

# **USAID - Trade Facilitation Project**

## **Statement of Work**

### **I. Introduction**

The USAID Mission to the West Bank and Gaza seeks to implement a three year program that will reduce the restrictions on the flow of goods and people in the West Bank and Gaza. The objectives of the program conform squarely with the Agreement on Movement and Access (AMA) brokered by the Secretary of State between the Israelis and Palestinians in November 2005. The program will be implemented through private sector, NGO, and Palestinian Authority (PA) entities in support of improvements in systems, logistics, security and non-central infrastructure activities. This activity supports Mission's 2005 Supplemental and Strategic Objective 10 – "Promote Economic Stability".

### **II. Background**

The economic development in the Palestinian territories involves restrictions on movement and access of people and goods. Cargo flows within the West Bank, and into and out of the West Bank and Gaza, are constrained by several factors, principal among them security-related. Those constraints increase transaction costs that hamper short-term trade and reduce incentives for long-term investment necessary for Palestinian economic development.

The World Bank has shown clearly that the free movement and access of people and goods are critical to Palestinian economic recovery. The Bank notes that the "Government of Israel has given encouraging signs of a willingness to reform the management of border gateways, to enable a much faster and more reliable throughput of cargo and people." However it also points out that the closure system within the West Bank, inefficiencies associated with the current back-to-back system and lack of a link between the West Bank and Gaza are constraints that must be addressed in order to have a substantive impact on broad-based development of the Palestinian Economy. Similarly, on the Palestinian side, the World Bank advocates security reform, recognizing the political challenges involved in the process. Improvements in Palestinian security would have a large pay-off to the extent that they could inspire confidence in information sharing with Israeli security officials whose apprehension has been heightened by several terrorist attacks at crossings.

Secretary of State Condoleezza Rice recognized the importance of movement and access issues when she brokered the Agreement on Movement and Access (AMA) between the Israelis and Palestinians in November 2005. The United States Security Coordinator (USSC), General Keith Dayton, has mounted significant efforts to improve the movement and access of goods and people as prescribed in the AMA. The USSC's efforts were concentrated principally at the Karni and Rafah crossing points, but with a view toward developing a model that could be adopted at other crossings. The USSC plan was to upgrade the security, infrastructure, and trade systems at

the crossing points themselves to facilitate trade. Following the Hamas takeover of Gaza in June 2007, the USSC ceased all activities associated with the crossing points.

Many activities that make modern borders function efficiently occur prior to cargo or people reaching the crossing points. The current USAID Palestinian Integrated Trade Arrangement (PITA) project had been designed to improve some of these institutional processes, but has largely been thwarted from doing so by political constraints imposed after the election of Hamas in January 2006 until the formation of the new government in June 2007.

Access and movement issues have generated intense interest among international donors in the West Bank and Gaza. Border management and infrastructure issues are crucial to improving trade and Palestinian economic development, but they do not encompass all the vital elements of trade processes and communication that must occur for trade to function smoothly.

### **III. Objectives**

The United States Agency for International Development for West Bank and Gaza's (USAID/WBG) Trade Facilitation Project is intended to be a flexible program, able to respond to a broad range of contingencies in the fluid West Bank and Gaza environment. The Trade Facilitation Project is a three-year activity—with a possible extension of two additional years up to five years—designed to accelerate the speed, efficiency, and security of the movement and access of people and goods, into and out of both the West Bank and Gaza and within the West Bank.

The principal objective of USAID/WBG's Trade Facilitation Project is to facilitate the flow of goods and people in a manner that satisfies AMA principles and benchmarks. The USAID Trade Facilitation Project shall concentrate interventions on both the public and private sector, and shall collaborate with, and support as feasible and in accordance with design of this contract, Israeli and Palestinian government sectors. The guiding principle for directing interventions will be to maximize achievement of targets established by the AMA or subsequent movement and access agreements supported by the U.S. Government to facilitate trade between the West Bank and Gaza and Israel, Jordan, and Egypt.

The Contractor shall work with private sector firms and associations to improve cargo transport and supply chain management by: improving packing and loading of cargo in a manner that builds trust and expedites security-checking procedures of Israeli border authorities; analyzing Palestinian transport routes with a view toward identifying modifications that reduce costs associated with the movement of labor and goods; coordinating and communicating common interests among Palestinian and Israeli commercial interests; supplying equipment at crossing/border or packing points that enhance security; providing information to traders regarding crossing/border processing requirements and scheduling systems; improving the Palestinian public-private sector dialogue; and, assessing the probable consequences of various donor activities relative to the AMA.

Additionally, the Contractor shall support concrete steps that enhance the development of PA administration of border management and customs collection. While the current state of Palestinian institutional capacity does not allow envisioning a border authority that approximates those found at borders between developed countries, some form of government involvement is necessary at the crossings/borders. The Contractor shall work with the PA to determine infrastructure and equipment requirements at crossings/borders to enhance transparency, efficiency, and security procedures. The Contractor shall help the PA to determine those functions which are inherently governmental and those which private sector entities could be engaged or contracted to accomplish more efficiently.

The total estimated three-year budget for the USAID Trade Facilitation Project is \$12 million. Because of the dramatic changes in the operating environment during the last two years, this Statement of Work has been designed to be flexible to respond to changing priorities. Depending on the policy environment, the USAID Trade Facilitation Project may be extended up to two years with a total funding level of \$50 million, subject to satisfactory performance, achievement of program objectives, availability of funding, and continued relevance of this program to USAID's mission objectives. Offerors shall not address such possible budget increases or time extensions in their proposals.

Implementation of project activities in support of these components should, where appropriate, be designed and executed where support from other donors and/or private investment can be leveraged and/or complemented. In executing all project components, the Contractor shall have regular contact with the Palestinian Authority, officials from other jurisdictions, such as Israel, Jordan and Egypt, other active donors, such as the World Bank, and, in particular, the private sector. The use of appropriate Palestinian and Israeli subcontractors is anticipated and will be strongly encouraged.

The Contractor must be prepared to implement all activities, for which funds are made available. The Contractor shall begin implementation of the USAID Trade Facilitation Project toward the achievement of the primary objectives of the project within 15 days of contract award.

#### **IV. USAID Trade Facilitation Project Components**

The USAID Trade Facilitation Project has three key components:

- 1) Improve border management efficiency;
- 2) Support private sector entities in increasing supply chain efficiency and security; and
- 3) Research and information sharing on private sector and border management issues.

Where used throughout this SOW, the term "USAID Trade Facilitation Project" is also to be interpreted as "the Contractor" where appropriate in addition to "the Project." The Contractor shall provide the Technical Assistance and Training and related required support and services necessary to successfully implement and execute each element of work as described herein.

The USAID Trade Facilitation Project Cognizant Technical Officer (CTO) will authorize the initiation of each specific sub-component, and will work closely with the contractor in

determining the level of effort and funding devoted to each. The first work plan will be submitted to USAID within 30 days of project inception. It will be reviewed and approved on a quarterly basis, and revised sooner should the CTO deem it necessary.

## **A. Component One: Improve Border Management Efficiency**

Significant investments are being made in upgrading and securing crossings and borders with Israel. A necessary complement to those investments is the improvement in border management and logistics efficiency.

### **1. Crossings and Borders Authority**

The Palestinian Authority is currently reviewing a new draft law governing crossings and borders. This law is expected to create a new authority for crossings and borders. An earlier General Authority on Crossings and Borders (GACB) had been instituted by Presidential Decree on March 18, 2006 as an integrated border agency, however the GACB has had only limited institutional capacity to secure the border crossings, enforce a credible risk management program, or carry out ordinary administrative procedures. The new crossings and borders authority is intended to have overall control of all matters associated with imports and exports. It is expected to reduce duplications and coordinate activities across all Palestinian government units and bring a high level of competence and integrity to all customs and border control functions. If and as the Palestinians achieve full independence, it is imperative for the PA to have a unified, high level authority to set policies and carry out its border control functions.

Concern remains, however, that aspirations for the PA's management of crossings and borders are unachievable in the short to mid-term, and may result in an organization rendered ineffective or counter productive as it expands beyond effective management limits. Offerors shall examine the new [draft] law governing the crossings and borders, and submit potential sequences of feasible activities, taking into account the capacities of the Palestinian Authority to staff and operate border controls.

The PA is in the nascent stages of providing basic government services. The pool of trained individuals willing to enter government service is small, including in the area of customs and border controls. PA officials contend that the [draft] law on crossings and borders will eliminate capricious requirements and non-transparent border controls which have been lucrative venues for corruption.

Weaknesses in the Palestinian Authority's ability to manage the movement of goods are reflected in the 16 forms, some of which had to be stamped by eight PA agencies that exporters from Gaza had to complete when Karni Crossing was still functioning. In many instances, these PA agencies repeatedly collected the same information, rendering redundancies that had little apparent efficiency or transparency gains for Palestinian citizens. The authority established by the new border and crossings law is intended to evolve into an organization that reduces such duplications and uncertainties for investors that could benefit the Palestinian economy.

Given personnel constraints and political realities, the ability of a new agency to administer such comprehensive procedures is a complicated task, one the Contractor shall review with USAID to identify concrete steps capable of achieving tangible results. Sequential phases will allow the Palestinians to focus on functions of immediate importance to them and the Israelis, in particular the facilitation of both exports and imports and security for exports.

## **2. Privatization of Select Border Procedures**

In conjunction with identifying phased formation of the GACB, the Contractor shall identify aspects of border management that can be privatized, paying particular attention to developing clear, achievable service standards. The contractor shall evaluate and report on the incentive structures of Palestinians with a stake in movement and access administration, to identify forces which could significantly influence improved procedures.

The contractor shall identify aspects of border management that can be privatized in a manner that contributes to transparency and administrative efficiency and does not impinge on security or create opportunities for rent seeking. Examples include administrative procedures, loading, inspecting, security, etc.

## **3. Border Management Technology and Equipment**

The Offeror shall review processes and suggest equipment and technologies that would facilitate Palestinian management of crossings/borders. The Contractor shall consider procuring equipment and technologies only when the Contractor can demonstrate that its procurement results in an economic gain commensurate with the cost of the investment. These technologies specifically do not include the scanning equipment procured by the USAID/PITA project for Israeli crossing/border managers. Rather, the Contractor shall identify technologies that complement the overall border security operations and enhance management efficiency in a manner that promises a justifiable return in terms of stimulating the Palestinian economy.

One example cited frequently by consultants is a laser device that can measure empty containers, to ensure that the containers are indeed empty before Israeli security personnel manually open them. Currently, empty containers at the Karni crossing are scanned with a 2.5 MEV scanner, an expensive piece of equipment that could be deployed more efficiently for scanning cargo. Other examples could include border facility lighting, bar code registration systems, computer information upgrades, scheduling systems, etc.

## **4. Facility Upgrades**

Minor upgrades to facilities will be carried out by the USAID Trade Facilitation Project. As in the case of technology, the Contractor shall consider border improvements only when investments are a relatively minor portion of the total cost of a border facility and when the investments result in a demonstrably high pay-off to the investment.

For example, a small stretch of road leading to the entrance of the West Bank crossing of Tulkarem is in such poor condition that transporters avoid the route altogether. Potential

damages of driving on the road risk sufficient costs in damages and repairs to justify rerouting. Other examples include improvements to dilapidated crossing facilities, shaded space for people waiting to process paperwork, bathrooms for employees and truckers who spend paid time traveling to the nearest facility, etc..

## **B. Component Two: Support Private Sector Entities**

The USAID Trade Facilitation Project shall direct resources primarily to the private sector to mobilize incentives and energies among commercial interests in a manner that responds to constraints on movement and access. The USAID Trade Facilitation Project is to provide support to private entities to overcome instances of market breakdown which occur due to lack of information and organizational obstacles. The principal criteria guiding the selection of trade facilitating investments among private entities will be the relative return to those investments measured by enhancements in employment, income and broad-based economic development.

### **1. Alliances among Israeli and Palestinian Firms**

Although the costs of obstacles to movement and access are borne disproportionately by Palestinians, Israeli firms conducting business with Palestinian counterparts bear costs as well. Israeli firms stand to benefit substantially in accessing Palestinian export and import markets.

There is considerable interest in fostering formal cooperation between Israeli and Palestinian Business Associations. The commonalities of interests could be sufficiently strong to result in formation of a joint Israeli/Palestinian Business Association. This interest comes from the two business communities, some local governments, and international donors, including USAID.

There are at least five ongoing efforts to form joint Israeli/Palestinian business associations. These efforts have been, and should be, led by Israelis and Palestinians because outside entities have little ability to establish viable associations. Nevertheless, outside entities can provide support to enhance the services that an existing organization provides to its clients. The Contractor shall endeavor to build the capacity of existing Israeli/Palestinian business associations to facilitate common Palestinian and Israeli interests to share information, facilitate communication and combine forces to enhance Israeli security and Palestinian movement and access.

### **2. Advance Information**

Current procedures at the crossings between the West Bank, Gaza, and Israel are almost exclusively security focused. While there are some revenue-related functions involving value added tax, these crossings do not function as international borders. Most traditional border crossing functions, such as assessment and collection of duties, document review, and sampling for classification and valuation purposes or third agency inspection processes such as review/

inspection/ sampling by health or agriculture ministry personnel<sup>1</sup> do not take place at the crossings between either the West Bank or Gaza and Israel.

Security functions which are accomplished at the crossings include scanning, screening of cargo shipments by explosives detection canines, off-loading and reloading (back-to-back movement of the cargo from one conveyance to another) as well as physical inspection. Accomplishment of these functions is time consuming, expensive and frequently contributes to damage or spoilage of goods.

At the present time there is little use of advance information of cargo to be inspected that would enable the crossing-point managers to plan their inspections. In general, the managers at the crossing facilities do not receive information which would allow them to know in advance what shipments will be arriving at the crossing on a particular day, what the commodities are included in the shipments, where they are coming from, who manufactured them, what security screening procedures the shipper may have already imposed on the instant shipment, etc.<sup>2</sup> The availability of this information in advance of arrival of the shipments at the crossings would assist in resource allocation and management decisions, improve scanning capabilities and enable the initiation of a risk management system.

Introduction of a risk management review process to determine which shipments actually require these very intensive security screening procedures would assist both the GOI and Palestinian shippers. Risk management systems would increase the effective utilization of security assets and allowing more intensive scrutiny of those shipments about which so little is known that they cannot be considered low risk.

It is desirable to have, at a minimum, the following information: Who is shipping the goods?; Where did they come from?; Who is the manufacturer, grower or source of the goods being shipped?; Who has had access to the cargo and/or the conveyance?; Where is it destined?; What are the security profiles of the companies involved with the shipment. In an ideal environment, this information should be provided electronically.

After the cutoff time for the information to be received, crossing management staff should be able to generate a list of all shipments anticipated the following day and make decisions regarding the number of personnel to be assigned, need for overtime, if specific personnel or equipment will be needed, etc. In addition, assuming risk-based selectivity decisions are allowed, in situations where demand for use of the crossing exceeds capacity, this information can be used to make risk-based decisions on the intensity of scrutiny required for specific

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<sup>1</sup> Some sampling and clearance of agricultural products by Israeli authorities takes place in advance of shipments reaching the crossings.

<sup>2</sup> A limited advance information system to allow Israeli authorities to approve/disapprove shipments was employed at Karni Crossing between Gaza and Israel before it was closed to exports in June 2007. The information about the shipment was provided by Palestinian firms to the PA in advance of the date of the export shipment. This information was transmitted to the Israeli crossing manager, who then sent a list of the “approved” shipments to the PA crossing manager the morning that the shipment was to take place. No advance information was provided by Israelis for imports into Gaza.

shipments. This has the potential to increase crossing capacity by ensuring shipments receive only the amount of scrutiny required.

Advanced information would facilitate development of company security profiles, which include names of the owners and officers of a company, length of time in business, the types of goods manufactured, grown or produced, the security practices the company employees to ensure the company's shipments are not vulnerable to being used to conceal terrorists or their implements (belts, ammunition, explosives, etc.) and other information that can be used to assess the risk posed by that company, its' goods, employees and officers.

As a beginning point, an automated system should be developed to begin collecting the information on specific users of each crossing. In addition to developing specific crossing histories, company records should be reviewed and/or interviews conducted to determine the company's longevity, past record, interest in preventing their shipments from being compromised, their personnel practices, security measures in place and other factors.

The Contractor shall provide assistance to Palestinian firms to begin recording, organizing and synthesizing these data. The data can be collected and synthesized by "known-trader" firms, associations or research centers discussed in this Request For Task Order Proposal (RFTOP). The offerors shall present possible venues for obtaining advance information.

### **3. Known Trader Systems and Equipment**

Palestinian firms are eager to find solutions to the movement and access obstacles that cut into their profit margins and preclude them from engaging Palestinian resources and production systems in the international market. Given the institutional weaknesses of the PA in satisfying Israeli security sufficiently, Palestinian business people and shippers have repeatedly sought avenues in which they could invest to overcome trade obstacles.

Building a "known-trader" partnership with Israeli firms and border authorities is one approach that has been successful in other countries – including firms in Egypt and Jordan that export to Israel. The Contractor shall explore Palestinian candidates best suited to satisfy standard known-trader requirements, building them as models which other firms could observe and follow.

For exporters, manufacturers, growers, etc., the location of export packaging must be made physically secure. Measures which achieve securing the packaging facility could include:

- A. Badging or identification systems put in place to ensure only authorized persons can access the cargo being prepared for shipment or the loading dock and cargo handling/storage areas of the facility. The Contractor may consider procuring identification or badging systems to be used by trusted trader candidate companies. Such systems need to be sophisticated and secure enough to prevent unauthorized use and the production of false identification cards. Companies would need to police themselves to ensure access control procedures are followed and that, when previously authorized employees leave the company, their access ID is returned and destroyed.



- B. Upgrade facilities to meet specified standards. These standards might include fencing to a certain height, lighting and alarms to detect unauthorized intrusions
- C. Goods will need to be packed according to standards provided by the government of Israel. Companies may need packing or palletizing equipment. In some situations, shrink wrapping or bar-coding equipment might be beneficial.

A second key component of a known-trader program involves the secure transportation of goods from the secure point of origin to the actual crossing point. If goods are dispatched to freight forwarding or consolidation facilities prior to reaching the crossing, those facilities must also meet the security requirements identified above. Equipment that the Contractor may consider procuring to ensure the security of conveyances might include: commercially available laser measuring devices used to determine if trucks or containers contain false walls or compartments; truck tracking technology so that the whereabouts of each truck are monitored; and tamper-proof seals and 'smart box' technologies.

#### **4. Assistance to USAID-assisted Producers**

USAID provides assistance to several categories of private sector Palestinian producers, for whom prompt and reliable clearance of imports and exports is critical to their operations. The contractor shall work with the COPs of PAPA, and other USAID private sector projects to resolve difficulties in clearing imports and exports. The contractor shall work especially closely with the Palestinian Enterprise Development Fund and the firms and projects which it finances, to assure that both imports and exports are cleared expeditiously by both Palestinian and Israeli authorities. **This is expected to be a major component of the day-to-day work of the trade facilitation Contractor.** In the event that problems cannot be resolved at the contractor level, the contractor shall promptly refer problems to the CTO for resolution with Israeli authorities USAID management and the U.S. Embassy.

#### **5. Movement of Labor**

Prior to the 2000 Intifada, 146,000 Palestinian laborers entered Israel on a daily basis to work, bringing back into the West Bank and Gaza almost one billion dollars annually – over 20 percent of the entire GDP that year. Shortly after the outbreak of the Intifada in September 2000, Israel significantly tightened its policy of issuing work permits to Palestinians in Israel, driving the already high unemployment level even higher and depriving a significant portion of the West Bank and Gaza population of income. The World Bank estimates that in 2005 lost remittances from foregone labor in Israel amounted to over \$570 million. The imposition of travel restrictions impose obvious costs on Israeli employers as well, who have noted the high quality of services performed by Palestinians.

The loss of employment in Israel is compounded by the relatively higher wages in Israel and the high dependency ratios characteristic of Palestinian wage earners. The loss of over 100,000 jobs for Palestinians in Israel detrimentally affected between 18 to 24 percent of the West Bank and Gaza population.

Offerors shall explore avenues to incorporate Palestinian laborers into the Israeli economy, preferably inside Israel proper, but also at industrial estates located near Israeli/Palestinian crossings. It will explore the range of possibilities in terms of systems, technology and infrastructure that would allay security concerns sufficiently to engage Palestinian labor in gainful employment.

### **C. Component Three: Research and Information Sharing**

USAID and other donors have long recognized the value of interventions which improve access to information. The most common manifestation of such interventions are projects designed to provide information on prices for agricultural and other commodities at various markets, transport costs, amounts in storage, etc.. Justifications for such interventions usually focus on their ability to assist smaller, less sophisticated businesses. Normally, it is a simple matter for medium and larger businesses to secure price or quantity information by phone, fax, email, etc. through brokers, business partners, and other contacts.

The situation in WB/Gaza is unique. Thanks to the generally high level of sophistication of Palestinian businesses and widespread availability of phone, email, and other electronic communication, there is good access to information on traditional market information (product prices, quality requirements, etc.). It is difficult, however, for firms, including Israeli firms, to obtain information on the status of and conditions at crossing points and requirements for international movements. It also can be difficult for firms to obtain the necessary forms and other documents necessary for such movements. These statements are true across the spectrum of Palestinian (and Israeli) businesses.

#### **1. Trade Information Center**

Confusion arises from the day-to-day functioning of borders, procedures that must be followed, and means by which discrepancies might be resolved. At the present time there is no organized way for the Palestinian business community to effectively communicate with the government of Israel regarding issues related to activities at the crossings, movement restrictions and similar matters. This situation, compounded by the lack of clear information, causes serious frustration within the Palestinian business community which has no alternative presently to export their goods other than through a crossing into Israel.

In addition, there seems to be no way for Palestinians to effectively question decisions made by the Israelis about matters such as the availability of Business Man Cards (BMCs), movement permits and other issues which directly impact the business community. This lack of a central communications link leads numerous individuals within the Palestinian business community to attempt to reach out directly to the government of Israel. While this may occasionally lead to the solution of a specific problem for a specific individual (i.e. a businessman only receives a BMC after complaining that he has been unable to receive one), this does nothing to address the overall lack of availability of the BMCs. Frustration has also been expressed by members of the Palestinian business community in that they have no entity to which they can resort in an effort to correct systematic problems.

A Trade Information Center (TIC), instituted under the auspices of a relevant Palestinian Authority entity, to serve both shippers' and Israeli security concerns could ground-truth incongruities, convey accurate information, and work to gain confidence as a reliable interlocutor and source of information. The TIC could receive questions, complaints, and suggestions from members of the Palestinian business community that can then be analyzed and effectively presented to the appropriate entity within the Government of Israel and the PA. Because the TIC would receive the concerns of a number of business entities, it would be in a position to analyze complaints and present better information than just one individual company. This TIC would also be responsible for receiving and synthesizing trade related information to, in part, advise individual companies through processes that do not necessarily require the intervention or attention of Israeli officials.

The logical base for the TIC would be a private Palestinian entity or association of firms interested in making concrete advances toward the AMA, and operating under the auspices of the Palestinian Authority. While there are some trade associations attempting to represent the specialized interests of various sectors of the business community, none seem to have succeeded in providing the types of services that the TIC could provide.

The Contractor shall work closely with the USAID Mission in Tel Aviv in structuring the incremental steps that contribute to the TIC's capacity. Offerors shall evaluate and present a list of Palestinian organizations that have the potential for serving TIC functions. The TIC may be a useful venue for carrying out the following three sub-components of Component 3 (numbers 2, 3 and 4 below).

## **2. Website Development**

The provision of up-to-date information, downloadable forms, etc. could ease the negative effects on business – Palestinian, Israeli, Jordanian, and other – from the impediments to and changing rules regarding movement and access related to WB/Gaza. The Contractor shall take the lead in the development of a Website to:

- a. Provide shippers/carriers with information and downloadable forms, etc. on requirements and arranging permission for movements through crossings and international borders. Ideally, this eventually will lead to building capacities to make reservations and submit documentation and make payments online.
- b. Hours of service and specific loading requirements by checkpoint.
- c. Commodity-specific packing and inspection requirements.
- d. Information on performance levels at check and crossing points, such as waiting times.
- e. If approved by Israeli and Palestinian border authorities, shippers and other interested parties should be able to track the processing of shipments through crossings and make

inquiries/appeals. This process is not likely to be realized until the website is well-established and has proved its value to all parties.

Initially, the website might be limited to requirements of the Palestinian Authority and Israel. Ideally, however, it should be expanded to include those for Jordan, Egypt, and, eventually, other nations of the region, as well as more distant, but major trading partners, such as the United States, European Union, China, and Japan.

The website could also serve as a Newsletter to communicate information of more general interest. Included in this might be reports from Palestinian business associations, reports by USAID contractors, Israeli Government reports, OCHA and World Bank reports, etc.

The ultimate vision is for a website which would allow, for example, a businessperson restricted to Nablus, a freight forwarder in Amman, and an exporter in Tel Aviv to determine the best ways to effect trade with, through, or from WB/Gaza, secure the necessary permits, and provide authorities with proper information to allow movements of cargo.

For the Website to be useful, there would have to be a sustained commitment to update information on a regular basis. The frequency of these updates would differ depending upon the type of data. For example, it would probably be necessary to call each major crossing point to and from WB/Gaza at least once a day. Other information, such as required forms for processing exports through Israeli ports, could probably be updated weekly or even monthly. The date and time of the last update would have to be clearly evident. It may be possible to utilize Palestinian Authority resident employees at the crossings to provide this information.

The burden for updating will initially rest on the Contractor. Crucial for the website's sustainability and accuracy will be developing partners willing to alert website managers of altered conditions.

For the website to be sustainable and legitimate, there must be buy-in by regional partners from the outset and the responsibility of those partners should expand over time, with a long-term commitment to maintain the site after the close of the USAID Trade Facilitation Project.

While facilitating this transition will be challenging, various levels of partnership could be considered. "Full partners" would be entities expected to assume overall management of the project. Potential partners include Palestinian Business Associations, Israeli Business Associations, and Jordanian and Egyptian Business Associations. "Institutional and government partners" would be entities in charge of facilities and which issue permits, oversee security, and collect information and/or tariffs and fees related the movement of goods. These would include managements at crossings, customs authorities, and IDF security. It could also include governmental units which might have an interest in tracking and submitting inquiries on shipments made by their citizens or otherwise involving their territories. If and as Jordan, Egypt, and other countries are involved, their agencies could become partners.

### **3. Reservation system**

A key element for an efficient crossing point is a reservation system to facilitate planning by shippers/receivers/carriers and crossing managements. The previous reservation system implemented at Gaza's Karni crossing had serious shortcomings and operated very non-transparently. Some shippers/receivers reported delays of several weeks to secure reservations, and were often delayed several days after scheduled appointments.

Reservations systems should be as simple as possible so that they could be readily understood by users. They should also be transparent and offer easy access to parties interested in shipping goods across borders/crossings, displaying clear rules and procedures. Implementation of reservation systems will not occur at the inception of the project, but offerors are encouraged to provide conceptual designs of how such systems could function at crossings between Israel and WBG.

### **4. Publicized Accounts of Both Progress and Setbacks to Movement and Access**

Mutually beneficial cooperation between Palestinians and Israelis has the potential to give rise to positive and newsworthy events. Overall, however, both the Palestinian and Israeli communities, as well as the world at large, only hear about the violence and injustice in Israel and WBG. There is a critical need to create a more positive atmosphere through better communication of good news. Positive steps taken could contribute to a constructive environment and illustrate how progress is possible.

In the course of its other activities, staff of the USAID/PITA project frequently learned about positive, newsworthy, events. For example:

- The Israeli crossing staff immediately reopened the Jalameh Crossing after the Shavuot holiday and worked into the predawn hours to ensure that Palestinian growers could get their cucumber harvest to buyers in Israel.
- Israeli officials worked closely with a Palestinian businessman to facilitate the export of heavy machinery which did not conform with standard requirements for scanning.
- Israeli officials and private firms are working with a large Palestinian firm to permit pre-inspections in a packing house and exports of full containers into or through Israel.

Well-publicized examples like these have the potential to alter public sentiments on both sides, inform Israeli and Palestinian businesspersons and government officials about ongoing activities they could emulate, and encourage them to consider new possibilities.

In addition to the positive stories, it is important to acknowledge setbacks in the free movement and access of people and goods. Such information will be readily available from project networks, as well as secondary data sources such as the UN Office for the Coordination of Humanitarian Assistance (OCHA). It is worthwhile to recognize achievements, particularly if they offer opportunities for other shippers to replicate success.

## V. Anticipated Program Results

The Contractor shall achieve the following program results. While these results are of a general nature, specific expected results shall be provided in the Contractor’s work-plan, which shall be updated and approved by the USAID CTO on a quarterly basis or more frequently if necessary. Given the fluid nature of the movement and access issues which the USAID Trade Facilitation Project will address, resources may have to be redirected to quickly take advantage of opportunities as they evolve.

Component I	Component II	Component III
<p>Improve Border Management Efficiency</p>	<p>Support Private Sector Entities in the Commodity Chain</p>	<p>Research and Information Sharing</p>
<ul style="list-style-type: none"> <li>○ PA border authority evaluated and supplied with assistance that incrementally builds concrete capacity.</li> <li>○ Institute practical procedures that minimize transaction costs at borders and transportation costs in general.</li> <li>○ Increase investment in trade industries due to fewer obstacles related to access and movement.</li> <li>○ Improved efficiency and competitiveness of Palestinian shippers.</li> <li>○ Incidental infrastructure upgrades and equipment are supplied to borders/ crossings as dictated by complementarity and high potential return in terms of increasing throughput.</li> <li>○ Aspects of border management that would be made more efficient and transparent by privatization identified and assisted.</li> </ul>	<ul style="list-style-type: none"> <li>○ Identify Palestinian organizations capable of assembling information required by border managers.</li> <li>○ Institute guidelines and procedures for producers and shippers to gather and make available supply chain information that enhances border security and reduces border/crossing processing time and costs.</li> <li>○ Gather, evaluate and disseminate trade and AMA news on a timely basis.</li> <li>○ At least five firms participating in program to achieve trusted trader status.</li> <li>○ Systems established to gather and synthesize advance information that satisfies best practices of modern international borders.</li> <li>○ Israeli - Palestinian association established, with demonstrated potential for sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>○ Systems that collect and synthesize information of participating firms established and functioning.</li> <li>○ Information quality and timeliness reaches a stage which satisfies best practice in international border management.</li> <li>○ Establish Trade Information Center that supplies information valued by Palestinian shippers and Israeli border/crossing authorities.</li> <li>○ Publicize accounts of noted progress and new obstacles.</li> <li>○ Reservation systems developed that achieve efficiency and transparency.</li> <li>○ Trade website developed that supplies movement and access information valued by consumers and used to improve movement of people and goods.</li> </ul>

## **VI. Monitoring and Evaluation**

The Contactor shall design, develop and apply a project monitoring and evaluation system (M&E) consistent with and updated accordance with quarterly work plans. The M&E methodology should enable collection of relevant data throughout the life of the project. In conjunction with approved quarterly work plans, these data will be independently analyzed on a quarterly basis in order to evaluate project accomplishments and identify possible areas of correctable project deficiencies.

The goal of M&E is to measure change in project-identified variables over time. M&E is intended to be a management tool that will help to quantify project developments based on a quarterly analysis of data collected monthly by project personnel. Ongoing analysis of project-identified variables approved in each work plan over the life of the project will enhance the the project team's ability to measure change in quantifiable terms and in the context of achieving anticipated project results. Ongoing analysis of these data will also provide USAID/WBG with a reliable instrument with which proposed results-based matters can be evaluated

To provide both USAID/WBG Mission management and the Contractor with practical, up-to-date information on the usefulness and effectiveness of the assistance provided, and expected results both at mid-term and at the end of the program, the Contractor shall establish a comprehensive Performance Monitoring and Evaluation (M&E) System. The M&E System is intended to clarify and focus on project objectives, serve as an early warning system and a forecasting and reporting tool, promote discussions as to project scope and direction, and aid in effective decision making.

To meet these objectives the M&E System must be a robust management information system, i.e., there must be systematized procedures in place to provide needed and reliable information to both the Contractor and to Mission management in a timely and efficient manner. The M&E Plan shall be comprised of a range of meaningful benchmarks, quantifiable indicators, reasonable targets, and empirical data to track outputs and outcomes for all project assistance.

The Contractor shall develop a preliminary M&E plan in the technical proposal that specifies the overall benchmarks and indicators needed for performance monitoring and evaluation of project components and sub-components. Within two months of program start-up the Contractor shall submit to USAID for approval a final performance monitoring system. The specific mechanisms for defining the content and delivery of monitoring and evaluation information will be developed in the first Quarterly Work Plan (QWP) and revised as necessary in consultation with the CTO and the Mission.

Attention should be paid by the Contractor to developing baseline data, benchmarks and indicators that identify and measure changes in the movements of goods (trade volume) in targeted border crossings. The Contractor shall maximize the use of web-based systems for program reporting by maintaining an up-to-date web site that allows users to access information

including the status of program deliverables and results, key program components, and functional links to all program partners.

### **A. Illustrative Monitoring and Evaluation Indicators**

Throughout this scope of work, illustrative tasks are identified for the various task areas. Based on these, the Contractor is expected to develop and identify specific tangible results, benchmarks and indicators that will measure the progress and success of the specific approach and program of assistance proposed.

To develop specific, quantitative benchmarks and indicators, the Contractor shall build on the following overall illustrative indicators corresponding to expected project results:

- 1) Simplified border crossing procedures developed and implemented
- 2) Reduction in transit time at border crossings
- 3) Reduction in losses of perishable exports
- 4) Increased trade volume (at targeted border crossings)
- 5) Increased number of private companies using advanced technology
- 6) Increased number of private companies systematically supplying advanced information
- 7) Reduced transaction costs for Palestinian businesses

Whenever possible, the Contractor shall propose specific quantitative indicators and benchmarks that can be accurately measured. Where this is not possible, reasonable qualitative indicators will be acceptable, e.g. in assigning credit to policy reform achievements where multiple stakeholders are active in policy advocacy over various time periods.

### **B. Early Trade Facilitation Project Benchmarks**

The Contractor shall achieve the following benchmarks as specified.

Submission of the first Annual Work Plan (AWP), to include a M&E Plan, within 60 days of the contract award for review and approval of USAID/West Bank/Gaza CTO. (Quarterly Work Plans will be submitted three times per year after each AWP.)

Submission of the Monitoring and Evaluation plan within 60 days of contract award.

Identification of principle associations capable of garnering support of Palestinian private sector and promising delivery of credible information to Israeli and PA border authorities.

## **VII. Environmental Evaluation**

Activities under component A.4. Facilities Upgrades will include small-scale infrastructure construction and minor upgrades to existing facilities (paving road surface at crossing, parking lots, construction of small sheds, etc.). As designed, the anticipated interventions will not have a “significant” effect on the natural or physical environment as defined in 22 CFR 216.1 (c)



provided the proper control and mitigation measure are developed and followed. To eliminate any adverse impact on the natural or physical environment the Contractor shall ensure that appropriate attention and mitigation measures are followed. After identification of a specific intervention and site, the Contractor shall perform a screening process for each activity using an Environmental Documentation Form provided by the TFP Cognizant Technical Officer. The Contractor shall develop appropriate mitigation and control measures to mitigate any possible adverse impacts during the construction or the operation stages. Mitigation measures shall include, but not limited to, the following:

1. Adopt and apply best design and management practices;
2. Use of standard safety practices and use of standard safety equipment such as Eyeglasses, gloves, fencing of work areas, use of temporary sides shoring in excavated areas, etc.;
3. All debris generated from construction locations shall be removed from sites and disposed of in appropriate and approved municipal landfills;
4. Appropriate dust and noise control measures shall be followed; and
5. Protection of ground water quality.

The Environmental Documentation Form and the mitigation measures shall be approved by the Mission Environmental Officer (MEO) before proceeding with any construction activities.

## **VIII. USAID Trade Facilitation Project Staffing**

The following listing is illustrative of the expected Contractor's staffing. Where identified as "Key Personnel", the associated position(s) is/are mandatory and subject to USAID/WBG approval.

### **A. Long Term Advisors (180 person months) – Key Personnel**

#### **1. Chief of Party (36 months, expatriate position)**

The Chief of Party (COP) should be an expatriate professional and hold at least a master's degree; preferably in business (a JD degree with appropriate experience is also acceptable). Candidates should have a minimum of 15 years of successful international business experience, a substantial portion of which should be in transition markets. Candidates must have highly seasoned professional skills to enable ongoing contacts with high-ranking public sector officials in the PA and GOI. Candidates must also have a high level of interpersonal and diplomatic skills as well as successful experience working as a COP in challenging economic and security-challenged environments.

The COP will be responsible for providing overall leadership and will manage the successful implementation of project activities. This individual will also need to be prepared to manage security enhancement activities, equipment procurement and supplemental infrastructure activities, subject to funding availability and situational relevance.

The COP will be the principal liaison for the project with USAID, be responsible for conforming project activities to the USAID/West Bank/Gaza Mission strategy, and ensure

that all reporting requirements are met fully and in a timely manner. The COP will serve as the project representative in public and private meetings in WBG and Israel and will be required to meet with leaders and representatives of private and public sectors to promote project objectives.

Previous resident work experience in WBG, Israel or the Middle East, while very useful, is not required. However, having a high level of leadership, management and technical skills, and abilities to take a fresh look at complex problems is extremely important.

References for the last ten years of work experience are required and will be verified. Fluent English is required. Arabic and Hebrew would be an important advantage, but are not required.

## **2. Border Management Specialist (36 months, expatriate position)**

This project is not a conventional trade facilitation project, and requires expert understanding of border and security processes.

Border Management Specialist (BMS) candidates should have a minimum of 15 years of successful experience in border management, with a demonstrated knowledge of security systems and efficient shipper information flows. Candidates also have worked and lived for at least three cumulative years in developing or transitioning countries. Candidates must have demonstrated professional skills to enable ongoing contacts with high-ranking public sector officials in the PA and GOI. Candidates must also have a high level of interpersonal and diplomatic skills demonstrated in challenging economic and security-challenged environments.

The BMS will be responsible for providing overall technical guidance necessary for successful implementation of project activities. This individual will also need to be prepared to manage the project in the absence of the COP.

The BMS will be a key liaison for the project with USAID. S/he will be expected to serve as a project representative in public and private meetings in WBG and Israel and will be required, as the COP, to meet with leaders and representatives of private and public sectors to promote project objectives.

Previous resident work experience in the Middle East is not required. However, having a high level of leadership, management and technical skills, and abilities to take a fresh look at complex problems is extremely important.

References for the last ten years of work experience are required and will be verified. Fluent English is required. Arabic and Hebrew would be an important advantage, but are not required.

## **3. Transportation, Infrastructure, and Systems Specialist (36 months, two local positions,)**

Candidates for the two Transportation, Infrastructure and Systems Specialist positions will have graduate degrees in transport economics, engineering, or other related degrees.

Candidates should have a minimum of 15 years of successful experience, some of which would preferably be in a commercial transport or related multi-industry environment. Candidates must have a high level of interpersonal and diplomatic skills as well as successful experience working professionally in challenging economic and security-challenged environments.

These individuals will be leaders for the detailed aspects of the project's analytical work in the transport sector and implementation of market and technical studies. They will report to the COP, however they will need to be able to work extensively in the field. They will demonstrate a detailed understanding of conditions in West Bank/Gaza. Both candidates must be able to travel throughout West Bank and Gaza and should be able to obtain permits for travel through Israel as well.

Previous resident work experience in WBG and/or Israel is required. Having a high level of technical skills and abilities to take a fresh look at complex problems is extremely important. References for the last ten years of work experience are required and will be verified. Fluent Arabic and English are required. Hebrew would be valued, but is not required.

Candidates need to be aware they need to maintain the highest level of confidentiality of all sensitive information provided to them during the tour of duty.

#### **4. Finance/Investment Analyst (36 months, local position)**

Candidates will have at least a graduate degree in business, economics, finance, or law. S/he should have a minimum of 15 years of successful professional experience in economic and financial analyses of development projects. This individual will lead investment analyses of project activities to enhance border/crossing performance. S/he will be part of the analytical team implementing the feasibility studies. S/he will report to the COP, however s/he will also need to be able to work independently in the field. Ideally, s/he will be familiar with West Bank/Gaza conditions and able to travel throughout West Bank and Gaza. Candidate should be able to obtain permits for travel through Israel as well. In addition, this individual will also supervise project accounting and finances.

Previous resident work experience in WBG and/or Israel in financial and investment analyses is required. Having a high level of financial analysis skills and abilities to take a fresh look at complex problems is extremely important. References for the last ten years of work experience are required and will be verified. Fluent Arabic and English are required. Hebrew would be an advantage, but is not required.

### **B. Short-Term Technical Advisors**

The USAID Trade Facilitation Project will depend to a substantial extent on quality short-term technical advice. Offerors should propose highly qualified short-term technical assistance with appropriate education and experience in support of the USAID Trade Facilitation Project (transport economics, operations management, security, engineering studies, security technology and infrastructure, investment promotion, and legal advice regarding implementation of project activities). Candidates for short-term assignments need to be aware that sensitive information

will become known to them and that no less than the highest level of confidentiality is to be maintained. Fluent English is required. Arabic and Hebrew would be an important advantage, but are not required.

### **C. Long Term Local Staff (108 person months)**

#### **1. Administrative Assistant to COP (36 months, local position)**

This local position will provide administrative and secretarial services to the Chief of Party and other project staff. This individual will assist in the coordination of generating and distributing reports. Fluent English and Arabic writing and speaking skills required. Hebrew communication skills are a plus but not required. Candidates need to be aware that sensitive information will become known to them and that no less than the highest level of confidentiality is to be maintained.

#### **2. Office Administrator (36 months, local position)**

This local position will handle a variety of office administrative duties. S/he will serve as receptionist, procure office supplies, and handle light secretarial duties. Fluent Arabic, English and Hebrew are required.

Candidates need to be aware that sensitive information will become known to them and that no less than the highest level of confidentiality is to be maintained.

#### **3. Logistics Coordinator (36 months, local position)**

This local position will handle a variety of Project logistics issues. S/he will work under the direction of the COP. Duties will include following-up on border crossing issues, inquiries into the status of project procurements, and arranging video conferencing seminars. Fluent Arabic, English, and Hebrew are required.

Candidates need to be aware that they are to maintain the highest level of confidentiality regarding all of the sensitive information that is provided them during their tour of duty.

## **IX. Branding Strategy**

The Offeror's proposal shall include a Branding Implementation Plan (BIP) and Marking Plan (MP) that demonstrates how the Offeror will implement the Branding Strategy taking into consideration certain sensitivities involved with the project and in accordance with ADS 320.3.2.2 and ADS 320.3.2.3 as detailed herein:

#### **A. The Project's name:**

USAID Trade Facilitation Project

#### **B. How the materials and communications about the project or activity will be positioned.**

In general, publicity about the project should emphasize the role of the project in expanding Palestinian exports, especially of high-value goods. It should stress the benefits to Palestinian companies, their workers, and their suppliers, and the benefits gained from expanded world trade. Unfortunately, the project has the potential of being seen as primarily

directed at improving Israeli security. Although it certainly has this aspect, it should be portrayed as what it is, a project to increase the speed and reduce the cost of Palestinian trade by finding efficient means of addressing Israeli security concerns.

C. The desired level of visibility.

Because of the risks of possible mischaracterization, publicity to the public at large should be carefully crafted to stress its benefits to ordinary Palestinians. Visibility to direct beneficiaries, Israeli and Palestinian officials at crossings, truck drivers, and others, will be emphasized. Facilities at crossings to improve the comfort of drivers and to protect cargo, while awaiting clearance, will be clearly marked with prominent signage indicating its USAID sponsorship.

D. Any other organizations to be acknowledged.

All documents and discussions should emphasize that assistance is being provided in response to requests from the Palestinian Authority and the Palestinian private sector.

## **X. Deliverables—Reporting Requirements and Relationships**

All Contractor reports must be submitted to the USAID Cognizant Technical Officer (CTO) and the Director of the Office of Private Sector Development USAID/WBG. All reports and work plans must be in English. Four (4) copies will be provided. USAID will distribute these reports and plans, as it deems appropriate.

In addition to hard copies, the Contractor shall provide the USAID CTO and the Contracting Officer with an electronic message or email containing each report, the preliminary work plan, and quarterly work plans in MS Word. Financial sections of any reports or plans must be submitted in MS Excel. The Contractor shall also provide the USAID CTO with these reports through electronic media (email or CDs). Acrobat files or other protected software files for any USAID Trade Facilitation Project report or plan are not allowed.

The CTO will approve project work plans, including the preliminary life of activity work plan. Copies of all subcontracts, scopes of work for short-term assistance, and other requests for USAID funding under other mechanisms must be submitted to the USAID CTO and Contracting Officer in English. One copy is sufficient for each.

The Contractor shall provide the CTO with the following reports during the life of the project for all components:

### **A. Annual Work Plan**

A draft “First Year Annual Work Plan” must be submitted within 30 days of signing the contract award, the final version of which will be due 10 days after the COP receives feedback from CTO. Offerors should provide a suggested preliminary Life of Activity Work Plan for the project’s primary components as part of its proposal. This preliminary Life of Activity Work Plan will describe in detail how the Contractor shall mobilize operations for quick activity start-

up (e.g., setting up in country operations, hiring staff, and establishing offices) and will set milestones for the start up, the first year, and the remaining life of the project.

Subsequent Annual Work Plans must be submitted to USAID/WBG for review and approval by the USAID CTO at least 30 days prior to the end of the program year. The COP and CTO must schedule meetings each quarter to review the AWP, and more frequently should it be deemed necessary by the CTO, documenting changes as they are made. The revised Annual Work Plan will specify the activities to be undertaken during the next quarter or year, adjusting the preliminary Life of Activity Work Plan as USAID and the Contractor mutually agree. Work Plans must be linked to the objectives and deliverables of the project's components and must describe the type and magnitude of planned activities, the personnel to be involved and the level of effort required. For AWP, a timetable will be provided detailing the expected activities scheduled for the upcoming year, where and when the tasks will be carried out, the expected levels of effort, and the proposed budget for each activity.

### **B. Quarterly Reports**

The Contractor shall submit brief quarterly reports describing the progress made in achieving the specific results of the previous three months. Detailed information on each project component and sub-component will be provided to USAID/WBG with such information and in a format as USAID/WBG and the Contractor mutually agree.

### **C. Final Report**

At least thirty days prior to the end of the project, the Contractor must submit a draft Final Report providing a full accounting of its activities in WBG and results obtained. Comments and suggestions for the continuation of project activities and lessons learned from the primary components will be provided. The CTO USAID/WBG will provide the Contractor with comments within 15 days. The Final Report must be submitted one week prior to the end of the project.

All reports must be submitted to the following addresses (in addition to the hard copies, an electronic copy will be provided for all reports):

USAID/West Bank and Gaza  
CTO: TBD  
25 Hamered Street, 10th Floor  
Tel Aviv, Israel  
Tel: 972-3-511-4872; Fax: 972-3-511-4888

## **XI. Guidelines for Technical Proposal**

Technical Proposals submitted in response to this Request for Task-order Proposal (RFTOP) for the USAID Trade Facilitation Project must comply with the following guidelines described in this section. The length of the technical proposal is limited to 31 pages (Font 12 point/Times New Roman, single-spaced), not including appendices, graphs, and tables. Longer proposals will be considered non-responsive and will not be reviewed. Detailed information should be

presented only when required by specific RFTOP instructions. Offerors may use appendices for relevant supplemental information, such as resumes and/or past performance.

USAID/WBG requests that the technical proposals follow the outline provided in this section. The proposal format should include (A) cover page, (B) executive summary, (C) the technical approach, (D) key personnel and staffing, and (E) technical capabilities and past performance, as described below.

**A. Cover Page (1 page)**

The Cover Page should include the project title, TPR number, name of organization(s) submitting the proposal, contact person, telephone and fax numbers, an e-mail address, and a mailing address.

**B. Executive Summary (not to exceed 4 pages)**

The Executive Summary should briefly describe how the Offeror proposes to meet the project requirements, carry out the activity functions, and achieve the anticipated results. The Executive Summary should also briefly mention personnel and technical/organizational resources, and describe how the program will be managed and monitored.

**C. Technical Approach (approx. 18 pages)**

Offerors should describe how the proposed program activities in Section IV will be realized within a three year timeframe, and how the selected tasks will complement each other. Offerors should also describe how they propose to integrate the program's components to achieve the objectives of the program stated this TPR. Offerors should consider how the described activities will be achieved within the three-year timeframe, with a **\$12 million** budget, and within the context of the current political and socio-economic situation.

Offerors are required to accompany their Technical Proposal with a summary budget overview which depicts the distribution of the proposed budget across the program and activities as outlined in this TPR, the contribution of costs to the achievement of the offeror's proposed program, and the expected program achievements stated herein. This presentation is limited to two (2) pages and to be an annex to the Technical Approach. Offerors are to elect the form of the presentation.

For each component, offerors should present an overview of proposed interventions; a detailed outline of the methodology that will be used to implement the interventions; a brief analysis of anticipated implementation challenges; and, a summary of expected outputs and impact, using indicators that will be used to track progress towards results.

The Technical Approach should demonstrate (1) analytical depth, clarity, and responsiveness to the task set, (2) state-of-the-art technical knowledge, innovation and creativity, and (3) feasibility of strategies and impact proposed. Within these general criteria, specific elements of the technical approach should describe:

- How program funds will be apportioned amongst the components and sub-components;

- How procurements and small-scale construction activities will be planned and undertaken;
- How quality of activity implementation will be assured;
- How program activities will build upon successes achieved under other USAID economic growth activities.

The technical approach should also include a management plan which focus on how the offeror proposes to efficiently and effectively use the proposed human, technical, and organizational resources. USAID/WBG expects the offeror to describe:

- The mobilization process, in terms of personnel, logistics set-up, and establishment of management and financial control systems.
- The degree to which management authority will devolve from the home office of the offeror to the WBG office. TFP should be managed locally, with all management decisions, including financial decisions, and administrative responsibilities delegated to the Chief of Party in the field. The prime Contractor’s home office is expected to provide managerial oversight and administrative backstop, and technical assistance as needed.
- To what degree the operational and financial management set-up, decision-making procedures and staff structure will allow the project to ensure sufficient flexibility to respond to unpredictable restrictions in project implementation.
- How the project will work with local Palestinian partners, other USAID programs, and other relevant organizations to achieve results.
- What efforts will be made to control costs and improve efficiency throughout the program.

**D. Key Personnel and Staffing (approx. 4 pages)**

Offerors are expected to provide a full staffing plan that covers both key personnel and support staff, documenting the underlying rationale regarding the staff configuration and including brief position descriptions for each position. USAID/WBG expects that the organization(s) under this award will maintain the minimum necessary full-time technical and support staff.

Section “VIII. Trade Facilitation Project Staffing” describes all key personnel and other staffing which should be proposed. Curriculum vitae should be added in annex for all proposed key personnel with, as a minimum, three references for each, including up-to-date telephone and e-mail contact information. Signed letters of commitment should be included as an annex. Resumes should also be provided for proposed short-term technical advisors.

The staffing plan should highlight where the offeror anticipates the involvement of short-term technical experts on an ad hoc and/or short-term basis. The staffing plan should explain how additional expertise and skill mix might be obtained while attending to the necessity of cost-containment and avoiding unnecessary staffing.

**E. Technical Capabilities and Past Performance (approx. 4 pages)**

Offerors are expected to describe the blend of technical expertise that might be needed to achieve the objectives of this program. The offeror should be able to provide specific



examples of successful relevant activities and demonstrate the impact that they have had. Each offeror that is involved in the preparation of the proposal should include a list of contracts that the offeror has implemented involving similar and related programs over the past three years with USAID or with other organizations (e.g., commercial, governmental, and philanthropic).

## **XII. Evaluation Criteria**

The evaluation criteria described herein have been tailored to the requirements of this particular RFTOP. Offerors should note that these criteria serve to: (i) identify the significant matters which Offerors should address in their proposals and (ii) set the standard against which all offers will be evaluated.

Technical, cost, and other factors will be evaluated relative to each other, as described herein.

- A. The technical proposal will be scored by a technical evaluation committee using the criteria shown in this Section.
- B. The cost proposal will not be scored but will be considered as described in this Section.
- C. The selection criteria below are presented by major category, with relative order of importance, so that offerors will know which areas require emphasis in the preparation of proposal. The criteria below reflect the requirements of this particular TPR. Offerors should note that these criteria: (a) serve as the standard against which all offers will be evaluated, and (b) serve to identify the significant matters, which offerors should address in their proposal.
- D. Prospective offerors are forewarned that a proposal with the lowest estimated cost may not be selected if award to a higher priced proposal affords the government a greater overall benefit. All evaluation factors other than cost or price, when combined, are significantly more important than cost. However, estimated cost is an important factor and the estimated cost to the Government increases in importance as competing offers approach equivalence and may become the deciding factor when technical proposals are approximately equivalent in merit
- E. Cost estimates will be analyzed as part of the proposal evaluation process. Proposed costs may be adjusted, for purposes of evaluation, based on results of the cost analysis and its assessment of reasonableness, completeness, and credibility.

A summary of technical proposal evaluation criteria follows:

<b>Evaluation Criteria</b>	<b>Points</b>
<b>1. Technical Approach</b>	
1.1 Demonstrated Understanding of the Trade Facilitation Project	
1.2 Organization and Management	

1.3 Clear setting of targets and benchmarks against project objectives:	
a) Increased efficiency in border operations;	
b) Increased trade volume	
1.4 Innovative ideas	
1.5 Time management of project deliverables	
<b>2. Key Personnel &amp; Staffing</b>	
2.1 COP	
2.2 Border Management Specialist	
2.3 Transport, Infrastructure & Systems (2)	
2.4 Finance/Investment Specialist	
2.5 Short-term advisors	
<b>3. Past Performance</b>	
3.1 Technical expertise in trade facilitation and border/supply chain mgmt	
3.2 Experience in Middle East	
<b>Total</b>	

## 1. Technical Approach

- 1.1 Understanding of the Trade Facilitation Project: Evaluation of Overall Understanding/ Approach will be based upon the extent to which the Offeror clearly understands the challenges associated with the effective design and implementation of the Project to accelerate the speed, efficiency, and security of Palestinian commercial flows into and out of the WBG.
- 1.2 Organization and Management: Evaluation will be based on the functionality and management effectiveness and efficiency of the proposed structure and relations among elements of the structure. The Offeror's organizational structure will also be reviewed in terms of how it focuses the various tasks of the organization on the management of work in the field and accomplishment of results.
- 1.3 Clear Explanation of How to Achieve Benchmark Targets and Program Objectives: Offerors will submit a draft implementation plan that includes analysis/description of the main tasks required to undertake this program, which will be evaluated. The plan should demonstrate the creative, integrated use of technical assistance and training resources to achieve specified results. The technical approach section will be evaluated to determine the extent of the Offeror's understanding of the program's tasks. Attention will be given to the details, comprehensiveness of the approach, the practicality and overall feasibility of the approach, and the Offeror's demonstrated knowledge of critical issues associated with facilitation of trade at border crossings between Israel and Palestinian territories
- 1.4 Innovative Ideas: Offerors shall cite innovation and creativity in the overall approach to attain planned objectives and suggested results during the time frame of the initiative. The

soundness of the proposed approach should be evidenced in the methodology proposed, staffing pattern, work plan, and output targets.

- 1.5 Time management of project deliverables: Offerors shall show how they plan to achieve deliverables within the specified contract time frame allowed.

## 2. **Key Personnel and Staffing**

The five key personnel whom the Contractor will furnish for the performance of this contract are:

- 1) Chief of Party,
- 2) Border Management Specialist,
- 3) two Local Transport/Infrastructure Systems Specialists,
- 4) Local Finance/Investment Analyst

Curriculum vitae and three references will be submitted along with the offer for each candidate for these positions.

The personnel specified above are considered to be essential to the work being performed hereunder. Prior to replacing any of the specified individuals, the Contractor will immediately notify both the Contracting Officer and USAID Cognizant Technical Officer reasonably in advance and submit written justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the Program. No replacement of personnel will be made by the Contractor without the written consent of the Contracting Officer.

The Contractor will assign one full-time professional to serve as the Chief of Party (COP) and assume responsibilities for overall in-country management responsibility for the Trade Facilitation Project. The duties and responsibilities for each key position, required qualifications and evaluation points assigned are detailed in Section VIII – Trade Facilitation Project Staffing. Overall, a candidate for a key position will be evaluated based on his/her education and experience in areas that are relevant to the statement of work.

Offerors are expected to submit a letter of commitment from all key and short-term personnel, and three references (current), including phone numbers, for all key personnel.

## 3. **Offeror's Past Performance**

The offeror should demonstrate expertise in trade facilitation, operations management, and border management and infrastructure. Experience with donor-funded projects will also be favorably considered.

Offerors should document their past and current experience in the area of 1) improving cross border trade via improving efficiency and security in border management; 2) improving efficiency and security in supply chain management; and 3) association building and investment promotion.

The Government reserves the right to obtain information for use in the evaluation of past performance from any and all sources outside the Government. Offerors lacking relevant past performance history will receive a neutral rating for past performance. However, the proposal of an offeror with no relevant past performance history, while rated neutral in past performance, may not represent the most advantageous proposal to the Government, and thus, may be an unsuccessful proposal when compared to the proposals of other offerors. The offeror must provide the information requested above for past performance evaluation or affirmatively state that it possesses no relevant directly related or similar past performance experience. The Government reserves the right not to evaluate or consider for award the entire proposal from an offeror that fails to provide the past performance information or that fails to assert that it has no relevant directly related or similar past experiences.

## **BEST VALUE PROCUREMENT**

Award will be made to the offeror whose proposal offers the best value to the Government. Best value is defined as the expected outcome of a procurement that, in the Government's estimation, provides the greatest overall benefit in response to the requirement.

For this TPR, technical merits are considered significantly more important than cost relative to deciding which offeror best might perform the work. Cost realism and reasonableness, as well as the amount of cost sharing, will however be important criteria and may be the determining factor in the event that the proposals receiving the highest ratings are closely ranked. Therefore, after the final evaluation of the proposals, the Contracting Officer will make the award to the Offeror whose proposal offers the best value to the Government considering both technical and cost factors.