



Subject: Funding Opportunity APS 7200AA22APS00001

Amendment Number: One (1)

Issuance Date of Amendment Number One (1): Friday, October 29, 2021

Closing Date: October 31, 2022

Subject: Amendment One (1) to the FY2022 Development Innovation Ventures (DIV) Annual Program Statement (APS).

Dear Prospective Applicants:

The purpose of this Amendment One (1) to the FY2022 Development Innovation Ventures (DIV) Annual Program Statement (APS) is to correct the formatting and numbering in the below sections.

The DIV APS as described above is hereby amended as follows:

1. Page 8.

REPLACE With the following format:

STAGE 2: Testing & Positioning for Scale $\leq$ \$1,500,000

2. Page 18.

Section E: Application Review Information

Selection Criteria:

DELETE:

- **Evidence & Evaluation:** DIV will assess the application for the degree to which it demonstrates the following:

REPLACE With:

3. **Evidence & Evaluation:** DIV will assess the application for the degree to which it demonstrates the following:

3. Page 19.

DELETE:

3. **Implementation:** DIV will assess the application for the degree to which it demonstrates the following:

REPLACE With:

4. **Implementation:** DIV will assess the application for the degree to which it demonstrates the following:



4. Page 19.

DELETE:

4. Potential for Scale and Financial Sustainability: DIV will assess the application for the degree to which it demonstrates the following:

REPLACE With:

5. Potential for Scale and Financial Sustainability: DIV will assess the application for the degree to which it demonstrates the following:

5. Page 20.

DELETE:

5. Project Team: DIV will assess the application for the degree to which the project team (including partners) shows the following:

REPLACE With:

6. Project Team: DIV will assess the application for the degree to which the project team (including partners) shows the following:

[End of Amendment 1 to APS No: 7200AA22APS00001]

All other terms and conditions of the FY2022 Development Innovation Ventures (DIV) Annual Program Statement (APS) remains unchanged.

Sincerely,
/s/
Roderick Watson
Agreement Officer



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

FY2022 Development Innovation Ventures

Annual Program Statement (APS)

APS-7200AA22APS00001

CFDA #: 98.001

Issuance Date: November 1, 2021

Closing Date: October 31, 2022

Pursuant to the Foreign Assistance Act of 1961, as amended, the United States Government, as represented by the U.S. Agency for International Development (USAID), invites applications for the [Development Innovation Ventures](#) (DIV) program.

The purpose of this APS is to disseminate information to prospective applicants so they may develop and submit applications for USAID funding. This APS: (A) describes the types of activities for which applications will be considered; (B) describes the funding available and the process and requirements for submitting applications; (C) explains the criteria for evaluating applications; and (D) refers prospective applicants to relevant documentation available on the internet. USAID anticipates awarding multiple grants as a result of this APS.

To be competitive under this solicitation, applications must be fully responsive to all directions within this APS document.

Issuance of this notice does not constitute a binding commitment on the part of the Government to issue an award, nor does it commit the Government to pay for costs incurred in the preparation and submission of any concept papers, engagement, collaboration, co-creation, or full applications. USAID reserves the right to fund any or none of the applications submitted under this APS.

Sincerely,

Roderick Watson
Agreement Officer
Office of Acquisition and Assistance M/OAA/SIDP/B

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Section A: Program Description

Overview

Through a year-round grant competition, Development Innovation Ventures (DIV) sources proposals for innovations that address international development challenges and improve the lives of people living in poverty in developing countries around the world. DIV provides tiered funding to pilot, test, and transition to scale (i.e., grow to reach the highest number of beneficiaries possible) those innovations that demonstrate evidence of impact, cost-effectiveness, and the potential to scale.

DIV funds four types of grants. Stage 1, Stage 2, and Stage 3 grants follow a tiered approach that aligns the funding amount to the strength of the evidence of impact, cost-effectiveness, and scalability of the proposed innovation. Evidence Generation grants are reserved for rigorous evaluations of already scaled or scaling development solutions that lack sufficient rigorous evidence of impact and cost-effectiveness. More details on each of DIV's grant types can be found in the "Stages of Financing" section below. Please refer to the glossary at the end of the document for definitions of terms.

DIV takes a portfolio approach to impact, meaning it takes relatively small, high-risk bets on early-stage innovations that may generate varying levels of impact as they are piloted and invests larger amounts of money in later-stage innovations that are better able to demonstrate impact, thereby maximizing the social impact of the overall portfolio. DIV is deliberately open to all kinds of innovations and all forms of innovators, in all sectors and countries in which USAID operates. Ultimately, DIV aims to help transition the best innovations with proven impact to scale to improve the lives of millions of people around the world.

Who is eligible to apply?

- **Organization Type.** DIV accepts applications from anyone, including businesses, social entrepreneurs, individuals, nonprofit organizations, researchers, and governments.
- **Geography.** DIV supports innovations across all countries where USAID operates. A full list of countries in which USAID operates can be found at www.usaid.gov/where-we-work.
- **Sector.** DIV accepts applications across all development sectors, including education, environment, energy, democracy, economic development, and others.¹

¹ Please note that DIV's funding to support certain activities may be limited or not available during a given fiscal year based on the nature of its appropriated funding from Congress. For example, USAID might be restricted from funding particular types of activities (e.g., certain funding to the military, police, or intelligence authorities) or activities in a particular country (e.g., Iran or Cuba). If you have questions about whether DIV may be able to support specific activities, please contact div@usaid.gov.

What DIV might fund. DIV recognizes that innovation can take multiple forms. Some examples of development innovations that DIV may support include the following:

- New technologies;
- New ways of delivering or financing goods or services;
- New business models;
- Cost-effective adaptations to existing solutions;
- New ways of increasing uptake of proven solutions, replication, and scaling to new places;
- Policy innovations;
- Social or behavioral innovations based on insights from behavioral science; and
- Data collection and rigorous evaluation to measure the social impacts of promising innovations.

What DIV typically does not fund. There are some types of projects that are not a good fit for DIV's objectives. These include but are not limited to the following:

- Innovations at the idea stage that have not yet been created (*i.e.*, that are pre-prototype);
- Projects with limited potential to scale cost effectively (*e.g.*, construction of immobile physical infrastructure, including schools, power plants or lines, and factories);
- Basic scientific research (*e.g.*, laboratory research of a prototype with no field testing);
- Innovations that are unlikely to generate significant development impacts that benefit the base-of-the-pyramid (*e.g.*, innovations that target high-income customers);
- Planning, diagnostic, and other tools that are difficult to link directly to measurable development impacts for people living in poverty and that reach millions of people only indirectly (*e.g.*, a stand-alone monitoring or evaluation platform);
- Innovations that are applicable only in very limited contexts that limit their ability to scale—or reach—a large number of people in need (*e.g.*, projects that target a very rare disease);
- Research that provides evidence of impact but does not assess cost-effectiveness or scalability; and
- Intermediaries with an indirect impact on development outcomes (*e.g.*, incubators, accelerators, start-up boot camps, and other conveners).

DIV partners with innovators to save lives, reduce poverty, strengthen democracies, respond to climate change, mitigate the consequences of COVID-19, help people emerge from humanitarian crises, and more. DIV welcomes proposals from a broad variety of applicants, including local partners and private-sector entities to deliver greater scale, sustainability, and effectiveness of development and humanitarian outcomes. DIV also welcomes applications from organizations that have limited or no experience working with USAID.

For more information about DIV, please visit the following links:

- DIV's main website: <https://usaid.gov/div>
- Explore DIV and its portfolio of innovations on the DIV portal website: divportal.usaid.gov
- Read about DIV's first ten years of investing in innovation: [DIVidends: A Decade of Innovation](#)
- Watch how DIV combines innovation and evidence to help find the next big development solutions in [this video](#)
- Kremer, Michael, Sasha Gallant, Olga Rostapshova, and Milan Thomas, "[Is Development Economics a Good Investment? Evidence on scaling rate and social returns from USAID's innovation fund](#)" (University of Chicago, 2021). This working paper finds that DIV's early portfolio returned over \$17 in social benefit for each dollar awarded.

Core Principles of DIV

The following are core principles of DIV: (1) **evidence of impact** on improving lives of people living in poverty in the developing world, (2) **cost-effectiveness**, and (3) viable **potential for scale and financial sustainability**. DIV provides tiered funding based on an innovation's demonstrated track record of and potential for achieving each of these principles. Below, DIV provides background on each of these core principles before outlining the requirements for each stage in subsequent sections.

1. Evidence of Impact

Evidence of impact demonstrates what does and does not work to deliver positive development outcomes for people living in poverty. DIV supports the piloting of early-stage innovations, funds research to test new and traditional solutions to development challenges, and helps those innovations that have successfully demonstrated impact to transition to scale. DIV looks for different indicators of impact and requires different degrees of rigor in evaluation methodologies depending on the stage of financing that the applicant is seeking and on the innovation's proposed pathway to scale. All applicants must demonstrate a clear theory of change that draws upon available evidence. The more evidence an applicant presents in support of their innovation's theory of change and impact on development outcomes, the stronger the application.

Public Pathway to Scale: To support later-stage innovations to transition to scale with public financing, including by government or philanthropic funding, DIV requires applicants to show rigorous evidence of causal impact on improving the lives of people living in poverty. DIV does not require applicants for earlier-stage awards for piloting and testing of innovations to show rigorous evidence of causal impact and will issue awards for earlier-stage innovations to help innovations get to the point at which they have this rigorous evidence of impact. Measurement of impact can encompass either final outcomes or impacts that can be taken as

worthwhile objectives *per se* (e.g., reducing infant mortality). Measurement of impact can also encompass improvements to intermediate outcomes on the causal chain for solutions that have been previously demonstrated to have a causal impact on final outcomes (e.g., increasing vaccination rates, which have an existing evidence base of causal impact on improved health).

Commercial Pathway to Scale: To support later-stage innovations to transition to scale commercially, DIV requires applicants to show evidence of long-run market viability. DIV typically accepts customer willingness to pay the full costs of the innovation as such evidence. DIV does not require applicants for earlier-stage awards for piloting and testing to show such evidence and will issue awards for earlier-stage innovations to get to the point where they have this evidence. For example, an applicant may use a Stage 1 award to gather evidence on consumer reaction to and willingness to pay for the product. As an applicant progresses to higher stages of financing, DIV expects the applicant to demonstrate an increasingly compelling case for long-run market viability. In addition, DIV requires applicants at all stages to show stage-appropriate data on usage, or in some situations on proxies for social outcomes that track how the innovation is improving the lives of people living in poverty.

2. Cost-Effectiveness

DIV seeks innovations that deliver more development impact per dollar than other solutions or the status quo. Cost-effectiveness is a function of both cost and impact and does not mean that an innovation is the cheapest solution. Instead, an innovation can increase its cost-effectiveness either by reducing its cost or by increasing its impact. DIV recognizes that costs of an innovation at scale may be different than costs generated through earlier testing phases, so applicants should provide data around current and projected costs.

3. Potential for Scale and Financial Sustainability

DIV's goal is to support impactful development solutions that will scale to reach and improve millions of people's lives within 10 years. Accordingly, innovations must have a potential pathway to scale in the long-run through commercial funding, public-sector or philanthropic funding, or a hybrid of the two. DIV defines a hybrid pathway to scale as a pathway that is reliant on a combination of public and commercial revenue channels or that is supported by a combination of commercial along with public or philanthropically motivated funding (e.g., an education technology innovation that is partially funded through direct-to-consumer sales and partially funded by donors). DIV recognizes that innovations can take a variety of pathways to scale but expects that they will be financially sustainable over a period of time that is necessary to achieve development impact and ultimately grow without continued DIV support. In some places below, the criteria outline separate, additional requirements for innovations based on their proposed

pathways to scale. To the extent that applicants propose a “hybrid” pathway to scale, they must demonstrate how they meet each relevant criterion.²

Stages of Financing

DIV funds four types of grants, and applicants must meet the criteria for the relevant grant type, as detailed below. The first three types—Stage 1, Stage 2, and Stage 3—align the funding amount to the strength of the evidence of impact, cost-effectiveness, and potential for scale and financial sustainability of the proposed innovation. DIV supports only those innovations that are at the post-prototype stage (i.e., the critical aspects of how the innovation works have already been tested). Applicants should apply for the stage that best reflects the current level of maturity of their innovation and do not need to enter at Stage 1. However, applicants must demonstrate in their applications that they have met the conditions of the earlier stage(s) prior to applying for a later-stage award. DIV reserves the right to consider innovations for funding at a different stage or amount than the applicant has requested, which may be addressed during a co-creation process after the application is submitted.

The fourth type of grant—Evidence Generation grants—is for rigorous evaluations of development solutions that are scaling or that have already scaled and lack sufficient rigorous evidence of impact and cost-effectiveness.

Given DIV’s limited pool of resources, it assesses whether a grant for a particular activity provides social returns that are competitive with likely returns from grants to other applicants. Accordingly, the more funding that an applicant requests—even within a funding tier—the higher DIV’s expectations for development impact, cost-effectiveness, and ability to scale.

To meet DIV’s requirements, many successful applicants form coalitions of partners with diverse skills and may also use or seek additional funding from other sources. Applications are stronger if they leverage non-DIV support and, all else equal, the more support that is leveraged, the stronger the application is. Additional support can take different forms depending on the nature of the innovation (e.g., a commitment from a developing country government to implement the innovation, a financial commitment from an external investor, in kind support, etc.).

DIV aims to be catalytic with its funding, which means that grantees should be able to achieve results after receiving a DIV grant that they would not have been able to achieve without that grant. Applicants should state explicitly why they are coming to DIV now and how a grant will catalyze their innovation.

² For example, if an energy innovation that reduces pollution costs \$10 per unit, and the applicant proposes to scale the innovation through customer payments of \$7.50 and public support of \$2.50, the applicant must show that customer payments would cover \$7.50 and must also show rigorous evidence of causal impact of at least \$2.50 of social impact of reduced pollution costs. Applications for earlier-stage awards would not need rigorous evidence of causal impact but should help build towards the point at which such evidence would be available.

STAGE 1: Pilot**≤ \$200,000**

Purpose: DIV funds Stage 1 awards to support the piloting of innovations in a developing country. Innovations at this stage are early in their development and require pilot testing to refine the basic model and establish real-world viability at a small scale. DIV supports only those innovations that are post-prototype and ready to be field-tested at the time of application (i.e., innovations that are still undergoing development in a lab or that are still at the idea stage are premature for DIV's support).

Examples of activities that Stage 1 awards may support include the following: assessment of demand and willingness to pay for the innovation, exploration of different delivery models, conducting user testing on a prototype, documenting social outcomes and real-world costs to implement the solution, etc.

Application Requirements: To be eligible to receive a Stage 1 award, applicants must demonstrate the following criteria for each of DIV's three core principles:

1. Evidence of Impact

All applicants must make a credible case of the potential benefit to individuals living in poverty. Rigorous evidence of causal impact is not required at this stage; however, applicants must present a strong theory of change and justify how and why the innovation is likely to generate a positive development impact. Applicants should articulate plans to collect data during the award period that would test key assumptions in the theory of change. While not required, applications for innovations with some existing piloting or that have a theory of change that is backed by rigorous evidence of causal impact are stronger. For innovations that have not already undergone piloting, applicants must explain the questions that the piloting is designed to answer and how they intend to find the answers to those questions. Additional requirements for demonstrating evidence of impact depend on the innovation's proposed pathway to scale, as follows:

Public Pathway to Scale: Applicants should include plans to iterate the innovation so that it will be ready for rigorous testing of causal impact and cost-effectiveness following the end of the award period.

Commercial Pathway to Scale: Applicants should include plans to assess potential customers' demand and willingness to pay or to conduct initial market testing. Applicants do not need to show revenue or paying customers at this stage.

Hybrid Pathway to Scale: Applicants should include plans to assess potential customers' demand and willingness to pay or to conduct initial market testing.

Applicants do not need to show revenue or paying customers at this stage. To the extent that applicants will rely on public funding as a significant portion of their revenue, they should also include plans to iterate the innovation so that it will be ready for rigorous testing of causal impact and cost-effectiveness following the end of the award period.

2. Cost-Effectiveness

Applicants should articulate why their innovation has the potential to be cost-effective at scale. This articulation should include a discussion of the likely costs and cost-effectiveness of the innovation relative to alternative solutions including the *status quo* and a projection of the major drivers of cost and cost-effectiveness of the innovation when it is at scale. DIV recognizes that Stage 1 innovations may not have robust financial forecasting data but wants to understand the applicant's perspective on the potential for cost-effectiveness should the evidence demonstrate impact.

3. Potential for Scale and Financial Sustainability

All applicants, regardless of their pathway to scale, must demonstrate that their innovation has the potential to reach millions of lives sustainably. Applicants must describe how they expect the innovation to be financially sustained at scale and should make the case that there is potential for someone to pay for the innovation at scale. Applicants should also identify the types of partners that would be critical to scale an innovation and the types of partners that would pay for it (*e.g.*, government, manufacturers, other direct service organizations, *etc.*). If relevant, applicants should describe the extent to which relationships with partners have already been built.

STAGE 2: Testing & Positioning for Scale ≤ \$1,500,000

Purpose: DIV funds Stage 2 awards to support the further testing and expansion of innovations beyond the piloting stage. Applicants for Stage 2 awards will have already conducted successful pilot testing and are now ready to rigorously test an innovation's impact or market viability.

For innovations that are designed to scale publicly, successful applicants must either already have rigorous evidence of causal impact or conduct a rigorous evaluation of causal impact during the award. Applicants may also use award funds to simultaneously expand operations in ways that would position the innovation to transition to scale, *e.g.*, by testing alternative approaches to implementation or by finding ways to satisfy requirements for scaling that are likely to be imposed by long-run funders.

For innovations that are designed to scale commercially, awards may support the further testing of innovations to provide evidence on whether they are market-viable and deliver positive development outcomes for people living in poverty. For innovations designed to scale

commercially, successful applicants may use award funds to conduct further market testing, market strategy development, expand operations, *etc.*

Application Requirements: To be eligible to receive a Stage 2 award, applicants must demonstrate the following criteria for each of the three DIV core principles:

1. Evidence of Impact

Public Pathway to Scale: Applicants must either demonstrate that there is existing rigorous evidence of the innovation’s causal impact on a development outcome and cost-effectiveness or provide a plan that explains how the applicant will demonstrate such evidence during the award period (*e.g.*, through a randomized controlled trial, *etc.*). Measurement must assess outcomes (*e.g.*, lives saved, additional income generated) or intermediate outcomes for which rigorous evidence already exists (*e.g.*, vaccinations are proven to improve health, and thus the application could measure increases in vaccination rates). The impact evaluation must have adequate statistical power and must include a credible counterfactual of what would have happened in the absence of the innovation. The evaluation should be designed to reasonably infer whether the innovation would be cost-effective at scale relative to alternative solutions.

Commercial Pathway to Scale: Applicants must demonstrate the following:

- A clear theory of change that draws upon existing evidence (though it need not be causal at this stage) that the innovation has the intended impact on development outcomes and plans to collect data on usage or, in some situations, on proxies for social outcomes;
- A compelling case of market viability. An applicant can make a compelling case of market viability by showing that the innovation has the potential to generate enough revenues to fully cover costs (including customer acquisition costs, distribution costs, headquarters costs, capital costs, depreciation, *etc.*), together with a plan to test whether the innovation can indeed cover such costs.

An applicant could also make a compelling case of market viability by showing that it can reasonably expect to attract commercial capital on market terms by the end of the Stage 2 award, since an investor would invest only if it believed that revenue would eventually be sufficient to cover fully loaded costs.³ For products that are viable on purely commercial terms without an element of

³ Note that the applicant need not actually apply for and take commercial capital on market terms. Rather, the applicant need show only that it is able to attract such capital to make a compelling case of market viability.

government or philanthropically motivated funding and that are sold primarily to people living in poverty, DIV does not require rigorous evidence of causal impact.⁴

An applicant could also make a compelling case of market viability by showing that it can reasonably expect to attract capital on concessional terms awarded due to the social impact of the innovation. DIV will consider such hybrid scaling strategies, but to the extent that the scaling path relies on philanthropically motivated funding such as impact investment or funding associated with corporate social responsibility, applicants will typically need during the award to demonstrate rigorous evidence of causal impact and show that the philanthropically motivated portion of funding is a cost-effective way to achieve the development objective;⁵ and

- A compelling case that the applicant will be able to show by the end of a Stage 2 award that the innovation's benefits exceed its costs, especially focusing on benefits and costs to those living in poverty.⁶

2. Cost-Effectiveness

Applicants must demonstrate plans to analyze cost-effectiveness or show that they have already done so. Applicants should discuss the costs and cost-effectiveness of alternative solutions and should also discuss the major cost drivers and cost-effectiveness of the innovation at scale.

For innovations designed to scale publicly, applicants should provide data on likely current and future costs of the innovation; impact per dollar spent compared to alternatives; and information on how costs and cost-effectiveness will be measured. For

⁴ For example, if people living in poverty are purchasing solar systems at a price that covers the systems' fully loaded cost, DIV would presume that the benefits exceed the costs and would not require rigorous evidence of causal impact for example on whether children are learning more in school because they could study at night. On the other hand, for innovations that are not sold directly to people living in poverty, applicants should propose an appropriate way to collect data that demonstrates benefits to people living in poverty, *e.g.*, if the innovation is a system designed to reduce injuries in factories, and the purchasers are garment factories, the applicant should produce rigorous evidence of a causal impact on injury rates.

⁵ An exception to the heightened evidentiary requirements for the philanthropic portion would be if the philanthropic portion were minimal, if the innovation had clear benefits to people other than paying customers, and if a rigorous test of causal impact and cost-effectiveness were unfeasible.

⁶ For most innovations, evidence of market viability can also serve as evidence that the innovation's benefits exceed the costs since customers' willingness to pay a price that fully covers costs is evidence that they place at least that much value on the product. One exception to this notion would be innovations that might generate net negative consequences for others, *e.g.*, pollution. Another exception would be innovations that consumers might pay for despite the innovation not being beneficial for them, *e.g.*, products sold based on misleading claims or addictive products. A third exception would be a product that is viable in the market due only to subsidies. For example, if an innovative energy source were more expensive than alternatives and viable only because of regulations that force firms to buy it, the innovation would be classified as a hybrid, and DIV would require the applicant to show that the benefits of the public subsidy exceed the cost.

innovations designed to scale commercially, applicants should be able to provide relevant commercial data, including a financial analysis of the innovation's potential to commercialize, analysis of market demand, and all relevant costs.

3. Potential for Scale and Financial Sustainability

Applicants must demonstrate that the innovation has the potential to impact millions of lives. Applicants must discuss the financial resources they expect to be required to scale the innovation over time and their vision for how such resources will be obtained.

Proposals will be stronger if applicants have established relationships with the partners envisioned for scaling (*e.g.*, partnerships with distributors; orders from large customers; Memoranda of Understanding with the government indicating commitment to scale should evidence demonstrate a positive impact, *etc.*).

STAGE 3: Transitioning to Scale ≤ \$15,000,000

Purpose: DIV funds Stage 3 awards to transition proven approaches from piloting and testing to widespread scaling in new contexts or new geographies. Applicants should have completed the activities for Stage 2 innovations, with or without prior DIV support.⁷ Specifically, applicants should have already demonstrated either rigorous evidence of causal impact and a convincing case based on this impact measurement that the intervention would be cost-effective at scale (for public scaling) or market viability (for commercial scaling) at the time of their Stage 3 application. Successful Stage 3 applicants must collect data on costs and social outcomes during the award and may use award funds to adapt the innovation to new contexts, to prepare the innovation for scaling, to conduct further testing of the extent to which the evidence of an innovation's impact is applicable in new geographies or settings, and to kickstart the scaling process.

Most Stage 3 grants will be well under \$3 million. Occasionally, DIV may consider a Stage 3 grant of up to \$15 million, but DIV would review such applications with even greater rigor. For innovations designed to scale commercially, DIV is reluctant to crowd out commercial investors, and we target Stage 3 funding for adapting, improving, or expanding successful approaches to new markets.

Application Requirements: Applicants should identify and address operational challenges for scaling and should plan for activities that allow for refinement and iteration along defined pathways to scale. In addition, applicants are required to demonstrate the following criteria:

⁷ In general, Stage 3 applications are stronger if they leverage non-DIV support and, all else equal, the more support that is leveraged, the stronger the application is. Support can take different forms depending on the nature of the innovation. For example, it could consist of a commitment from a developing country government to implement the innovation in its original or adapted form, or it could consist of a financial commitment from an external investor.

Public Pathway to Scale: Applicants for Stage 3 awards for innovations designed to scale publicly must demonstrate rigorous evidence of causal impact on a development objective and a compelling case based on the impact measurement that the solution will be cost-effective at scale relative to alternative solutions. Evidence of impact and a compelling case for cost-effectiveness (*e.g.*, through a randomized controlled trial, regression discontinuity, *etc.*) of the innovation must already exist prior to application. Applications will be stronger if the applicant can produce evidence of commitment from the developing country government and other entities that will be involved in scaling.

Commercial Pathway to Scale: Stage 3 innovations intended to scale commercially should already have demonstrated market viability as described more fully above in Stage 2's "Evidence of Impact" descriptions of market viability. Applicants should therefore no longer need donor funding for regular operations; instead, they would use donor funds only to adapt and scale to new contexts. To enable maximum leverage of DIV funds, DIV will endeavor to allow commercial investors the opportunity to fund these innovations. In addition, applicants must demonstrate a convincing case using evidence and data for how and why these additional investments in adapting and scaling the innovation in new contexts will yield a high return for the poor. The additional DIV funding for adaptation should unlock significant additional capital or generate greater scale that allows the applicant to increase their social impact.

EVIDENCE GENERATION	≤ \$1,500,000
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DIV is committed to generating evidence on the causal impact of widely implemented development approaches. DIV accepts applications for Evidence Generation grants to evaluate development approaches that are widely used but do not have sufficient evidence from rigorous evaluations of causal impact and cost-effectiveness, even if those development approaches are not innovative. Evidence Generation grants fit within the larger DIV mission because, if an approach that is evaluated under an Evidence Generation grant is found to be ineffective, then development implementers could innovate by not using the approach or by trying a modified version of the approach. Alternatively, if the approach is found to be effective, implementers can scale it further and optimize resource allocation to support interventions with proven impact. Applicants for Evidence Generation grants are invited to apply on their own or in partnership with an implementer (*e.g.*, a host country government, social enterprise, nonprofit, *etc.*). If an applicant is applying for an award for a rigorous test of causal impact for a development approach that is **not** yet widely implemented and thus could be considered innovative, then the applicant should apply for a Stage 2 grant.

[END OF SECTION A]

Section B: Federal Award Information

The amount of funding made available under this APS will depend on the number of applications received and is subject to the availability of USAID funds. DIV awards are typically a maximum of three (3) years in length. In certain circumstances, DIV awards might be cooperative agreements within the meaning of 2 C.F.R. 200.24, in which case the “substantial involvement” might involve USAID direction on the design or implementation of studies or evaluations (such as randomized controlled trials, etc.) or other activities related to the selection criteria set out in Section A.”

DIV recognizes that its grantees will need flexibility to iterate and adapt during the life of an award. DIV strives to provide this flexibility often by utilizing fixed amount awards, which is a type of grant in which payments are typically made based on milestones achieved, not just reimbursing costs (i.e., a pay-for-results approach). If a fixed amount award is used, and an additional period of performance beyond three (3) years, but no more than a total of five (5) years, is needed, then a renewal fixed amount award may be issued for such additional time. A renewal fixed amount award is technically a new award but operates like an extension of the initial award, though activities (such as milestones) and funding amounts may be amended. The process and criteria for awarding a renewal fixed amount award are generally the same as set forth below. Applications for renewal fixed amount awards must be submitted no earlier than the final year of the period of performance of the initial fixed amount award (i.e., typically the third year), unless otherwise agreed by DIV. Any renewal periods or expansion of activities is contingent on the following: availability of funds; satisfactory progress towards meeting the award objectives; submission of required reports; and compliance with the terms and conditions of the award, including the conditions for renewal (see ADS 303.3.24(a)).

DIV reviews applications on a rolling basis year-round and encourages applicants to submit applications at any time prior to the closing date of this APS. Previous and current DIV awardees may apply for additional funds from DIV; however, they must apply through the APS and compete for additional funds like all other applicants.

[END OF SECTION B]

Section C: Eligibility Information

Eligibility to Apply: DIV will make awards under this APS to successful applicants on the basis of their ability to further USAID's goal of dramatically improving or saving the lives of the poor in developing countries, as well as their ability to adhere to DIV's core principles and provide excellent value to the U.S. government to substantially contribute to these objectives. DIV welcomes applications from individuals; public, private, for-profit, and nonprofit organizations; institutions of higher education; faith-based organizations; public international organizations; non-governmental organizations; U.S. and non-U.S. governmental organizations; multilateral and international donor organizations. To be eligible under this APS, applicants must be responsive to this APS and must be sufficiently responsible to perform or participate in the final award. Awards are also contingent on DIV's ability to obtain concurrence from the responsible USAID Mission.

Applicants that are organizational entities must be legally recognized under applicable law. Local organizations are eligible and encouraged to apply, as well as consortia of local organizations. Participation of foreign government entities is possible only through an approved subaward agreement with a prime recipient.

USAID encourages applications from new partners.

Limit on Applications: There is no limit on the number of applications that an applicant may submit under this APS.

[END OF SECTION C]

Section D: Application and Submission Information

Point of Contact Information: For any questions regarding this APS, contact div@usaid.gov. The Agreement Officer for this APS is Roderick Watson, rwatson@usaid.gov, in USAID's Office of Acquisition and Assistance (OAA) Special Initiatives Development Partners. If an application is awarded, the Agreement Officer will appoint an Agreement Officer's Representative (AOR) at that time to provide technical and administrative oversight of the specific award.

Content and Format of Application⁸: Applicants should apply by using the link at www.usaid.gov/div/apply. Applications submitted by any other means will not be considered. The DIV website, www.usaid.gov/div, contains detailed content that is useful for applicants. In the event of technical difficulties with electronic submission of an application, please contact div@usaid.gov. Please review the publicly available information on the DIV website and do not contact USAID staff with general questions. DIV will invite only applicants that submit the most promising applications to join DIV's due diligence process as described in Section E below. Due to the sheer volume and nature of applications received by DIV, it is possible that applicants may not receive detailed feedback on why an application was not accepted; however, the further that applicants make it through the diligence process, the more detailed feedback they will receive.

SAM Registration and Unique Entity Identifier⁹: Registration in the System for Award Management (SAM) and obtaining a unique entity identifier are not required to submit an initial application (see Section E.1 below). Only after DIV's selection committee approves an initial application (see Section E.4 below), all full applicants, other than those exempted by statute or exempted under 2 CFR 25.110 that apply for or receive agency awards, must (i) be registered in the [SAM](#) before submitting an application; (ii) continue to maintain an active SAM registration with current information at all times during which the applicant has an active federal award or an application or plan under consideration by a federal awarding agency; and (iii) provide its unique entity identifier in each application it submits to the Federal awarding agency. *USAID cannot make a federal award until the applicant has obtained a unique entity identifier and complied with all applicable SAM requirements. If an applicant has not fully complied with the requirements by the time USAID is ready to make a federal award, then USAID may determine*

⁸ For purposes of this APS, the terms "applicant" and "application" as they relate to the initial submission using the link at www.usaid.gov/div/apply do not yet mean a formal applicant and formal application as those terms are used under the applicable regulations and policies, including 2 CFR 25.100 *et seq.*, 2 CFR 200 *et seq.*, Appendix I to 2 CFR Part 200, and 2 CFR 700 *et seq.* Instead, the initial submissions become "applications" from "applicants" (as those terms are used under such regulations and policies) only after they are approved by DIV's selection committee to advance to the Agreement Officer (see Section E.4 below). This distinction under this APS is intended to simplify the application process and to attract as many quality ideas as possible by reducing some upfront administrative burdens typically associated with applying for federal funding.

⁹ Until April 3, 2022, the unique entity identifier will remain the DUNS (Data Universal Numbering System) number, which is a 9-character numeric value managed by Dun & Bradstreet and assigned to formal applicants. Starting on April 4, 2022, the unique entity identifier will simply be the Unique Entity ID that is assigned as part of an applicant's SAM registration, which is a 12-character alphanumeric value managed and assigned directly by the U.S. Government. This change is intended to streamline and simplify the registration process, making it easier for entities to do business with the federal government.

that the applicant is not qualified to receive a federal award and may use that determination as a basis for making a federal award to another applicant.

USAID may not award to an applicant unless the applicant has complied with all applicable unique entity identifier and SAM requirements. Each applicant (unless the applicant is an individual or Federal awarding agency that is exempted from requirements under 2 CFR 25.110(b) or (c), or has an exception approved by the Federal awarding agency under 2 CFR 25.110(d)) is required to:

(1) Provide a valid DUNS number as the unique entity identifier (valid until April 4, 2022) or the unique entity identifier generated under SAM (after April 4, 2022) for the applicant and all proposed sub-recipients;

DUNS number: <http://fedgov.dnb.com/webform>

SAM registration: <http://www.sam.gov>

Non-U.S. applicants can find additional resources for registering in SAM, including a Quick Start Guide and a video on how to obtain an NCAGE code, on www.sam.gov, navigate to Help, then to International Registrants.

(2) Be registered in SAM before submitting its application. SAM is streamlining processes, eliminating the need to enter the same data multiple times, and consolidating hosting to make the process of doing business with the government more efficient (www.sam.gov).

(3) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal Awarding Agency.

The registration process may take many weeks to complete. Therefore, applicants are encouraged to begin the process early. If an applicant has not fully complied with the requirements above by the time USAID is ready to make an award, USAID may determine that the applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant.

Required Certifications and Assurances: The applicant must complete the following documents and submit a signed copy with their application prior to award. **Standard Forms can be accessed electronically at <https://www.grants.gov/> or using the following links.**

Application for Federal Assistance (SF-424): <https://www.grants.gov/web/grants/forms/sf-424-family.html>

Certifications, Assurances, Representations, and Other Statements of the Recipient” document found at <http://www.usaid.gov/sites/default/files/documents/1868/303mav.pdf>

Failure to accurately complete these forms prior to award could result in the rejection of the application.

Submission Dates and Times: DIV reviews applications year-round on a rolling basis and encourages applicants to submit applications at any time prior to the closing date of this APS.

Other Funding Restrictions: USAID reserves the right to fund any or none of the applications submitted. DIV may select projects across a wide range of technical and regional areas across all three stages and grant types. USAID will not fund applications that, in its view, will result in the use of U.S. taxpayer funding in a duplicative or redundant manner. This includes activities determined to be outside of the best interest and value to the United States government.

[END OF SECTION D]

Section E: Application Review Information

Selection Criteria: DIV uses the six criteria below to assess and rate applications throughout the selection process, with sections weighted equally. DIV's expectations of fulfilling these criteria vary by stage. See Section A above for more details on DIV's stage-specific expectations.

- 1. Innovation & Impact:** DIV will assess the application for the degree to which it demonstrates the following:
 - Clear explanation of the innovation and compelling problem statement in the development context addressing issues related to poverty.
 - Credible explanation of how the problem impacts people's lives and how solving this problem would lead to improvements.
 - Realistic explanation and clear articulation of the number of people (*i.e.*, beneficiaries/customers) impacted by the proposed activity locally and globally, as well as the potential for impact over time.
 - Clear identification of target beneficiaries/customers and general information by demographic disaggregations (*e.g.*, gender, income, *etc.*).
- 2. Cost-effectiveness:** DIV will assess the application for the degree to which it demonstrates the following:
 - Credible justification that the innovation can achieve better results at lower cost or be more effective at solving the problem than the status quo or alternatives.
 - An explanation of full costs of the innovation, including both fixed and variable costs, customer acquisition costs, distribution costs, headquarters costs, capital costs, depreciation, *etc.*, as well as an analysis of major drivers, and how these are all expected to evolve in the near future and at scale. Full costs should also include costs necessary for the end-user to access the innovation.
 - A reasonable estimate of actual costs required to meet the objectives of the project.
 - An explanation that demonstrates DIV funds will be used catalytically and that the applicant brings additional stage-appropriate resources to the table (*e.g.*, funding, in-kind contributions, networks, *etc.*).
- 3. Evidence & Evaluation:** DIV will assess the application for the degree to which it demonstrates the following:

- A credible theory of change that draws upon existing evidence when applicable or available, either from valid sources or previous implementation experience.
 - A clear explanation of the key questions that the proposed activities are designed to answer and how the applicant intends to find the answers to those questions.
 - Well-defined metrics or key performance indicators to judge success of the project such as operational viability, commercial viability, full costs, causal impact, cost-effectiveness, reach, and other social impact.
 - Clear explanation of how the metrics would be collected including relevant assumptions for early stage applicants.
 - Stage and scaling pathway-appropriate choice of evaluation methodology to measure commercial viability, cost-effectiveness, and development impacts of the innovation. Description of statistical power and corresponding assumptions for those evaluations generating rigorous evidence of causal impact.
- 4. Implementation:** DIV will assess the application for the degree to which it demonstrates the following:
- Stage-appropriate record of achievement thus far.
 - Stage-appropriate plans to build operational capacity, systems, and partnerships to drive the project or organization towards scale.
 - A strong understanding of local contexts, current implementation challenges and barriers to success.
 - Ability of the applicant to successfully implement and execute the project as designed.
 - Reasonable tests of technical, organization, distribution, and financial viability in a real world setting that can inform future implementation.
 - Commitment to testing the underlying theory of change and pivoting when necessary to achieve greater impact and scale.
- 5. Potential for Scale and Financial Sustainability:** DIV will assess the application for the degree to which it demonstrates the following:
- Scale**
- The possibility of reaching millions of individuals within ten years.

- Stage-appropriate partnerships or resource commitments from government, private sector, or other donors or funders to attain social impact goals.
- Realistic assessment of future challenges and risks anticipated and practical mitigation plans to address them.

Sustainability

- An analysis of the financial resources expected to be required to scale the innovation over time.
- A stage-appropriate, targeted strategy and track record of securing long-term financial viability and engagement of stakeholders that will drive the organization towards sustainability after DIV funding has ended.
- Clear and realistic plans to sustain long-term financial viability of the innovation at scale by way of growth in revenue, increased beneficiaries or customers, greater adoption, acquisition, *etc.*

Note that for Evidence Generation applications, DIV will assess his criterion on the degree to which the program to be evaluated has already reached scale.

6. Project Team: DIV will assess the application for the degree to which the project team (including partners) shows the following:

- Clear demonstration of expertise and relevant experience to execute the proposed plans.
- Clear assignment of key roles and level of effort (percent of full time) across the team, as deemed necessary for success.
- For Stage 2 proposals, involvement or commitment of partners will typically make proposals stronger; for Stage 3 proposals, involvement or commitment of those stakeholders essential to ensure significant scale will be important beyond initial preparatory stages.

Evaluation Matrix: DIV uses the following scoring methodology to assess each application:

Rating	Description
Excellent	Exceeds expectations in that it is comprehensive, thorough, and with exceptional merit, demonstrating that the proposed project will likely result in effective and efficient performance. Exhibits no

	significant deficiencies.
Very Good	Demonstrates overall competence, meets all minimum requirements, and exceeds requirements in some areas, but not in all. Even if there are some identified weaknesses, the applicant demonstrates that it can successfully complete all deliverables in a timely, efficient, and economical manner.
Good	Meets requirements. While the applicant demonstrates an ability to complete the work in some areas, there are some significant weaknesses or deficiencies. However, these combined weaknesses or deficiencies still represent a manageable performance risk.
Fair	Minimally meets basic requirements or demonstrates a limited understanding of the requirements. Implementation of the proposed project would likely lead to unsatisfactory performance. Contains deficiencies and significant weaknesses that may negatively affect performance.
Poor	Many deficiencies and/or gross omissions, including failure to address key elements, failure to understand work necessary to perform the required tasks, or failure to provide a reasonable approach to fulfilling requirements.
Nonresponsive	Fails to address all elements of the criteria; fails to understand the work necessary to perform the required tasks; fails to meet the requirements of the solicitation.

Cost-Sharing: DIV encourages applicants to consider providing reasonable cost-sharing or to suggest other creative exchange of resource-matching arrangements applied to the proposed amount of DIV funding. DIV reminds applicants that voluntary, committed cost-sharing becomes a binding requirement of the award if USAID issues an award; however, a fixed amount award cannot be used in programs that require mandatory cost-sharing or match pursuant to 2 CFR 200.201(b)(2). Cost-sharing is not required as part of an application but may be considered as part of the selection criteria under cost-effectiveness and potential for scale and financial sustainability.

Leverage: DIV also encourages applicants to consider providing leverage in their applications applied to the proposed amount of DIV funding. Leverage, in contrast to cost-sharing, does not become a binding requirement of the award if USAID issues an award. Leverage means any non-USAID resources (excluding cost-sharing) that are expected to be applied to a program whether by the applicant or by a third party. These parties may include a host government, private foundation, business, or individual. The applicant is not responsible for meeting the leveraging amounts or resources, and leverage is not subject to audit. Leverage is not required as part of an application but may be considered as part of the selection criteria under cost-effectiveness and potential for scale and financial sustainability.

Review and Selection Process: The review process under this APS has the following steps:

E.1. Application. All interested organizations must submit an application in English through <https://www.usaid.gov/div/>. DIV is unable to review applications written in any other language.

E.2. Application review. Each application receives an initial review, through which DIV gauges the extent to which it satisfies the six (6) selection criteria above. If the initial review indicates that the application satisfies DIV's selection criteria, a second member of the DIV team will rate the application. From there, the two DIV team members who reviewed the application will reach a consensus on whether to move the application to due diligence.

E.3. Due Diligence Process and Co-creation. If an application proceeds to due diligence, DIV will conduct a range of activities to more deeply evaluate whether the innovation is aligned with DIV's criteria. The due diligence process may involve asking follow-up questions through email or phone, requesting supplementary materials that further outline the applicant's technical approach and its responsiveness to DIV's core principles and selection criteria, and contacting references (possibly including persons not provided in the application) and previous funders and partners. The DIV team also typically seeks reviews from experts in the public and private sectors, the academic community, the philanthropic sector, and internal parties at USAID to better understand the extent to which an application satisfies DIV's selection criteria. DIV may request applicants to submit supplementary materials throughout the process including but not limited to financial statements, a financial model, a full budget for the proposed grant, an implementation plan, recent board materials, and pitch decks.

During the diligence process, DIV may engage in co-creation with the applicant and reserves the right to re-classify applications in different stages, to increase or decrease funding amounts, and to change the proposed activities in the application. DIV may also work with the applicant to change the scope of an application and may request an updated application. Regardless of DIV's funding decision, DIV may introduce applicants to potential partners or investors or other parts of USAID.

E.4. Selection Committees. Applications that make it through due diligence without being rejected will be reviewed for their technical merit by a selection committee, composed of USAID

and non-USAID experts. USAID may request applicants to present their application to the selection committee and answer questions via teleconference, video-conference, or in person at USAID/Washington at their own expense. The selection committee will meet with applicants only when it determines that a meeting is necessary; applicants should not contact DIV to schedule a presentation.

Based on the selection criteria outlined above, the selection committee will score applications based on the evaluation matrix above, and vote on which applications to advance to the Agreement Officer for award instrument negotiation and finalization. Using its technical expertise, the selection committee may suggest revisions or additions to the grant application, including the funding amount, as well as additional potential partners and resources, if desired. The inclusion of additional partners will occur only when it makes technical sense and when there is an agreement to include additional partners between the applicant and DIV.

E.5. Agreement Officer Determination. DIV will share positive selection committee recommendations with the Agreement Officer for further review and to inform award instrument negotiation and finalization. During this process, the apparently successful applicant and DIV can further refine the technical approach, general resource requirements, and management control of the project under the guidance of the Agreement Officer.

E.6. Request for Additional Information. If necessary, the apparently successful applicant and DIV may also work with partners identified by the selection committee to provide additional information on the approach. The apparently successful applicant may also be asked to provide more information about its technical approach, capacity, management and organization, past performance, and budget, as well as certifications and representations or other information, as needed.

E.7. Final Review and Negotiation. The Agreement Officer, in conjunction with DIV, will engage in final review, negotiation, and determinations of award instrument type, responsibility, and cost reasonableness, and will craft an award instrument with the apparently successful applicant. Milestones and associated funding amounts throughout the award period are also identified, negotiated, and agreed upon during this step. If the apparently successful applicant and USAID cannot arrive at a mutually agreeable arrangement, the Agreement Officer will cancel the project at no cost to the Government.

E.8. Award. The USAID Agreement Officer will award the instrument. See Section F below for more information.

E.9. Data reporting. At a time mutually agreed upon by DIV and the grantee, DIV requires that all grantees submit any data sets on social outcomes generated as a result of, or in part by, solutions funded by DIV. USAID will post data sets publicly. Grantees must also make their evaluation reports public.

[END OF SECTION E]

Section F: Federal Award and Administration Information

Federal Award Notices: USAID cannot make awards under this APS until it has appropriated, allocated, and committed funds through internal USAID procedures. While USAID anticipates successfully completing these procedures, potential applicants are notified of these requirements and conditions. The AO is the only individual who may legally commit the USG to the expenditure of public funds.

Applicants are prohibited from charging or incurring costs to the proposed award prior to receipt of either a fully executed Award or a specific, written authorization from the AO.

Award Administration: Awards will be made under relevant federal regulations and agency policy. For U.S non-governmental organizations, awards must be administered according to 2 CFR 200 and 2 CFR 700, and USAID Standard Provisions will apply.

- Award Solicitation, Award Process and Standard Provisions for U.S. organizations and Non-U.S. Non-governmental Organizations: <http://www.usaid.gov/who-we-are/agency-policy/series-300>
- Grant and Contract Process: <http://www.usaid.gov/work-usaid/get-grant-or-contract/grant-and-contract-process>
- Standard Provisions (U.S. Non-Governmental Organizations): <https://www.usaid.gov/ads/policy/300/303maa>
- Standard Provisions (Non-U.S. Non-Governmental Organizations): <http://www.usaid.gov/ads/policy/300/303mab>
- Standard Provisions (Nongovernmental Organizations - Fixed Amount): <https://www.usaid.gov/ads/policy/300/303mat>
- Intellectual Property: <https://www.law.cornell.edu/cfr/text/2/200.315>
- USAID's Gender Equality Policy: <http://www.usaid.gov/sites/default/files/documents/1870/GenderEqualityPolicy.pdf>
- Environmental Compliance Background Information: http://www.usaid.gov/our_work/environment/compliance
- USAID Open Data Policy: <https://www.usaid.gov/data/frequently-asked-questions>
- USAID Branding and Marking Policy: <https://www.usaid.gov/branding>

- **Program Income**¹⁰: Program income is any gross income earned by a recipient that is directly generated by an activity under an award or earned as a result of the award during the period of performance. If program income is anticipated to be earned under an award, it will be governed by the terms and conditions of the award as negotiated with the DIV team. See generally ADS 303.3.10.4 and 2 CFR 200.307 for the three most common approaches (addition, deduction, cost-sharing) for how program income is treated. Note the addition approach may be applied to program income generated by for-profit entity recipients¹¹. Applicants may also propose alternative approaches to how program income should be treated subject to DIV's approval.

Reporting: Awards made under this APS may have reporting requirements consistent with the regulations and policies listed above in “Award Administration.”

Important Note about NDAA Section 889:

A recent partial revision of [ADS Chapter 303, Grants and Cooperative Agreements to Non Governmental Organizations](#) to implement Section 889 Prohibitions on Covered Telecommunication and Video Surveillance Services or Equipment. The Office of Management and Budget published a [final rule to 2 CFR](#) on August 13, 2020 revising several sections of OMB Guidance for Grants and Agreements, including 2 CFR 200.

Revisions to 2 CFR 200 included changes to implement Section 889(b) of the John S. McCain National Defense Authorization Act (NDAA) for Fiscal Year 2019 ([Pub. L. 115-232](#)), prohibiting the use of award funds to procure covered telecommunication and video surveillance services or equipment. The prohibitions became effective on August 13, 2020.

To implement the Section 889 prohibitions, USAID made the following revisions to ADS 303:

1. A new section 303.3.35 Information Technology and Telecommunication was added to the chapter.
2. [ADS 303maa, Standard Provisions for U.S. Nongovernmental Organizations](#) was revised to revise mandatory standard provision M1. Applicability of 2 CFR 200 and 2 CFR 700 (August 2020).
3. [ADS 303mab, Standard Provisions for Non-U.S. Nongovernmental Organizations](#) was revised to add new mandatory standard provision M. 29. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment (August 2020).

¹⁰ Program income is different from profit. Profit is confined to the grant amount itself and is any such amount that is over and above allowable direct and indirect costs and is kept by the recipient. Program income is any amount *additional* to the grant amount that is generated from the original grant amount. Profit is prohibited pursuant to 2 CFR 200.400(g).

¹¹ USAID issued an exception to 2 CFR 700.13(a)(2) to allow this. See AAPD 20-06, Use of Additive Approach for Program Income by For-Profit Entities.

Any resulting assistance awards must ensure that:

- An award made to a U.S. organization will include the revised standard provision M1. Applicability of 2 CFR 200 and 2 CFR 700 (August 2020).
- An award made to a non-U.S. organization will include the new standard provision M29. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment (August 2020).

Please note that the resulting award will include all standard provisions (both mandatory and required as applicable) in full text.

The full text of both the referenced and all provisions may be found at:

- For U.S. Nongovernmental Organizations - [ADS 303maa](#)
- For Non-US Nongovernmental Organizations - [ADS 303mab](#)
- Standard Provisions for Fixed Amount Awards to Nongovernmental Organizations - [ADS 303mat](#)

The actual Standard Provisions included in the award will be dependent on the organization that is selected. The award will include the latest Mandatory Provisions for either U.S. or non-U.S. Nongovernmental organizations. The award will also contain the relevant Required as Applicable (RAA) Provisions based on the type of organization.

Conflicts of Interest: Conflict of Interest Pre-Award Term (August 2018)

a.) Personal Conflict of Interest

1. An actual or appearance of a conflict of interest exists when an applicant organization or an employee of the organization has a relationship with an Agency official involved in the competitive award decision-making process that could affect that Agency official's impartiality. The term "conflict of interest" includes situations in which financial or other personal considerations may compromise, or have the appearance of compromising, the obligations and duties of a USAID employee or recipient employee.

2. The applicant must provide conflict of interest disclosures when it submits an SF-424 (if selected to proceed through the further stages of the review and selection process outlined in Section E above). Should the applicant discover a previously undisclosed conflict of interest after submitting the application, the applicant must disclose the conflict of interest to the AO no later than ten (10) calendar days following discovery.

b.) Organizational Conflict of Interest

The applicant must notify USAID of any actual or potential conflict of interest that it is aware of that may provide the applicant with an unfair competitive advantage in competing for this financial assistance award. Examples of an unfair competitive advantage include but are not limited to situations in which an applicant or the applicant's employee gained access to non-public information regarding a federal assistance funding opportunity, or an applicant or applicant's employee was substantially involved in the preparation of a federal assistance funding opportunity. USAID will promptly take appropriate action upon receiving any such notification from the applicant.

[END OF SECTION F]

Section G: Federal Awarding Agency Contacts

See Section D.

Acquisition and Assistance Ombudsman: The A&A Ombudsman helps ensure equitable treatment of all parties who participate in USAID's acquisition and assistance process. The A&A Ombudsman serves as a resource for all organizations who are doing or wish to do business with USAID. Please visit this page for additional information: <https://www.usaid.gov/work-usaid/acquisition-assistance-ombudsman> The A&A Ombudsman may be contacted via: Ombudsman@usaid.gov

[END OF SECTION G]

Section H: Other Information

If DIV identifies opportunities to strengthen or fund an application by connecting with other USAID mechanisms, other potential funders, and/or external partners, DIV may make that application available internally or externally for appropriate consideration.

DIV encourages applicants to review the Principles for Digital Development published at <https://digitalprinciples.org/> and to incorporate those principles into their applications where appropriate.

DIV expects applicants and winners to cite the support they receive from USAID/DIV to any journalists, press, or content outlets that inquire or write stories about the innovation that was supported by DIV and USAID.

[END OF SECTION H]

Glossary

Cost-effectiveness

Cost-effectiveness is generally calculated as the **impact of an innovation** on an outcome of interest divided by the **cost of implementing an innovation**.

- The **impact of an innovation** is understood as the total impact generated and measured (*e.g.*, an x% reduction in the infant mortality rate).
- The **cost of implementing an innovation** is the total cost of activities implemented to achieve the aforementioned outcome (*e.g.*, the sum of salaries, rent, promotional and activity materials, *etc.*).

For example, to derive a cost-effectiveness ratio for a literacy intervention with the objective of improving student test scores, one would (1) determine on a per-student basis the improvement in test scores attributable to the literacy intervention, (2) add up all costs associated with improving student test scores, and (3) compute a ratio of the impact generated per dollar spent by dividing point 1 by point 2.

Cost-effectiveness implies a comparison of one intervention's cost-effectiveness to that of alternative solutions for achieving the same outcome—there are almost always alternative solutions or proposals for achieving the same goal. In the example above, the final step of analysis would be to compare the cost-effectiveness ratio of the literacy innovation to the ratios of alternative solutions. Cost-effectiveness ratios for the innovation or alternatives are not available or easily developed, and they require the existence of data on an innovation's impact. Nonetheless, regardless of scaling path, the applicant should make the case that the innovation is more cost effective than alternatives, citing convincing, objective data to support this claim. Successful applicants almost always demonstrate a concrete understanding of alternative solutions and explain how what they are doing is likely to be more cost effective. (Note that in some circumstances it may be enough for the applicant to make the case that the innovation is more cost effective than the status quo or than mutually exclusive alternatives, not necessarily to all other alternatives, *e.g.*, an innovation in pedagogy should be more cost effective than the existing curriculum in raising test scores, but it need not be more cost effective than non-mutually exclusive approaches, such as providing low-cost eyeglasses to children with vision problems who cannot see the blackboard.)

Financial sustainability

Financial sustainability refers to the ability of an innovation to sustain itself over a period of time that is necessary to achieve development impact. Financial sustainability may be reached using the commercial sector, the public sector, or a hybrid approach.

Pathways to scale

- “Commercial scaling” refers to an innovation that is designed to scale as a business, financed with, for example, customer payments, advertising revenue, or commercial capital.
- “Public scaling” refers to an innovation designed to scale with the financial support of developing country governments, donors, or philanthropists.
- “Hybrid scaling” refers to an innovation designed to scale through a combination of commercial and public pathways (*e.g.*, partially through donor or philanthropic grant funding and partially through sales revenue).

Pilot

A pilot goes beyond the prototype stage to test whether the innovation will work in a developing country context. The purpose of a pilot is to test *whether and how people will actually use the innovation* in a developing country context.

Prototype

For a tangible innovation, a prototype can be a mock-up of the innovation that shows how the innovation can be developed. For an intangible innovation, a prototype can be a detailed diagram or other draft of the innovation that shows how the innovation would work. The purpose of all types of prototype is to demonstrate *how* the innovation will work.

[END OF APS No: 7200AA22APS00001]