

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

C.1 BACKGROUND

USAID's Bureau for Economic Growth, Agriculture, and Trade (EGAT) is dedicated to reducing poverty and promoting prosperity in developing and transition countries. EGAT's mandate is to address development issues in economic growth, agriculture and trade in the developing world. The Economic Growth Office in EGAT assists USAID field offices to develop and implement economic growth programs. EGAT's goals are to raise incomes, end hunger, protect the environment, and equip institutions and people with the knowledge and skills to build equitable and sustainable economies and societies.

An important contractual mechanism for achieving these goals is the Support for Economic Growth and Institutional Reform (SEGIR) project, which began in 1995. SEGIR established five component areas. These areas are represented by the five following existing contract vehicles:

- 1 . Macroeconomic Policy, Poverty Reduction, and Economic Institutions and Analyses** ("MACRO II" IQC) ;
2. Privatization ("PRIVATIZATION II" IQC);
3. Financial Sector (Financial Services Blanket Purchase Agreements (FSBPA)) ;
4. General Business, Trade, and Investment ("GBTI I"); and
5. Commercial, Legal, and Institutional Reform ("CLIR II"). This solicitation is for General, Business, Trade and Investment II (GBTI II). The ordering period for the GBTI I IQC will end on February 10, 2006 or upon award of GBTI II (whichever is earlier).

C .2 OBJECTIVES

The objective of this IQC is to allow missions and bureaus to continue to engage in business, trade and investment work and related sector reform projects through a structured procurement process. The new IQC will build on initial SEGIR experience in addressing business, trade and investment constraints to economic growth in USAID-presence countries. The new IQC also will promote knowledge management and best practices by making available to USAID and its GBTI implementers all contract-related experience and reports.

USAID's primary program objectives for GBTI II focus on devising and implementing robust strategies to promote real economic growth, reduce poverty, graduate transitional countries from aid to trade, promote open competitive markets, develop the private sector, and mobilize private financing sources to supplement and eventually replace development assistance . GBTI II contractors will provide a full range of services to USAID Missions and to USAID/Washington in substantially all major areas of business, trade, and investment development and reform .

C.3 CHALLENGES

This section explains the challenges of working to establish a vibrant private sector in USAID presence countries. All of these countries are classified by the International Finance Corporation and major rating agencies as "emerging markets." These countries are striving to develop and expand their private sectors, expand trade, and attract more private investment. Some of these countries are considered Failing States, Failed States or Fragile States where governance structures are severely weakened, economic activity is greatly reduced, and the social fabric is weak. Many countries are in conflict or are emerging from conflict. Compact and/or Threshold countries are at the other end of the development spectrum. These countries are candidates for the Millennium Challenge Corporation (MCC) (see www.mcc.org for further information). By most empirical measurements, the private sector comprises from 60 to 90 percent of GNP in most countries, except some "outlier countries" that still have socialist and neo-communist economies. For the past 20 plus years, the private sector-led growth paradigm has been

dominant. Policy reform has fostered liberalization, privatization, reduced state involvement in the production of goods and services, and the transition of East and Central Europe and the former Soviet Union from the state socialist economies to market-led price-sensitive economies.

To increase real economic growth and national incomes, generate new employment, and alleviate poverty, countries require sustained long-term growth in private enterprise and entrepreneurial initiative. An economy with low or no private sector-led growth cannot generate the income to raise living standards, fund minimal government services, or decrease poverty. Self-interested pursuit of profit through private entrepreneurial initiative generally works to the common good of an economy, spurs sustained growth, and increases real wealth. Empirical evidence and experience shows that private initiative and risk-taking with expanded trade and investment creates sustained growth, produces higher incomes and living standards, and reduces poverty.

The challenge still facing most of USAID's client countries is to formally recognize that private risk taking initiatives and entrepreneurship must be as unfettered as possible and be supported by government policies that foster creative entrepreneurial energies. USAID supports development of a robust private sector with legal, fiscal, institutional, and regulatory mechanisms that promote private trade, investment, and new business formation. Unfortunately, in many USAID-presence countries, this context does not exist. USAID and other donor work over the first GBTI contract period has created initial strong trends toward increasing sophistication of policy with gradually increasing government support for private sector-led trade and investment, but many problems require continued attention.

In many emerging markets, policy frameworks do not support new business formation nor do they promote expanding trade and investment. Legal, fiscal, regulatory, and institutional capacities are weak. Private sector-led growth is often sub-optimized because inappropriate policy and regulation blunt or negate normal incentives to invest, trade, and expand operations and employment.

Inappropriate policy and regulation impede new business formation, increased trade, domestic investment, and foreign investment. Small businesses and micro-enterprises become the predominant mode of production and the largest employer. Many of these firms exist and operate outside the formal system. Inappropriate policy and regulation also stunts internal growth. Employment creation from small businesses and micro-enterprises remains low because of their informal status and non-supportive business environments. Low levels of formal domestic and international trade prevail. Single export commodity crops or natural resources may be exploited and exported but other export markets are not well developed. The financial system intermediates between savers and investors at very low levels. This results in lack of necessary finance for business investment and expansion. Risk mitigation vehicles are often either unavailable or too costly for businesses to use effectively. Many other challenges confront private business in USAID's portfolio for example: market illiquidity given the either non-existent or incipient financial markets, non-transparency of public institutions and their operations, low productivity in many factor and service markets, public sector corruption, rigidity in labor markets, lack of innovation in product and service markets, inadequate diversification of the private business sector, frequent business cycle volatility, and asymmetric information availabilities. Failing, Failed and Fragile States also present a serious and growing challenge to USAID and other donors. These countries have unique problems that challenge donors' ability to promote economic growth. Failing, Failed and Fragile States are vulnerable to crisis. This can take different forms: conflict and insecurity, bad or non-existent governance, economic crisis, famine, or even dramatic decreases in economic activity. Moreover, local conditions often

change rapidly. This taxes donors' capacity to both develop and implement programs. Examples of Failing, Failed and Fragile States are Afghanistan, Iraq, Somalia, Timor L'Este, Liberia, Sierra Leone, and many others. Given the harsh realities of Failing, Failed and Fragile States, USAID and other donors have developed programs and goals which differ from those in the more transformational states such as enhancing stability and security, seizing reform opportunities when they arise, focusing on rapid institutional capacity building, rebuilding infrastructure, and developing rapid programming responses . Additional information on Failing, Failed and Fragile States may be obtained from www.usaid.gov/policy.

Near the other end of the development spectrum are countries that are classified as Threshold Countries. USAID has a congressional mandate to work with Threshold Countries, as the Millennium Challenge Corporation (MCC) identifies them, in order to remedy specific identified development problems that impede their progress towards developed nation status. These countries demonstrate high potential to become candidates for signing Compacts with the MCC and jump-starting their economic growth . In contrast to Failing, Failed and Fragile States, Threshold Countries are generally more politically stable with policies that generally support growth . They devote more resources to investing in their people, and they are becoming more democratic in their political processes . For more information on the MCC, see www.mcc.gov

Integration into the world economy can be a powerful force for economic growth and poverty reduction. Trade and investment are particularly important for the world's smallest and poorest countries because they have weak and limited domestic markets. Trade liberalization can generate lower prices and greater choice for domestic consumers. International trade and foreign direct investment (FDI) are the major methods to attract technology transfer and build new knowledge and skills. Participation in a rules-based trading system encourages good governance and legal and institutional reform.

Many USAID-presence countries could increase trade and economic growth by joining a trade organization such as the WTO. During the 1990s, those countries that integrated into the world economy by increasing their share of global trade and foreign direct investment saw per capital income rise and their economies grow by an average of five percent per annum . Those countries that did not integrate but instead maintained protectionist trade barriers experienced lower or declining economic growth .⁴ USAID- presence countries often lack capacity to prepare for and engage in multi-lateral negotiations for accession to the WTO or to join regional trade agreements . At the firm level, lack of information on business policy blunts entrepreneurial energy. Countries lack information on export market prospects. They are unable to meet international standards on regulation and capital and technology constraints. They lack risk management vehicles such as futures markets and basic insurance on trade and investment deals.

Even for those few client countries that have gained WTO status, critical compliance issues remain before the countries can fully integrate into the international trading system. Resolving these issues is often difficult and expensive and requires donor assistance. The issues facing USAID-presence countries slow development and integration into world trade and investment patterns. The associated structural shifts, increased factor productivity, and dynamic attributes so evident in developed G-7 economies work more slowly. This results in continued low factor productivity, low output, and low levels of competitiveness. While the benefits of private business, enterprise development, trade, and investment are clear, USAID and partner countries' capacities to take advantage of opportunities vary considerably. Gaps remain in understanding the inter-play of the many political, economic, financial and trade related variables and their affect on development. How USAID works with developing countries to

design and implement project interventions to achieve growth, reduce poverty, and effectively expand the knowledge base, is a constantly evolving process . GBTI II will assist USAID and its partner countries to close part of this gap and expand best practice knowledge data to achieve higher economic growth.

C.4 PRIOR DEMAND FOR GBTI I

Demand for technical assistance and services were high and sustained under the first GBTI contract. In the 1998-2004 periods GBTI financed almost 200 task orders totaling almost \$480 million. The approximate level of funding associated with each major subject area of activity under GBTI I was:

General business/SME-micro	\$275 million
Policy and regulatory reform	95
Trade capacity building	95
Micro-economic Reform	45
Financial services	40
Privatization	40

Central and Eastern Europe and the former Soviet Union accounted for almost 50% of task orders. USAID played a major role assisting these countries' transition to a market economy and fostering increased private sector activity. USAID assistance supported broad private sector development through economic restructuring programs such as macroeconomic frameworks; policies and institutions; financial sector reform, restructuring and development ; creation of bank prudential regulations and bank supervision procedures ; numerous privatization -related effort s , and country competitiveness initiatives . Work in the Africa region included trade and investment services such as WTO accession and compliance, Investors ' Roadmaps⁵, microfinance, and small business development. In Asia and the Near East, USAID undertook corporate tax reform and general business development in Egypt, corporate debt restructuring and legal and institutional reform in Indonesia, trade capacity building in Jordan, and competitiveness and industry cluster development in Lebanon, among many other technical tasks. Latin America generated the least demand with task orders approximating \$30 million, primarily in policy reform, trade development, and trade capacity building.

The dollar amount of GBTI I activities across geographic regions was skewed towards Eastern Europe and the former Soviet Union given the huge transition requirements of the region. Asia and the Middle East accounted for most of the balance of effort with Africa and Latin America with receiving relatively small commitments of funds .

Europe/FSU	\$265 million
Asia Middle East	210
Africa	85
Latin America	30

C .5 ANTICIPATED DEMAND FOR GBTI II

USAID expects demand for GBTI II to remain strong and grow dramatically . USAID anticipates that programs in Africa and numerous post-conflict areas of the world will generate considerable additional demand . Demand from the Europe and Eurasia region is expected to decrease and to focus more on efforts to solidify the economic transition begun in the early 1990s. Specific priority countries such as Afghanistan, Sudan, Pakistan and Iraq where rebuilding the economy and business environment are major efforts will require assistance from GBTI II .USAID expects Failing, Failed and Fragile States to become major recipients of GBTI II assistance. USAID expects MCA Threshold Countries to generate considerable demand for SEGIR GBTI II . Anticipated demand in all regions of the world generally will require a full menu of donor-

financed business, trade, investment, and related finance services . Please see Section C .6 .B Technical Tasks for more information on the technical areas where USAID expects demand under this IQC .

C.6 SCOPE OF WORK (SOW)

Anticipated contractor duties include provision of technical and advisory services, training, research, and other services to USAID missions, bureaus, and their clients . Contractors shall provide these services through execution of task orders with specified performance benchmarks for achievement of objectives . These contractor duties are described below as Core Tasks and as Technical Tasks.

C.6.A CORE TASKS

The contractor shall perform or manage performance of two core tasks :

- 1) Management of the IQC, and
- 2) Knowledge Management.

C .6.A.1 MANAGEMENT OF THE IQC, TASK ORDER DEVELOPMENT AND IMPLEMENTATION

Contractors shall undertake preparation of task order proposals that may include :

- 1) Problem diagnostics and analytic s
- 2) Problem identification
- 3) Program/project/task design
- 4) Analysis and assessment
- 5) Program/task recommendation s
- 6) Strategic planning at the level of the :
 - a) Private firm
 - b) Public or private institution
 - c) Government ministry
 - d) Regional trade organization
- 7) Implementation in:
 - a) Program management
 - b) Transactions facilitation
 - c) Commodity procurement
 - d) Management of local non-US institutions
 - e) Grant management
 - f) Monitoring and evaluation and assessment
- 8) Evaluation
 - a) Metrics development
 - b) Performance targeting and monitoring
- 9) Assessments and analysis
 - a) Applied research on development challenges
 - b) Data generation
- 10) Provide logistical support for task implementation teams
- 11) Supervise task implementation team s
- 12) Collaborate in resolving IQC and Task Order issues
- 13) Manage contract resources cost effectively
- 14) Provide technical and advisory services that :
 - a) Assist USAID Missions and Washington Offices to accomplish task order objectives
 - b) Offer training and research services
- 15) Work closely with representatives of other development assistance institutions to coordinate programs and policies

- 16) Partner, subcontract, or prepare and administer grants with local, non-US organizations when necessary to accomplish Task Order objectives
- 17) Work closely with government, private sector, non-government, and private voluntary organizations, and use local expertise
- 18) Work with institutional partners of USAID countries to :
 - a) Achieve USAID Mission Strategic Objectives
 - b) Establish relationships with local businesses, banks, professional associations, local consulting firms, and non-governmental organizations
- 19) Subcontract and partner with local organizations within the scope of work of Task Orders
- 20) Design, preparation, management and administration of USAID grants to local organizations and institutions

C.6 .A.2 KNOWLEDGE MANAGEMENT

Knowledge Management (KM) is a significant part of the GBTI II IQC . The contractor shall :

- 1) Capture, provide custodianship, and perform taxonomy of all information, data, analyses, and any other written material produced under the IQC ,
- 2) Create a standard framework for knowledge creation, sharing, and vetting ,
- 3) Disseminate lessons learned, best-practices, and professional training in appropriate multimedia format,
- 4) Provide marketing and technical-support outreach to USAID Missions, client country decision-makers, and other domestic US and international development and support organizations,
- 5) Coordinate donor and KM linkages ,
- 6) Create and support "Communities-of-Practice," and
- 7) Market "branding" of USAID as a technical leader in solving business, trade, and investment issues .

C .6.B TECHNICAL TASKS

This section describes the technical task areas that the Contractor shall perform, either as an individual firm or in a prime-subcontractor consortium arrangement. These task areas are illustrative and should not be considered all-inclusive .

Potential GBTI II technical assistance broadly covers a wide range of potential activities that are necessary to address the problems and impediments constraining developing countries' growth in productivity and output . USAID intends GBTI II to coordinate closely with the other SEGIR contract mechanisms to avoid overlap of mandate and to ensure effective use of contract resources and services financed

Services provided under GBTI II will fall within ten functional areas , divided into two broad sets of technical tasks defined as : Macroeconomic and Microeconomic Foundations for Growth . Within the Macroeconomic Foundations for Growth area, GBTI services will improve the macro environment for business enterprise formation and growth, trade, and domestic and foreign investment through :

- 1) Legal and institutional reform ,
- 2) Financial sector reform and expansion ,
- 3) Privatization and private sector development,
- 4) Economic policy and institutions,
- 5) Trade and investment, and
- 6) Addressing exogenous shocks, assistance to ease the adjustment to exogenous economic and financial shocks that cause short and medium-term development problems affecting the national business environment and potential to generate economic growth .

Within the **Microeconomic Foundations** for Growth area services will cover both developing and implementing :

- 1) Small and medium enterprise development,
- 2) Agribusiness and associated agriculture,
- 3) Micro-enterprise development, and
- 4) Addressing exogenous shocks, measures to assist supply chains, sectors, and individual firms in the event of exogenous economic and financial shocks which cause local business and financial dislocations, structural changes in the local economy, capital and labor dislocations, and decreases in output and employment .

The above two areas of macro and micro-economic interventions are shown below in expanded form. They represent a range of potential illustrative tasks that USAID could require under task Orders .

C.6.B.1 MACRO-ECONOMIC FOUNDATIONS FOR GROWTH

The objective is to identify economy-wide impediments to increased national productivity, to undertake targeted interventions to address them, and to create conditions that facilitate increased economic growth . Illustrative activities include :

- 1) Legal and institutional reform, comprising :
 - a) Competition policy
 - i) Policy, laws, institutions, enforcement
 - ii) Trade-related laws
 - iii) WTO accession and compliance
 - iv) Regional trade association(s)
 - v) Control of and enforcement against private anti-competitive behavior .
 - vi) Antitrust provisions, monopolies, cartel issues, other general restrictions on competition .
 - b) Commercial code(s)
 - i) Company law, registries
 - ii) New business entry - policy and process
 - iii) Incentives for small and micro-enterprise
 - c) Intellectual property .
 - i) Protection and patent processes
 - ii) Copyrights, trademarks, enforcement
 - d) Contracts enforcement, dispute resolution methods
 - i) Petition rights and private rights to assert complaints seeking enforceable redress .
 - ii) Arbitration and mediation
 - e) Transparency of public sector procedure and process .
 - f) Bankruptcy and methods to allow redeployment of business assets in alternative functions .
- 2) Financial sector reform and expansion, comprising :
 - a) Capital and credit market sources of funds for business growth and municipal finance availabilities
 - b) Foreign direct investment flows
 - c) Development credit programs supplied by international donors
 - d) Other financial sector functions and institutions that support entrepreneurial drive, initiative, and risk-taking such as liquidity funds, investment funds, "enterprise" funds, seed-level venture capital funds and structures, and alternative financing media for small, medium and micro-enterprises

- e) Pension funds and insurance funds
- f) Monetary and tax policies that affect business growth
- g) Tracking funds and money flows for financial system integrity and security
- h) Alternative financial instruments, such as convertible bonds, asset-backed securities, basic hedge options, and other risk management instruments
- 3) Privatization and private sector development , comprising :
 - a) Public and private institutions that provide contextual support environments for transfer of ownership, fair competition , business formation , operations , and growth
 - b) Governance policies
 - c) Transparency of procedures and processes
 - d) Privatization and post-privatization follow-up
 - e) Communications and linkages between institutions
 - f) National level trade and investment support frameworks
 - g) Government , private business , and higher education partnerships
 - h) Partnerships with NGOs and PVOs for private sector led growth
 - i) Fostering access to and active membership in regional and international trade and investment organizations
 - j) Business support and promotion services
 - k) Privatization of non -commercial public sector functions to increase efficiency
 - l) Privatization of infrastructure with "pro-poor " growth focus and small and medium business support
- 4) Economic policy and institutions, comprising :
 - a) Reform of policies, regulations, and support institutions in order to identify and address barriers to business formation, operation, growth, change, and dissolution
- 5) Trade and investment, comprising :
 - a) Financial and investment support institutions
 - b) Policy and regulatory reform
 - c) Pro-poor growth interventions
 - d) Trade and investment related infrastructure
 - e) Business policy and incentives :
 - i) Intra-country, regional, and international trade
 - ii) WTO accession assistance
 - iii) Customs capacity building
 - iv) Foreign direct investment
 - v) Facilitating absorption and exploitation of foreign technology
 - vi) Domestic investment expansion incentives
 - vii) Incentives for private risk-taking and innovation
 - viii) Risk sharing and risk-mitigation methods
- 6) Exogenous shocks

C.6.B.2 MICRO-ECONOMIC FOUNDATIONS FOR GROWTH

The objective is to identify impediments to increased micro-economic entrepreneurial initiative, output, productivity, and trade with a focus on private enterprise growth and emphasis on small and medium sized enterprises as well as micro-enterprise development and expansion where possible. The Contractor shall undertake targeted interventions to address these constraints and to create conditions for sustained productivity growth at the enterprise, value chain, industry, and sector levels which contribute to expansion of economic growth and employment . Illustrative activities include:

- 1) Small and medium enterprise development, comprising
 - a) Support for entrepreneurship and risk taking
 - b) Incentives for risk-taking behavior in pursuit of profit

- i) Access to risk-sharing/mitigation vehicles
 - ii) Business insurance
 - iii) Appraisal and valuation
 - iv) Business strategy and market tactics
 - v) Organization management, finance, marketing, and operations
 - c) Governance structures
 - d) Linkages to buyers/suppliers
 - e) Value chain identification and support
 - f) Innovation in product and service markets
 - g) Integration with local, regional and global markets
 - h) Linkages to foreign brokers, buyers, and suppliers
 - i) New business formation
 - i) Facilitating new entry
 - ii) Decreasing time, cost, complexity of operations and access to services
 - j) Business support and promotion services
 - k) Increased access to improved factor conditions:
 - i) Seed capital, later-stage equity, debt financing
 - ii) Reduction in labor rigidity
 - iii) Land markets formalized
 - l) Infrastructure : physical, technological, informational, administrative, natural resources
 - m) Professional education and certification
 - n) Transition from informal to formal operations
 - o) Domestic and foreign business promotion and support organizations
 - p) Improving institutional support
 - i) Public/private partnerships
 - ii) Association development
 - iii) Other strategic working groups
- 2) Agribusiness and associated agriculture, comprising
 - a) Fostering entrepreneurial initiative
 - b) Alleviation of constraints to agricultural sector growth
 - i) Increasing market access
 - ii) New product and agro-services development
 - iii) Targeting input marketing constraints
 - iv) Market information systems and firm/cluster networking
 - v) Facilitating transactions
 - c) Agribusiness enterprise development
 - d) Regulatory reform for agribusiness enterprise
 - e) Rural infrastructure assessments
 - f) Land reform assessment
 - g) Trade and investment development
 - h) Institutional support expansion
 - i) Value chain analyses
 - j) Identification of financial support mechanisms
- 3) Micro-enterprise development, comprising :
 - a) Fostering entrepreneurial initiative
 - b) New business formation
 - c) Institutional support development
 - d) Business development services
 - e) Policy and regulatory reform
 - f) Training
 - g) Development of market linkages

- h) Assessments, evaluations, and analyses
 - i) Credit and other financial support
- 4) Exogenous shocks that decrease economic activity and require rapid, corrective intervention.

C .6.C ILLUSTRATIVE TASK ORDER DELIVERABLES OF CORE AND TECHNICAL TASKS

Since identification and specification of task orders is not possible, a priori, for an IQC mechanism, the following represent general categories of illustrative generic deliverables that contractors shall be capable of producing during the period-of-performance of the IQC :

- 1) Strategies, assessments, and analyses for macro-economic growth , micro-economic productivity, institutional capacity , regulatory reform, and other support functions that support private -sector-led growth ,
- 2) Business environment changes that provide positive support for private sector led trade, investment , and entrepreneurial initiative ,
- 3) Changes in fiscal and monetary regime conditions that increase the flow of funds to the private sector for business expansion, increased trade, and investment ,
- 4) Institutional development and regulatory policies that support new business formation and operation , trade , and investment ,
- 5) Competitiveness and business productivity initiatives at the national , sub-national , regional, supply chain , cluster, and enterprise levels,
- 6) Trade expansion and promotion efforts at the national, regional , and global levels, and facilitation of trade organization membership ,
- 7) Public/ private dialog and partnerships on business, trade, investment, entrepreneurship, and productivity ,
- 8) Private investment encouragement initiatives at the national, sub-national , sector, and firm levels,
- 9) Initiatives that expand economic growth, that increase the role and effectiveness of the private sector in contributing to real growth, and that target and benefit poorer segments of society where possible,
- 10) Knowledge management and dissemination activities,
- 11) Initiatives which, in conjunction with (a) to (j) above, assist in poverty reduction at the national, sub-national, and sector levels and increase the participation of the poor in the national political economy ,
- 12) Rapid responses to exogenous shocks that slow or stop growth.

C.6.D IMPLEMENTATION AND PROGRAM MANAGEMENT

The Contractor shall provide contract management necessary to fulfill all the requirements of this Contract . This includes cost and quality control of all tasks orders.

C.6.E GRANTS MANAGEMENT

The Contractor may be requested to award and administer a small grants program to support indigenous NGOs in pilot or experimental activities . Funds may be made available on a grant basis. The Contractor shall administer these funds . Grantees may be expected to provide a portion of their costs from their own resources . The Contractor may be required to execute and/or administer grants under awarded task orders .

C .7 KEY PERSONNEL

IQC Project Manager: The Contractor shall designate, for USAID approval, a principal point of contact, the IQC Project Manager, that USAID may contact for procedural and substantive matters . In addition to the technical leadership role and responsibilities vested in this person, the IQC Project Manager shall be responsible for preparing and responding to task order

proposals. The IQC Project Manager shall also be responsible for ensuring quality control and for the overall responsiveness of technical assistance provided under the Contract . Substitution of the IQC Project Manager shall be subject to the approval of USAID . The individual can be directly charged to task orders, subject to the prior written approval of the IQC Cognizant Technical Officer (CTO), when the individual is not serving in the capacity of IQC Project Manager . This assumes that the individual is proposed under a labor category for particular technical services under a Task Order . The individual may perform work on task orders up to a total of 150 days per year when the above conditions are met :

- 1) The Contractor shall assure that there is always an IQC Project Manager and the costs for that function are included in the loaded rates and multiplier, taking into the account the billed labor anticipated for the position (i .e . Bidders are not to double calculate the costs of this position)
- 2) The IQC Project Manager shall select, prepare, place , and support all technical experts carrying out technical requirements ;
- 3) The IQC Project Manager shall report to USAID technical and contract personnel in accordance with USAID reporting requirements and as detailed in each task order ;
- 4) The IQC Project Manager shall ensure quality control methods in a consistent and transparent manner for all contracted tasks and functions ; and,
- 5) The IQC Project Manager shall participate, as may be selected, in the technical work through Task Orders . This work shall not exceed 150 days per annum.

C.8 TECHNICAL SKILL REQUIREMENTS

The Contractor shall furnish the services of individuals with the necessary education and/or relevant experience as required in each task order.

C.9 STANDARDS OF PERFORMANCE

This section defines the performance requirements to which the Contractor shall be held, establishes the performance levels or standards, and defines how these performance standards will be measured.

A. Performance Standards

Measurable performance standards will be established in individual task orders . These performance standards will be consistent with the objectives for SEGIR GBTI II and with the following general performance standards:

- 1) Technical competence: Performance may be measured by the Contractor's effectiveness on the assignment. Effective technical assistance will produce reports that contain actionable recommendations that can be successfully implemented by the client organization. Ineffective technical assistance is marked by superficial or theoretical findings and recommendations, which are irrelevant or cannot be implemented.
- 2) Ability to assemble or prepare effective expertise: Performance may be measured in several different ways . For example, superior contractor recruitment ability goes beyond a simple review of candidate's resumes before submission to USAID. Some candidates might appear qualified on paper, but may lack effectiveness in action. Superior recruitment processes shall be based on references and first-hand contacts with the technical expert proposed. Similarly, in team building, superior contractor performance will be demonstrated by assembling teams that function smoothly in accomplishing the required task. Superior contractor performance shall take into consideration how each individual will contribute to create positive group chemistry when assembling teams. Inferior performance is marked by disruptive team relations, notwithstanding the sometimes stellar reputation of individual members on the team.
- 3) Contractor responsiveness: Performance may be measured by the Contractor's ability to maintain open, direct, and responsive communications channels with EGAT/EG and its clients. Superior contractor performance is marked by a rapid, helpful response to clients without undue

delays. Inferior performance may result from a lack of strong communications efforts with EGAT/EG and its clients.

4) Client satisfaction with the finished product: Performance may be measured in many ways. Superior contractor performance is distinguished by the high quality of the final deliverable. High quality deliverables should be clear, concise, accurate, well-structured, and easily comprehended. Advisory services may be measured by the results from recommendations followed.

5) Proficiency of the client: Performance may be measured based on the increased ability of the client (USAID Mission and/or host country government) to understand and act on the technical subject matter subsequent to Contractor's provision of services .

6) Adherence to the proposed subcontracting plan : This relates to the Contractor's ability to assemble or prepare effective expertise (noted above) . USAID expects to be able to benefit from access to the full range of experience and expertise available through an IQC-holder consortium. The Contractor's adherence to the proposed sub-contracting plan constitutes part of the basis for the evaluation of contractor performance .

END OF SECTION C