



**U. S. AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION FOR THE CAUCASUS**

February 27, 2004

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**AMENDMENT NO. 02 TO
REQUEST FOR APPLICATION (RFA) NO: 112-04-001
RURAL AZERBAIJAN BUSINESS DEVELOPMENT (RABD)**

Ladies/Gentlemen:

The purpose of this Amendment 02 to RFA 112-04-001 is to: (1) issue a revised Program Description (2) announce the new closing date of the RFA; (3) increase the total anticipated USAID funding from \$4,000,000 to \$7,000,000; (4) increase the life of activity period; and (5) provide USAID response to additional questions/requests for clarification received from prospective applicants concerning this RFA (See Continuation Pages).

Any questions concerning the revised Program Description should be submitted to Shahid Pervaiz, via facsimile at (994-12) 936839 as well as via email at spervaiz@usaid.gov, not later than March 9, 2004. Please cc the undersigned on all communications concerning this procurement at gkinney@usaid.gov.

Sincerely,

Gary V. Kinney
Agreement Officer
USAID/Caucasus/Tbilisi

AMENDMENT NO. 2
SOLICITATION NO. 112-04-001

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1. Solicitation Cover Letter:
 - (a) Delete the Closing Date "01-09-2004" and insert "03-31-2004" in lieu thereof.
 - (b) Delete the intended USAID funding "\$4,000,000" and insert "\$7,000,000" in lieu thereof.
 - (c) Delete the life of activity period "3 years" and insert "5 years" in lieu thereof.

2. Solicitation Document:
 - (a) Delete the Closing Date "01-09-2004" and insert "03-31-004" in lieu thereof.
 - (b) Delete the intended USAID funding of "\$4,000,000" and insert "\$7,000,000" in lieu thereof.
 - (c) Delete Section C, Program Description, in its entirety and insert the attached revised Section C, Program Description, in lieu thereof.

3. The following technical clarifications are offered to additional questions raised thus far by the prospective applicants concerning this RFA. The following additional information and clarifications are provided for the general consideration of interested parties. Applicants should consider this additional information when preparing their applications.

Q1: Under section VIII "Approach", the RFA specifies that each BDRC will be staffed by a "business consultant, business trainer/outreach specialist, administrative officer, equipment manager, and driver." It is our assumption that the BDRC equipment manager would be responsible for leasing. Is this correct?

A1: Not necessarily. Applicants should propose an innovative incentive system for the development, operations and management of the BDRCs to ensure program success and BDRC sustainability. BDRC staffing responsibilities will be part of the proposed system.

Q2: Is it possible to begin a leasing plan early on in the project cycle (e.g. years 1 and 2), if the community decides on this priority? In this context, could grant funds be used in years 1 and 2 to purchase equipment for the BDRCs for leasing activities managed by the BDRC equipment manager? If this is not possible, please describe other possible avenues for starting a leasing program.

A2: Yes it is possible under this amended RFA. Applicants will propose an approach and criteria for awarding grants based on successful examples from the Caucasus or similar regions. The proposed grant criteria will be reviewed and approved by USAID at the implementation stage. Requests for grant funds will be considered by the recipient organization and weighed against all other requests from BDRCs.

---End of Amendment 02---