help assess the progress and impact of a project. They are used to track whether the intended results are being achieved.

1. Increased level of thermal comfort and reduced hours to handle coal and ashes.
2. Level of calculated GHG and air pollution emission reductions from replacing coal boilers/stoves with clean heating innovations or shifting from conventional electric heating to more energy-efficient solutions.
3. Reduced energy consumption for heating per households by using innovative clean heating technologies, in kWh/household or business.
4. Inclusion of piloted clean heating technologies in the commercial bank loan lists.
5. Average reduction in annual heating costs per household/businesses.
6. Reduced payback period for clean heating technologies installation.
7. Transformation in the clean heating sector; transition to clean heating is accelerated.
8. Uptake of similar clean heating programs and grant programs.
9. Public budget allocation to clean heating technologies increased.
10. Public incentives to promote clean heating technologies introduced – reallocation of coal subsidies to clean heating technologies.
11. Grid is more ready to integrate innovative clean heating systems.
12. Rate of utilization of clean heating pilots and case studies.
13. Level of energy savings and level of cost effectiveness from shifting to clean heating innovations. These should have supporting primary data to demonstrate efficient operation of clean heating innovations, such as seasonal coefficient of performance, indoor and outdoor air temperature, energy consumption and heat output.

SECTION II: ELIGIBILITY REQUIREMENTS

The Grants program is designed for non-Governmental organizations (NGOs), non-profit, and for-profit entities. Organizations that are affiliated with a government, or any governmental entities, are not eligible to apply. Activity will accept grant applications from both not-for-profit and for-profit organizations. In order to be considered eligible for a grant award under this APS, prospective grantees must:

- Be a registered legal entity in Mongolia. Be a for-profit or non-profit organization, formally constituted, recognized by and in good legal standing with the appropriate Mongolian authorities and compliant with all applicable civil and fiscal regulations (individuals are not eligible).
- Registration documents will be required.
- Operates as an independent non-politically affiliated organization.
- Not be part of a government or any government structure or agency.
- Provide evidence of financial accountability to the extent possible and maintain strict and detailed records of all expenses and have designated individual(s) responsible for financial management.
- Be in good standing with all civil and fiscal authorities in the countries they operate in, and
- Possess financial accountability and maintain detailed records of all expenses.
- Possess sound managerial, technical, and institutional capacities to achieve the results of the grants program.
- Possess a system of internal controls that safeguards assets and protects against fraud, waste, and conflicts of interest.
- Not appear on any list of debarred or suspended entities (as found on www.sam.gov), or on any terrorist watch list or other published list of ineligible recipients.
- The USAID MEG grants program is designed for nongovernmental organizations (NGOs), non-profits, and for-profit entities. NGOs are organizations that act neither in governmental capacity nor as agents of the government.

Potential Applicants must have a Unique Entity Identifier (UEI). Please see below for information to obtain a UEI.

The System for Award Management (SAM): SAM is the U.S. Government portal you will use to apply for USAID grants and cooperative agreements listed on Grants.gov and search and apply for USAID contracts. The Unique Entity Identifier (UEI) is a number used across the U.S. Government to identify organizations. To obtain a UEI number, your organization must register on SAM. The 12-character alphanumeric ID is assigned to an organization as part of its registration.
Obtain your UEI here: SAM registration
Follow this link for a guide on how to obtain a UEI: UEI number instruction

SECTION III: APPLICATION AND SUBMISSION REQUIREMENT

Project Name*:* **Mongolia Energy Governance Activity**

Mongolia Energy Governance (MEG) Activity will award one or more awards resulting from this solicitation to the responsible applicant(s) that demonstrate the capability to carry out activities conforming to the project objectives and within the funding and other parameters set by this RFA.

This solicitation does not commit MEG to make an award. MEG may at its sole discretion (a) accept or reject any or all applications, at any Step in part or in dull without assigning a reason; and (b) waive informalities or irregularities in applications received.

MEG intends to use a single-stage application process to evaluate and select one or more grantees under this RFA. The Grantees expected to propose how they intend to perform in the application and the Grants' performance should be aligned with the Grantee's own established processes and organizational mandate. MEG is planning to provide help during the co-development process of the Grant application. If necessary, MEG may request additional information from applicants or invite them to pitch their proposals to the evaluation committee.

Grants will be **negotiated**, denominated and funded in MNT. Grant award amounts under this RFA will be determined on a case-by-case basis depending on the activities proposed, but are anticipated to be valued at between $30,000 and $100,000. Higher or lower values may be awarded, as appropriate to the duration and content of the activities. Grant activities are expected to last from 6 months up to 12 months in duration.

1. Cover Sheet

The applicant provides basic contact information and information regarding the status of the organization. General information includes these elements:

i. Legal Name of Organization
ii. Mailing Address
iii. Physical Location
iv. Contact Information
v. Organization's Legal Representative
vi. Tax ID number (or other local ID required for organizations to be eligible)
vii. UEI Number (please apply for UEI)

2. Instructions for Preparation of the Technical Application (maximum 8 pages total, excluding annexes)

The Technical Application should be submitted in the English language, and attached with the following annexes, using the template included as Attachment A to this RFA:

i. Cover Letter (1 page annex) including a summary of the application and its total cost, signed by an individual authorized to commit to the organization.
ii. Project Description (use provided template):
Describes the proposed program activities and overarching program elements, such as the objective of the grant and the linkage to the project objectives, or how the proposed activities will contribute to these objectives; results and indicators for measuring results, intended beneficiaries, and plans for disseminating activity deliverables. Outline how the proposed elements will support progress toward organizational sustainability.
iii. Project Implementation Plan (2 pages, annex):
This section may be a Gantt chart of planned activities by detailed tasks and a timeline with a brief narrative.
iv. Monitoring and Evaluation (2 pages, annex):

Describes the monitoring and evaluation methods implemented by the recipient as well as the tools used to measure and evaluate the program activities, targets, and results.
v. Proposed Milestone and Deliverables (for FAA grants only) (included in template):

Milestones are for a verifiable product, task, deliverable, or goal of the recipient. The milestones will generally have three parts: (1) a description of the product, task, deliverable, or goal to be accomplished; (2) a description of how the recipient will document the completion of the product, task, deliverable, or goal; and (3) the amount that the MEG will pay the recipient for the deliverable. Some milestones may also have dates indicating when the milestone is expected or required to be completed. Milestones must be objectively verifiable regarding completion and quantity and within the recipient's span of management control to successfully complete as designed. An FAA is appropriate when (1) the program scope has measurable goals and objectives, and (2) it has adequate cost and historical or pricing data that is available to establish an FAA with the assurance that the recipient will realize no increment above the actual cost.

vi. Experience and Capacity (included in template):
The applicant lists previous and ongoing experience implementing similar activities. This is a critical factor in assessing the capacity of the grantee to implement the activity. The applicant also provides contact information of at least three references that can speak to the applicant's performance and capabilities.

vii. Risk Assessment and Sustainability for future funding (included in template):
Identify, assess, and evaluate the potential risks that project activities may encounter. Thoroughly analyze the causes and impacts of each risk and evaluate their severity on a scale from low to high. Propose appropriate treatments or mitigation strategies for high-impact risks, if necessary.
Explain how the project will be sustained after the grant period ends as a brief sustainability plan. If there are plans to seek additional funding or generate income, please highlight strategies. Please describe regularly evaluating and adapting these strategies based on the project's progress and changing circumstances will ensure its continued success beyond the initial grant period.

3. Instructions for Preparation of the Cost Application

As part of the Cost Application and in addition to the Budget Template (Attachment B), the applicant shall include the following:

i. Organizational Information and Certifications

The applicant shall submit the following annexes to the cost application:

- "ADS 303mav: Certifications, Assurances, Representations, and Other Statements of the Recipient".
- Copy of the organization's chart and by laws and power of attorney of the authorized signer.
- Copy of the organization's legal registration under the laws of Mongolia.Copies of the last annual financial report(s) completed by an authorized/certified accountant.
- Any other supporting document(s) as requested in the RFA and Technical Apllication (as required).

ii. Budget Narrative and Detail

This section should include a summary of the information provided in the application budget forms and includes the total grant funding request. The applicant must provide a budget, a budget narrative, and adequate cost and historical or unit pricing data to establish a reasonable cost and the assurance that the recipient will not realize any profit above actual cost. No indirect costs may be reimbursed under simplified grants. A de minimis indirect rate of 10 percent of MTDC (modified total direct cost) may be approved for cost reimbursement grants or in the pricing of standard or renewal of FAA grants in lieu of any indirect costs. A de minimis rate is only available to nonprofit grantees, which have not previously had a negotiated indirect cost rate with any U.S. Federal Agency. Within the budget notes, an applicant also describes any other donor funding currently received and how it will allocate shared resources across multiple grants (if applicable).

The applicant shall include a budget narrative which breaks down proposed costs in sufficient detail corresponding to the attached budget template to permit cost analysis. The budget shall be denominated in local currency only.

Cost estimates must be submitted **in Excel format using the attached budget template.** The file must be unprotected and there should be no hidden columns/rows/cells. Each cost element must include a basis for estimate or rationale. Any budget submitted without the accompanying narrative or in a different template will not be accepted and the application will not be considered. **Please note that applications will be judged based on efficiency of costs vs. proposed performance targets.**

The budget template contains the following budget categories:

a. Salaries (activity staff)
The applicant shall provide the individual's name, position title, the unit (days), the number of units (i.e. the level of effort), the unit salary or consultant fee and the total salary or consultant fee. Unit salaries shall be stated in days. Benefits, fees, and indirect costs should not be included in the unit salary.

b. Fringe Benefits
This could include social security, health insurance, and other mandatory withholdings for relevant grantee staff.

c. In-Country Travel and Transportation
Travel and Transportation includes per diem and shall be broken down by traveler, transportation vehicle, number of trips and the corresponding number of days of per diem. Include a basis of estimate for each trip.

d. Other Direct Costs (ODCs)
As part of the detailed budget breakdown, the applicant shall submit details of all other direct costs (ODCs) required for undertaking the award grant. ODCs include costs of direct program implementation, as well as costs for communication, meetings, expendable supplies and materials, report preparation/reproduction and publications. Include a basis of estimate for each item.

As illustrative examples only, program implementation costs could include the following (or many others):

- Marketing costs: The applicant should provide details of marketing costs that would promote its services. Illustratively, marketing costs could include events, signage, and promotional print materials.
- Assurance costs: The applicant should provide details of costs for quality improvement/assurance that could include supervisory visits, monitoring mechanisms.

e. Applicant Co-Financing (Leverage)

The RFA may require a minimum co-financing or leverage commitment from the applicant under standard cost reimbursable grants.[3] In some cases, a leveraged mobilization of private sector expertise, contributions, and resources on at least a 1:1 basis may be required.[4] Forgone profit does not qualify as cost sharing or leveraging. In accordance with 2 CFR 200.306, cost sharing cannot be used as a separate factor during the merit review of applications. However, cost sharing may be considered in the merit review only if the funding announcement specifically addresses how it will be considered, e.g., assigning a certain number of additional points to applicants who offer cost sharing or using cost sharing to break ties among applications with equivalent scores after evaluation against all other

[3] Cost Share or "matching" refers to the total amount of resources the recipient contributes to the agreement. It must be verifiable and can be audited.
[4] Leverage: Resources that a non-traditional USAID partner brings to a public-private partnership, i.e., the portion not being borne by USAID. These non-traditional resource partners are typically NOT receiving USAID funds. It can be a variety of forms—anything of value that is measured, financial contributions, third party contributions, donated services or property, or intellectual property. It ***cannot*** be audited.

factors. Note that excessive reliance on cost sharing during the merit review may unfairly favor larger, better-funded organizations. organizations. **No cost share requirements may be used in the award of standard or renewable FAA; however, leverage may be considered.**

NOTE: USAID Policy Prohibits the Payment of Fee/Profit to recipients under assistance instruments.

Applications are encouraged to include leverage in forms of combination of cash, services, material or third-party in-kind contributions, such as commodities; value of salaries for staff dedicated to a project; technology, communications and capital assets purchased for the project, etc.

IMPORTANT NOTE: Technical and financial applications should be submitted in two separate electronic files.

SECTION IV: APPLICATION EVALUATION

Mongolia Energy Governance Activity will conduct an applicant's conference on (Day / Date) @ (Time). The conference is to provide a briefing to applicants on the grants program, to address applicant's questions and answers and providing guidance for the application process.

The technical applications will be evaluated according to the following criteria, which are listed in order of importance, with the most important listed first. Additional details are included below.

Relative importance	Criteria	Maximum Points
1.	Technical Approach and Methodology	30
2.	Strategic Fit	30
3.	Organizational Capacity and Past Performance	25
4.	Gender and Youth Considerations	10
5.	Cost Effectiveness	5

1. **Technical Approach and Methodology** considerations include:
   - Inclusion of a clearly defined problem statement (proposed services to the target population demonstrate an understanding of local needs and provide appropriate assistance).
   - Goals are clearly outlined
   - A clear and practical relationship is demonstrated between the defined problem and the solution proposed
   - The technical approach is innovative, cost-effective, transformative, and sustainable
   - Innovative products, services, and financing mechanisms are included
   - Proposed activities allow for access to and leverage of non-donor resources
   - Proposed plan is realistic and demonstrates that the organization is moving toward self-sufficiency
   - Potential obstacles are identified, and solutions sufficiently addressed
   - Proposed plan features actions that the grantee will take to ensure lasting results of the grant

2. **Strategic Fit** considerations include:
   - Contribution toward the project overall objectives
   - Sustainability of results (organization demonstrates a credible plan to reach self-sufficiency in the short to medium term)
   - Anticipated benefits to the beneficiaries

3. **Organizational Capacity and Past Performance** considerations include:

- Applicants have organizational, financial and technical capabilities and resources to implement activities
- Applicant has previous successful experience implementing similar activities
- The proposed staffing structure and grant award management approach is appropriate to allow for successful implementation. Technical/programmatic and financial/administrative staff are present and appropriately skilled.
- The applicant has demonstrated experience in the geographic region.
- Soundness of accounting and procurement practices.
- Capacity to adhere to USAID financial guidelines.

4. **Gender and Youth** considerations include:
   - Employment opportunities for women and/or youth
   - Impact on women's empowerment: opportunities for women's participation and involvement
   - Impact on youth (ex. job creation for youth)

5. **Cost Effectiveness** consideration include:
   - Is the proposed budget reasonable based on the scope of activities proposed?
   - Does the application minimize administrative costs for managing the grant in order to maximize the funds available for interventions?
   - Are the proposed costs an effective use of funds to accomplish the anticipated outcomes?

Proposed costs will be evaluated for reasonableness, allowability, completeness, and overall efficiency in meeting the proposed performance targets, and will play a larger determining factor in instances where bidders are reasonably close in technical evaluation.

SECTION V: AWARD ADMINISTRATION INFORMATION

a. Award Notices

If selected for award, Organizations will receive an official notice from Mongolia Energy Governance Activity along with a grant agreement for their signature and instructions for next steps.

b. Award Administration Standards

Grants resulting from this solicitation will be administered in accordance with the approved Project Grants Manual, and the following regulations (as applicable):

- FAR Part 31 – Cost Principles for For-Profit organizations used to negotiate award amounts and terminations per 2 C.F.R. 200.201 (b)(1))
- Automated Directives System (ADS) Chapter 303 Grants & Cooperative Agreements to Non-Governmental Organizations: 303.3.25 Fixed Amount Awards to Non-Governmental Organizations
- ADS 302.3.4.13 Grants Under Contracts (GUCs)
- 2. C.F.R. 200 Subpart E – Cost Principles for non-profit and educational organizations – used to negotiate award amounts and terminations per 2 C.F.R. 200.201 (b)(1))
- 22 CFR 216 ("Reg. 216") is the US federal regulation defining USAID's pre-implementation environmental impact assessment (EIA) process. It applies to all USAID programs, projects, activities and substantive amendments.
- USAID Eligibility rules for procurement of commodities and services http://www.usaid.gov/ads/policy/300/310.

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