



პროფესიული განათლება
ეკონომიკის განვითარებისთვის
INDUSTRY-LED SKILLS AND
WORKFORCE DEVELOPMENT



MCA Georgia

Industry-led Skills and Workforce Development Project

Strengthening TVET Provider Practice GOOD PRACTICES IN TVET IN GEORGIA

Request for Proposals

For 3rd Round of the Small Grants Scheme

1 March 2018

Prepared by:

PEM GmbH, Germany

In association with:

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(Denmark)

And

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Request for Proposals (RFP)

RFP No: MCA-GEORGIA-STPP-2018-04-11-03

MILLENNIUM CHALLENGE ACCOUNT- GEORGIA

On Behalf of:

THE GOVERNMENT OF GEORGIA

Funded by

THE UNITED STATES OF AMERICA

Through

THE MILLENNIUM CHALLENGE CORPORATION

**STRENGTHENING TVET PROVIDER PRACTICE
PROGRAMME IMPROVEMENT COMPETITIVE GRANTS**

Issued on: 1 March 2018

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LIST OF ABBREVIATIONS

CV	Curriculum Vitae
ISWD	Industry-Led Skills and Workforce Development (project)
MCA-Georgia	Millennium Challenge Account – Georgia
MCC	Millennium Challenge Corporation
MES	Ministry of Education and Science
RFP	Request for Proposals
STEM	Science, Technology, Engineering and Mathematics
STPP	Strengthening TVET Provider Practice
TEP	Technical Evaluation Panel
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training

1 THE PURPOSE OF THE REQUEST FOR PROPOSALS

The ISWD Project of MCA-Georgia will award Small Grants, within the range **USD 5,000 to USD 25,000** to fund projects to support the strengthening of provider practice in the TVET sector.

This Request for proposals (RFP) sets out the objectives of the Small Grants Scheme together with eligibility conditions and other requirements that should be met by organisations submitting applications.

Eligible organisations are invited to submit grant applications to the ISWD project **by Wednesday, 11 April 2018**.

2 BACKGROUND INFORMATION

The Millennium Challenge Corporation II Compact signed between the USA and Georgia supports strategic investments in general education, TVET and higher education with an emphasis on strengthening the quality of provision – particularly in the areas of science, technology, engineering, and mathematics (STEM) – and on skills development. The Government of Georgia has created the Millennium Challenge Account - Georgia (MCA-Georgia) to oversee, manage, and implement the Compact.

The Industry-led Skills and Workforce Development (ISWD) Project is a \$16 million project under the Compact, which aims to improve the linkage between labour market needs and the supply of skilled and qualified citizens with competences relevant to the local economy. The project has four components:

- Program Improvement Competitive Grants to support development of industry relevant programmes;
- Strengthening of TVET Provider Practice (STPP);
- Strengthening of TVET Sector Policy;
- Annual TVET Conferences, communications and outreach.

The RFP Request for Proposals (RFP) concerns only the Strengthening of TVET Provider Practice (STPP) component and is aimed at strengthening provider practices in both formal and non-formal TVET provision.

3 GENERAL INFORMATION ABOUT THE STPP SMALL GRANTS SCHEME

3.1 STPP targeted institutions

The STPP Small Grants Scheme is open to TVET providers and other institutions actively involved in either formal or non-formal TVET provision or other activities related to the vocational education and training of employed and unemployed adults and young people. These include:

- public and private TVET colleges;
 - universities;
 - secondary schools;
-

- companies;
- business or social partner organisations;
- professional associations;
- non-governmental organizations (NGO);
- any other legal entity active or planning to be active in Georgia in the area of TVET.

3.2 Purpose and Priorities of the STPP Small Grants Scheme

The STPP Small Grants Scheme funds projects that lead to the identification, development, documentation dissemination and promotion of the uptake of good practices across the TVET sector, with a focus on aligning practices in Georgia with international good practices.

Small Grants will not be awarded simply for the preparation of a document or report.

STPP projects may build on and improve already existing practices or they may be entirely new and innovative. They may be original or they may be adapted from practices elsewhere. Whatever the source of the practices or whatever they involve, they should be intended to lead to tangible benefits in the way TVET is provided or delivered. The outcomes and results should also be capable of replication by other providers.

For the Third STPP Round, priority will be given during the selection process to applications whose proposals offer the greatest **scope for widespread systemic replication, include partnerships** and whose **actions are focused on:**

- Development of innovative approaches designed to **raise the image and attractiveness of TVET in general**, together with related tools, promotional and communication materials;
- Development and use of **new learning materials and innovative learning approaches and environments** to improve TVET program delivery, particularly in STEM areas and entrepreneurship learning;
- Improved teaching practices, guidance and support measures and/or careers information, aimed at **increasing TVET participation from selected target groups** including girls and persons from socially vulnerable groups and/or from remote areas;
- Development of **new models or initiatives to strengthen Sector Councils**, providing increased independence and solid industry involvement based on industry or professional associations and effective education/business partnerships.
- Flexible course delivery arrangements and appropriate teaching and learning styles designed to **meet the needs of adult learners and improve their access to TVET** provision, including work-based training and assessment and skills development in both formal TVET or non-formal TVET provision.

3.3 Aims and Results of STPP Small Grant Projects

Projects should generally aim to achieve:

- Strengthened relationships between industry and TVET providers to meet labour market and industry needs and enhance student employment opportunities;
- Enhanced gender and social inclusion;
- Improved TVET programme quality and delivery;
- Increased institutional or human capacities;
- Long-term sustainability of project results.

Above all it is important that Small Grant applications are targeted on addressing the important needs of the TVET system rather than issues affecting only the applicant organisation.

Supported Good Practices should be capable of replication and applications should describe the arrangements proposed for their widespread dissemination and replication.

A high emphasis is placed on ensuring long-term sustainability of project results. All applications should include a credible sustainability plan, including concrete proposals for the dissemination of results and widespread replication of the good practice(s) developed.

Projects supported by Small Grants funding should lead to the following Results:

- Developed or strengthened good practice examples;
- Increased capacity to support the development or strengthening of good practices, drawing on international examples;
- Documented developed or strengthened good practices (case studies);
- Developed / strengthened good practices disseminated;
- Benefits of TVET effectively promoted;
- Replication of identified international or developed good practices within other TVET providers in Georgia.

The expected results, outcomes and outputs of each Small Grants project should be clearly specified in grant applications and will be required to be delivered in full during the timeframe of each grant contact.

Besides the monitoring that will take place during the implementation of projects, there will also be an assessment of the results after project completion, in order to evaluate their usefulness and the extent of replication by other institutions.

4 BUDGET AND FINANCIAL CONDITIONS

This is the Third Round and final of the STPP Small Grants Scheme. The number of grants awarded will depend on the quality of the applications received and the size of the budget allocation.

THE DURATION AND SIZE OF GRANTS THAT MAY BE AWARDED IN ROUND 3:

The MINIMUM DURATION of STPP grant projects is 6 months and the MAXIMUM DURATION

is 7 months.

The **MINIMUM GRANT AMOUNT** that can be awarded is \$5,000.

The **MAXIMUM GRANT AMOUNT** is \$25,000.

The size of grants awarded will take into account the extent to which the proposed project reflects the following factors, subject to strict justification of costs:

- Projects using international expertise for the provision of technical assistance services.
- Projects considered to have a potential to achieve a high level of systemic impact.
- Complex projects involving a substantial number of institutions/partners and/or project activities organised in a number of different geographical locations involving substantial travel and/or overnight stays within the country.
- Projects involving the production of complex electronic and visual media and/or substantial quantities of high quality printed materials or publications and/or major conferences and public events.
- Projects demonstrating significant cost-sharing contributions (in kind or in cash) from partners.

NOTE:

Fees paid to contracted local personnel should be in line with the normal fees paid to staff of the institution or similar institutions in Georgia. Local travel and subsistence to Georgian participants should not exceed the official rates allowed by the Georgian Government.

Fees paid to contracted international experts should be no higher than the general level of fees paid to experts contracted by other donor-funded TVET projects in Georgia, international travel may only be funded in economy class, and per diem subsistence rates should not exceed the published official US government rates for Georgia).

Cost-sharing contributions are welcome and will be encouraged although there are no formal requirements for co-financing of the STPP project proposals.

The grant to the project is awarded on a fixed price basis. There is no provision for reimbursement of specific items. All costs must be included in the amount requested in the grant application.

Payment will be made in three stages upon acceptance of specified deliverables:

- **Inception report** with detailed implementation plan – to be submitted within 10 working days of contract start-up: 20% of the overall approved grant amount.
- **Mid-term progress report** half way through the period of project implementation: 40% of the overall approved grant amount.
- **Final report** with final outputs of the project: upon completion of the project at least 10 working days prior to the expiry of the grant agreement: 40% of the overall approved grant amount.

Allowable costs must be included in the project budget and must be reasonable, necessary for carrying out the Project, clearly linked with the achievement of project results and incurred within period of the Grant Agreement.

Small Grants funding cannot be used for the purposes of:

- Purchase of equipment and furniture;
- General or specific infrastructural improvements;
- Scholarships, stipends, issuance of grants or awards;
- Salaries not directly related to implementation of the project;
- Operating (overhead) costs of the organisation (office rent, heating, electricity, etc.);
- Any activities or purchases that would be ineligible under the MCC/Government of Georgia Compact agreement¹.

MCC / MCA-Georgia requirements relating to allowable and non-allowable costs should be followed in the preparation of project budgets.

The award of a grant may be subject to a requirement to amend the budget prior to contract signing. It is therefore in the applicant's interest to provide a realistic and cost-effective budget.

5 ELIGIBILITY OF PROJECTS

Grant applications should comply with the requirements set out in Sections 3.2 and 3.3 above. A single proposal may include the identification and introduction of more than one Good Practice.

All projects must be implemented in Georgia. The duration of Small Grants projects cannot be more than 7 months.

The results should be sustainable beyond the life of the Compact and the likelihood of long-term sustainability will be a key criterion used in the evaluation of grant applications.

Applications should demonstrate how the Good Practice will be widely disseminated and further replicated.

Applicants for Small Grants:

- May only submit one application for a project to be financed in each round of the STPP Small Grants scheme;
- Are directly responsible for preparation, management and implementation of the project;
- Should have been duly established and registered as legal entities (profit or non-profit) in accordance with the relevant Georgian legislation for at least one year;
- May submit their applications either on their own or in partnership with appropriate partners such as employers (no partnerships are required under this small grant scheme but, if proposed, the roles and responsibilities of each partner should be clearly defined and justified). Cost-sharing contributions between partners are encouraged, though not obligatory;

¹ See Section 2.7 at <http://www.mcc.gov/documents/agreements/compact-georgia-ii.pdf>

- May engage subcontractors to carry out defined activities such as web site development, printing or the hire of consulting services. Subcontractors are not beneficiaries or partners and are subject to MCA-Georgia's applicable procurement rules².
- Must ensure that the relevant procurement and financial rules of MCA-Georgia are fully observed in their applications and in project implementation³.

The following organisations/persons are ineligible to apply for Small Grants:

- Political parties, groups or institutions, or their subsidiaries and affiliates;
- Organizations that advocate, promote or espouse anti-democratic policies or illegal activities;
- Any person or entity that has been blacklisted in participation in procurements funded with World Bank assistance, debarred or suspended from participating in procurements funded by the US Federal Government, or otherwise prohibited by applicable United States law, Executive Order or United States policies including under any then-existing anti-terrorist policies;
- MCA-Georgia and PEM GmbH Board members, employees and their immediate family members.

Good Practice activities (such as those related to networking and dissemination) that are linked with projects already funded through the main Programme of Improvement Competitive Grants (PICG) are ineligible for funding under the STPP Small Grants Scheme. Institutions already awarded grants under PICG are reminded that they may only apply for a STPP Small Grant if the Good Practice project is different and unrelated to activities funded, or proposed to be funded, through the PICG.

6 GRANT APPLICATION PROCESS

Information, Orientation and Training Sessions

With the launching of the Small Grants Scheme:

- A help desk will be available at the ISWD project office to respond to prospective candidates and applicants to inquiries relating to the application process;
- One-day information sessions will be held in Tbilisi and (depending on demand) up to 2 other locations to provide detailed information about STPP and how to apply;

The information sessions will be open to all interested parties. Information about information sessions will also be made available to all interested applicants via the project's following web-site: www.iswd.ge.

Requests for clarification

Prospective applicants may send questions for clarification by e-mail no later than prior to 10 business days before the deadline for submission of applications by e-mail to iswd@pem-consult.de, indicating the reference code for this RfP: **MCA-GEORGIA-STPP-2018-04-11-03**.

² <https://assets.mcc.gov/guidance/mcc-guidelines-programprocurement.pdf>

³ <https://assets.mcc.gov/guidance/mcc-guidelines-programprocurement.pdf>

The ISWD Project will provide clarifications and respond to questions no later than 5 business days before the deadline for submission of applications. All questions and answers (without disclosing names/organizations that submitted them) will be published on the web-pages www.iswd.ge.

Application Submission

The application process under this Request for Proposals will take place in one stage.

Applications should be prepared using a standard application form which should be submitted in a sealed envelope according to the procedures defined below.

Applicants must provide applications in English with a translation into the Georgian language. In case of discrepancies, the English language version will prevail.

Applications must be in both hard copy format (signed original and 3 copies in English and translation into Georgian language) and electronic format (CD-ROM, DVD or Flash memory). The proposal must be in **Word format** (no smaller than Times New Roman 11 point). The electronic format must contain exactly the same content as the paper version. The application, declaration and checklist must each be submitted as separate single files. Hand-written and/or incomplete applications will not be accepted.

Applications must be received in a sealed envelope delivered by registered mail, private courier service or by hand-delivery at the address, given below:

Grant Management Officer, STPP, ISWD Office
27 Alexander Griboedov Street, 0108 Tbilisi
Programme Improvement Competitive Grants
Request for Proposals № MCA-GEORGIA-STPP -2018-04-11-03

Full name of the applicant:

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

Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will not be considered. Any application received after the deadline will automatically be rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

A signed and dated certificate of receipt will be given to the deliverer.

The deadline for the receipt of applications is Wednesday, 11 APRIL 2018 at 18.00 local time.

SUBMISSION OF AN APPLICATION IMPLIES ACCEPTANCE BY THE APPLICANT OF THE TERMS SET OUT IN THIS RfP.

7 EVALUATION OF APPLICATIONS

STEP 1: Opening and Administrative Check

Following the opening of the applications, representatives of the ISWD project will check the compliance of each application against the checklist included in the standard application form that must be used for all STPP applications. If any of the requested information is missing or is incorrect, the application **may** be rejected.

Following the administrative check, the ISWD project will send an email⁴ to all applicants, confirming whether their application meets the eligibility criteria and informing them of the application reference that should be quoted in all correspondence.

General statistical information relating to the Applications received will be published on ISWD webpages and a list of the projects awarded grants will be published following completion of the selection and contracting process.

STEP 2: Evaluation of the Application

An Independent Technical Evaluation Panel (TEP) will evaluate the quality of the proposals, including the proposed budget and the capacity of the applicant and partners, in accordance with evaluation criteria set out in the evaluation grid below:

Evaluation Category	Maximum Points
Compliance with basic Small Grant Scheme principles and objectives: <ul style="list-style-type: none"> Does the proposal meet the objectives of the Grant Scheme, match an international good practice and take account of the five Good Practice principles stipulated in Section 3 of the RFP? 	15
Content and relevance: <ul style="list-style-type: none"> Does the proposal address one or more of the Priorities set for STPP Round 3? Is there evidence that the proposal addresses a defined need either of the TVET system or of its clients and users including industry and business? Does the proposal aim at either introducing a new and innovative Good Practice or strengthening an already existing Good Practice? Will learners and/or TVET students benefit from the introduction of the proposed Good Practice? Does the proposed project address the needs of women, minorities and socially vulnerable groups in an appropriate way? 	30
Project management and implementation capacity: <ul style="list-style-type: none"> Does the proposal sufficiently demonstrate the capacity of the Applicant to successfully manage and implement the project (available facilities, administrative and expert staff)? Has the Applicant organisation taken potential risks sufficiently into account and is there sufficient evidence that risks can be managed? Do the proposed implementation methods and activities provide a realistic means of achieving the anticipated results? Are the timeframes and resources reasonable and realistic? 	20
Impact and sustainability: <ul style="list-style-type: none"> Can the Good Practice potentially be replicated within other organisations elsewhere in similar or other contexts, and does the application include credible proposals for widespread replication? Is the idea potentially interesting for others to replicate and/or adopt? Does it address systemic change? Does the impact of the project have the potential to continue after the initial 	20

⁴ Please note that the length of time between the opening session and the sending of the email will depend on the number of proposals that need to be checked.

Evaluation Category	Maximum Points
implementation period?	
Budget and cost-effectiveness: <ul style="list-style-type: none"> Is there a reasonable ratio between the estimated costs and the expected results? Is the proposed expenditure necessary (and/or sufficient) for the implementation of the project? For applications for grants of over \$10,000, are the additional funding Conditions sufficiently met, including (if applicable) cost sharing? 	15
Total	100

Note: A minimum of 70 points will be required for consideration for award of a grant. Grants will be awarded to the highest scoring proposals within the limits of the funding available in each year of the STPP Grant Scheme.

Following the initial evaluation of applications, the ISWD project manager may seek to negotiate a rebalancing of either:

- **Proposed activities of shortlisted projects; or**
- **Proposed budgets of shortlisted projects.**

The aim in such cases will be to achieve quality improvements, enhanced sustainability of results and/or increased cost efficiency in line with the requirements of this RfP.

If the necessary rebalancing of project proposal outputs and costs is not achieved, there will be a risk of non-compliance with requirements and/or sub-standard delivery, which could result in the application being rejected.

In case further information or clarification is requested, the applicant is required to respond within the specified deadline. Failure to do so will lead to the application being taken out of further consideration for grant awarding.

8 NOTIFICATION PROCEDURE, GRANT AGREEMENT AND SIGNING

Based on the TEP's recommendations and the result of any required Due Diligence check, the ISWD Project will submit a report to the MCA-Georgia with a list of projects recommended for funding.

After completion of the selection process, the ISWD Project will notify successful applicants, conduct contract negotiations and prepare the draft Grant Agreements for signing.

Prior to the issuing of any contract, the applicants whose projects have been proposed for Grant Award will be asked to supply official documents that may be used to verify their eligibility and status which may include:

- Proof of legal standing – extract from the national agency of public registry or copy of the order of the establishment of the organization in case of public law legal entities;
- Details of the qualifications and relevant experience of key staff, and information about the number of employees including those with specific TVET background;
- Proof of at least 1-year of operation including a copy of the applicant's latest audited balance sheets;

- Copies of any contracts and/or project references proving the institution's TVET related experience;
- In the case of a partnership, the same documents relating to the partner(s).

Failure to provide satisfactory supporting documents may lead to rejection of the project proposal.

Upon the preparation and the finalization of the grant agreements in three originals (one for the MCA-Georgia, one for PEM GmbH and one for the grantee), the originals will be signed by the grant beneficiaries and send to MCA-Georgia for signing.

The records of internal discussions within the TEP are confidential and only GENERAL INFORMATION about the results of the evaluation will be published, including the names of successful Grant Applicants, the titles of their projects and the sizes of the grants awarded.

INFORMATION ABOUT THE RANKING AND SCORES OF INDIVIDUAL PROPOSALS WILL NOT BE DISCLOSED.

9 INDICATIVE TIME TABLE

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

ACTION	Tentative Timing
Public Announcement	1 March 2018
STPP Information Sessions / Training Workshops	5 March – 1 April 2018
Deadline for submission of the proposals	By 11 April 2018
Proposal Evaluation	By 30 April 2018
Due Diligence and Grant Correction Negotiations	By May 15, 2018
Grant Award Decision	By 20 May 2018
Grant Agreements preparation	By 25 May 2018
Signing of Grant Agreements and project start-up	By 1 June 2018
Project inception reports and first deliverables	By 21 June 2018
Project interim reports and second deliverables	By 14 September 2018
Project final reports and final deliverables	By 28 December 2018

10 GRANT IMPLEMENTATION CONDITIONS

The Grant Agreement

MCA-Georgia is the granting authority and the scheme is administered by PEM GmbH. Contracted grant recipients are the direct beneficiaries of the STPP financial support.

Grant beneficiaries will receive capacity building support through consultations, training, advice and monitoring support to help them perform the specific activities of their projects.

Grants will be awarded on a fixed price basis with the release of grant funding conditional on the acceptance of deliverables specified in Grant Agreement. The implementation of each project will be subject to rigorous monitoring and evaluation by PEM and MCA-Georgia and payments will be tied to the acceptance of the specified deliverables. The deliverables, for which appropriate templates will be provided by the ISWD Project, will include:

- Detailed work plan (prepared by the grantee using the template supplied) within 2 weeks of commencement, together with stakeholder engagement, communication and long-term sustainability plans;
- Interim report (prepared by the grantee using the template supplied) mid-way through project implementation;
- Final report (prepared by the grantee using the template supplied) within 2 weeks of project completion.

Visibility and Branding

High visibility of project results is essential to ensure that project achievements are effectively disseminated and to provide a basis for replication of the Good Practices developed. Grantees have to present a project dissemination plan together with their detailed work plan within 10 working days of project commencement.

Branding guidelines will be provided to all grant beneficiaries and these have to be strictly followed. Non-compliance may lead to non-acceptance of related expenditures. Before initiating production and dissemination to the public of information, communication or visibility materials, the grant beneficiary should seek specific approval of the ISWD Project to ensure compliance with MCA-Georgia requirements.

A workshop should be held towards the end of each Small Grant period as part of the evaluation process, at which each of the grantees will present the good practices developed through their projects for wider discussion among the whole group of grantees together with representatives of key TVET stakeholders.

ANNEX 1: COST PRINCIPLES FOR STPP SMALL GRANTS

Full details of what costs are allowable and what are non-allowable are set out in the document *Cost Principles for Government Affiliates Involved in MCC Compact Implementation*, downloadable at:

<http://www.mcanamibia.org/files/files/PDFs/Grantee%20Orientation%20presentation%20May%202011/MCC%20COST%20PRINCIPLES-%20summarized.pdf>

The following paragraphs set out a brief summary of the information to help grant applicants in the preparation of their proposals. However applicants should bear in mind that the information below is a summary and is not definitive. If in doubt, please refer to the full document.

Allowable costs are those that are necessary for Grant administration, implementation, monitoring and evaluation, or oversight and are not otherwise defined as “unallowable”. Any income or credits (discounts, rebates, refunds, outside rentals, etc.) must be applied in determining the total allowable cost under the Grant. They must be:

- Allocable, which normally means that they are incurred for work directly related to the Grant;
- Reasonable, which means that they are generally recognized as necessary for the performance of the Grant, in line with such factors as generally accepted sound business and labour practices, laws and regulations and the terms of the Grant and prudent in terms of the organisation’s responsibilities;
- Accounted for in a manner that is consistent with accepted international accounting practices or of Georgia, with accounts and records adequate to demonstrate the allowability and allocability of costs charged to the Grant. An accounting system is acceptable if it is both adequate and suitable for the accumulation and billing of costs;
- Documented;
- Not otherwise excluded as an unallowable cost;
- Incurred within the Grant period.

In negotiating Grant contracts, MCA-Georgia must be satisfied as to the adequacy and reasonableness (including the realism) of the costs proposed. Cost analysis is a primary means of accomplishing this end.

Please note the following limitations on what might be regarded as allowable:

- Communication costs incurred for telephone services (mobile and land lines), local and long distance telephone calls, internet connections, telegrams, courier service, postage and the like, are allowable.
- Payments to employees should be in line with the compensation level and benefits (including expenses) paid to employees of comparable rank, in accordance with the existing established law, regulations or policy. MCC financing may only be used to compensate the additional staff or additional time of current staff needed to accomplish the purposes of the Grant.
- Lodging and subsistence costs (including meals and incidental expenses) shall be allowable to the extent they conform with uniform written standards and procedures approved by MCC.
- The cost of any consultants contracted to perform Grant activities should be reasonable and in line with normal procurement practice for public contracts in Georgia. Retainer Fees not supported by evidence that specific bona fide services were furnished are not allowable.
- The costs of training related to the Grant activity are allowable to the extent that they are in conformity with costs that are normally allowed by the Government of Georgia. These include expenses for transportation, lodging and subsistence charged on an actual cost basis or on a per diem or mileage basis in lieu of actual costs incurred provided the method used is applied

to an entire trip and results in charges not exceeding those which would be paid in accordance with MCC's policies.

- Contributions and donations to outside organizations are unallowable, unless explicitly authorized in the Grant Agreement.
- Entertainment costs are not allowable.
- Fines and penalties resulting from failure to comply with applicable laws and regulations are unallowable.
- MCC strongly prefers that all costs are charged as direct costs, rather than a combination of direct and indirect costs (overhead and/or general and administrative expense).
- Insurance costs required for necessary for activities supported by the Grant are allowable;
- Interest on borrowing (however represented) are not allowable;
- Lobbying costs, e.g. to influence the introduction or modification of legislation or to influence the decisions of legislators or officials, are not allowable. However providing a technical and factual presentation to legislators or officials of information on a topic directly related to a Grant is allowable;
- Allowable public relations costs include the costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of the Grant, the costs of conducting general liaison with news media to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters relating to the Grant, and costs specifically required by the Grant;
- Advertising costs relating to the grant are allowable but the costs of advertising for any purpose not related to the Grant are not allowable;
- Publication costs including the costs of printing, distribution, promotion, mailing, and general handling are allowable.
- Costs incurred for infrastructure or equipment are not allowable within the terms of the STPP Small Grants Scheme. The cost of materials or supplies may only be included if strictly necessary for performance of the Grant project;
- Costs of meetings and conferences held to facilitate implementation of the Grant are allowable, including the cost of meals, transportation, facility rental, speakers' fees (except for persons speaking in their official capacity on behalf of the Government or Government Affiliate) and other items incidental to such meetings or conferences. Costs of attendance at professional meetings or conferences on a topic related to the Grant are also allowable.
- The costs of leasing or purchasing office space are not allowable.
- Costs incurred in the preparation of Grant proposals are not allowable.
- Payments for taxes are not allowable.
- The cost of audits required by, and performed in accordance with, Grant requirements are allowable (including financial audits, technical audits and evaluations etc.).

The above list is not comprehensive and covers only the cost categories that might commonly be expected to be raised in relation to the STPP Small Grants Scheme. Full details are provided in the MCC document referred to above.