

South Asia Regional Energy Partnership Fund (SPF)

APS-SAREP-FY24-001

Responses to Questions Received from Prospective Applicants

March 07, 2024

Question 1: Can a US based organization (the lead bidder) associate its Indian subsidiary / sister concern / any other Indian firm (all profit making) as a sub-consultant to them, given that the Indian subsidiary / sister concern / any other Indian firm does not hold a FCRA registration?

Response: Only if the lead bidder is an Indian entity, FCRA registration is mandatory. In case part of the work is sub-contracted by the lead bidder (foreign entity) to an Indian entity, it is the responsibility of the lead bidder to ensure that transfer of funds to the sub-contracted agency is possible in compliance with all applicable local regulations.

Question 2: Can an Indian organization (the lead bidder) that holds a FCRA registration, appoint another Indian company (profit making) as a sub-consultant to them that does not hold a FCRA, irrespective of whether the latter charge profits or not in the grant work?

Response: It is the responsibility of the lead bidder to determine whether transfer of funds to the sub-contracted agency is possible in compliance with applicable local regulations. As per USAID regulations, neither the lead bidder, nor any sub-contracted agency can make any profit from Grant Funds provided by USAID/SAREP.

Question 3: Can an Indian organization (profit making) that does not hold a FCRA registration be appointed as a sub-consultant to the successful bidder at the stage of execution of services? In other words, can the successful lead bidder (that holds a FCRA) enter into a commercial contract with an Indian organization (profit making) that does not hold a FCRA registration, to sublet a part of the scope of work post signing the contract with the client?

Response: It is the responsibility of the lead bidder to determine whether transfer of funds to the sub-contracted agency is possible in compliance with applicable local regulations. In case the lead bidder intends to sub-contract part of the work to another agency, this should be clearly indicated in the technical as well as financial proposal / grant application, even if it is expected that the sub-contractor will be identified later, after the grant is awarded. In such cases, SAREP will reserve the right to approve the selected agency before a sub-contract is issued.

Question 4: Could you please share if for-profit Indian organizations without having a valid FCRA are eligible to work under SAREP grant projects, either as a sub-consultant to the lead bidder at the stage of bidding (who meets the qualifying criteria), or as an appointed specialized agency by the lead bidder during execution of services?

Response: If the lead bidder is an Indian entity, FCRA registration is mandatory. It is the responsibility of the lead bidder to ensure that appointment of sub-contracted agency/ies are in compliance with FCRA and other applicable local regulations.

Question 5: “FOR NON-US ORGANIZATIONS, SUBMIT DOCUMENTS AND LICENSES TO PROVE THEIR ELIGIBILITY TO RECEIVE FOREIGN GRANTS”, please advise?

Response: In some countries, receipt of foreign grants is subject to local regulations - E.g., FCRA in India. The applicant must ensure compliance with all such regulations to ensure eligibility to receive foreign grants. Supporting documents must be submitted along with the application.

Question 6: Lead applicant is a Swiss entity; hence we assume that it is not required to submit any documentation to prove our eligibility to receive foreign grants. Please confirm.

Response: Even if no specific local regulations are applicable for receipt of foreign grants, the registration documents of the applicant entity will be required as part of the grant application.

Question 7: Lead applicant is a Swiss company, and the project will be implemented in India through its Indian subsidiary. Please advise.

Response: Only if the lead bidder is an Indian entity, FCRA registration is mandatory. It is the responsibility of the lead applicant to ensure that it can receive foreign grants and pass these on to its subsidiary in compliance with applicable local regulations.

Question 8: FCRA registration is not required for the company registered in Switzerland. Please confirm.

Response: Please refer to the response above.

Question 9: For project budgeting purposes, “local currency” is CHF (Swiss Franc) or INR (Indian Rupees). Please advise.

Response: If the lead applicant is a Swiss entity, local currency will be CHF. If the lead applicant is an Indian entity, local currency will be INR. The budget should indicate both - local currency as well as US Dollars (USD).

Question 10: Please advise on where we account for the company overhead that shall be funded by SPF.

Response: Overhead costs can be budgeted as follows:

1. Overheads can be based on NICRA if the lead applicant has an approved NICRA
2. Not for profit organisations can claim a flat de-minimis overhead rate of 10% of the modified total direct costs (MTDC) [Refer 2 CFR 200.1].
3. Other entities may charge all overhead costs as direct costs by providing itemised details in the budget template.

Question 11: The applicant is a US based non-profit corporation and is not registered to operate in India. It has formed a partnership with an Indian NGO that is registered to operate in India. The lead applicant will be designated as the grant recipient and fiscal agent on behalf of both entities due to the restriction in the Foreign Contributions (Regulations) Act. The question is whether the eligibility requirement that the applicant be registered to operate in India would be satisfied in the case of such a joint application where the Indian partner is duly registered, and the lead applicant is not?

Response: As per the APS, the eligibility requirement will be met as long as (1) The US non-profit entity is legally authorized to receive USAID funded grants and (2) The US non-profit entity can conduct activities in the country for which application is made (in this case - India), by partnering with a locally registered entity in India. In such case, the US non-profit entity would be the lead applicant and would have to assume the responsibility of transferring grant to the locally registered entity in India.

Question 12: Is there another way to set up the fiscal arrangement that would satisfy USAID strictures? For instance, could the funding arrangement be set up so that grant funds would flow separately to the Indian partner and to the lead applicant such that no “transfer” of funds from one partner to the other would take place? Under this arrangement, the Indian entity would be the “applicant” and would take responsibility for project management, accounting, monitoring and evaluation.

Response: SAREP would release funds only to the lead applicant entity.

END.