Issue Date:	March 10, 2023
Phase One (Concept Paper):	
Deadline for Questions	March 23, 2023
Closing Date Phase One:	April 20, 2023
Closing Time Phase One:	5:00PM Lima Time
Phase Two for selected Concepts ONLY (Full Application):	
Deadline for Questions Phase Two:	May 11, 2023 (subject to change)
Closing Date Phase Two:	May 25, 2023 (subject to change)
Closing Time Phase Two:	5:00 PM Lima Time
Subject:	Notice of Funding Opportunity Number 72052723RFA00001
Program Title:	Innovation for Sustainable Value Chains

Ladies/Gentlemen:

The United States Agency for International Development in Peru (USAID/Peru) is seeking applications for a Cooperative Agreement from qualified entities to implement the Innovation for Sustainable Value Chain activity as described in Section A, Program Description. Eligibility for this award is restricted to local entities, as defined in ADS 303.6. Subject to availability of funds, the merit review criteria described in this NOFO and a risk assessment, USAID intends to make an award to the applicant who best meets the objectives of this funding opportunity. Eligible parties interested in submitting an application are encouraged to read this NOFO thoroughly to understand the type of program sought, application submission requirements and selection process.

To be eligible for award, the applicant must provide all information as required in this NOFO and meet eligibility standards in Section C of this NOFO. This funding opportunity is posted on www.grants.gov and may be amended. It is the responsibility of the applicant to regularly check the website to ensure they have the latest information pertaining to this NOFO and to ensure that the NOFO has been received from the internet in its entirety. USAID bears no responsibility for data errors resulting from transmission or conversion process. If you have difficulty registering on www.grants.gov or accessing the NOFO, please contact the Grants.gov Helpdesk at 1-800-518-4726 or via email at support@grants.gov for technical assistance.

USAID may not award to an applicant unless the applicant has complied with all applicable unique entity identifier and System for Award Management (SAM) requirements detailed in Section C.

Please send any questions to the point(s) of contact identified in Section G. The deadline for questions is shown above. Responses to questions received prior to the deadline will be furnished to all potential applicants through an amendment to this notice posted to www.grants.gov.

Issuance of this notice of funding opportunity does not constitute an award commitment on the part of the Government nor does it commit the Government to pay for any costs incurred in preparation or submission of comments/suggestions or an application. Applications are submitted at the risk of the applicant. All preparation and submission costs are at the applicant's expense.

This is a phased solicitation. Participation in phase 2 is based on successful participation in phase 1 and a request for full application by USAID.

Exclusive teaming arrangements are prohibited.

Thank you for your interest in USAID programs in the Republic of Peru.

Sincerely,

Andre-Guy Soh Digitally signed by Andre-Guy Soh
Date: 2023.03.10 15:51:07 -05'00'

Andre-Guy Soh
Regional Agreement Officer
USAID/Peru

ACRONYMS

ADS	Automated Directives System
AD	Alternative Development
AO	Agreement Officer
AOR	Agreement Officer Representative
CFR	Code of Federal Regulations
DEC	Development Experience Clearinghouse
DEVIDA	Peru's Commission for Development and Life without Drugs
DO	Development Objective
DRG	Democracy, Human Rights, and Governance
ESG	Environment and Sustainable Growth
EU	European Union
IRs	Intermediate Results
FAA	Foreign Assistance Act
GHG	Greenhouse Gasses
GOP	Government of Peru
MIDAGR	Peru's Ministry of Environment and Ministry of Agriculture
NGO	Non-governmental Organization
NDAs	Nationally Determined Contributions
NOFO	Notice of Funding Opportunity
RMHO	Regional Migration and Health
ROAA	Regional Office of Acquisition and Assistance
SME	Small and Medium Sized Enterprises
TA	Technical Assistant
USAID	US Agency for International Development
USG	United States Government
ZEIs	Strategic Intervention Zones (Zonas Estratégicas de Intervención)

Table of Contents

SECTION A - PROGRAM DESCRIPTION

This funding opportunity is authorized under the Foreign Assistance Act (FAA) of 1961, as amended. The resulting award will be subject to 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and USAID's supplement, 2 CFR 700, as well as the additional requirements found in Section F.

I. Context

The impact of illicit activities (narcotrafficking, illegal gold mining, illegal logging, land trafficking etc.) in the Peruvian Amazon has deprived thousands of family's accesses to licit and sustainable economic opportunities. Specifically, illicit coca production, narcotrafficking, and resulting insecurity have been consistent challenges for Peruvians living in the Amazon. Historically, economic alternatives such as agriculture and forestry have shown potential in shifting this dynamic in most of San Martin and parts of Huánuco (e.g., Monson) following the interdiction-eradication-alternative development (AD) model and where USAID has made long-term investments. USAID made large investments over the course of more than 20 years to address this development challenge utilizing three different approaches. The first one, known as the San Martin model, involved the design and direct implementation of alternative development in the late 90s. The second one involved transferring this responsibility to the Peruvian Government (i.e., the Monzon model) in the late 2010s. The third stage involves achieving economic and environmental sustainability of producers, both former and current recipients of USAID/DEVIDA AD assistance. Most agricultural producers, including in other regions (e.g., Pasco, Junin, Ucayali etc.), have not yet been able to achieve the same improvements in product quality and increases in productivity and household income that would lessen the likelihood of a reversion to coca and a negative impact on the forest.

USAID has promoted a market-led approach to improve the productivity and quality of mainly coffee, plantain, and cacao and then connect farmers to reliable buyers for their higher-quality products. Thus, USAID unlocked access to markets, inputs, credit, and technical assistance needed to break the cycle of poverty and provide viable economic alternatives to coca. Moreover, USAID generated a change in perspective and behavior among traders and end buyers, demonstrating that investments down the value chain (e.g., at the farm level) made business sense. These efforts created a "snowball effect'' attracting other private sector actors such as financial institutions, traders, commercial development, technology companies, and input providers to the AD areas. The agency encouraged these private sector actors to view USAID-assisted farmers as new potential customers (e.g., fertilizers) and suppliers (e.g., cacao beans).

USAID has supported approximately 60,000 smallholder producers. improving the quality of their cacao, plantain, and coffee over the past 20 years. All this progress now faces a major environmental challenge. According to statistics from Peru's Ministry of Environment and Ministry of Agriculture, two thirds of deforestation in Peru is due to small-scale (up to five hectare) agricultural activities often characterized as transient and unplanned by NGO and government analysts. Forest loss is driven by individual or small-group actors seeking to escape poverty. MIDAGRI estimates that there are about 90,000 smallholder cacao farmers in Peru. This means that at least 540,000 hectares of primary and/or secondary forest are the property of cacao farmers in Peru[1]. These forests are at risk of agricultural expansion if farmers do not consolidate their access to supplies and services that allow them to intensify their production, increase their productivity, and find incentives to preserve their forest. Deforestation related to key agricultural commodities – in the case of Peru, coffee, cacao, and palm – could be reduced with technical assistance, appropriate technology, access to credit, and other services that would allow producers to maximize productivity year over year[2]. The emergence of new international market restrictions (e.g., deforestation-free EU regulation; 2021/0366, COD), climate change goals, and commitments (such as Nationally Determined Contributions) present an excellent window of opportunity to advance more climate-smart productive systems and business models that advance financial incentives to preserve the forests.

Finally, the gains made by USAID and DEVIDA described above are at risk unless an innovative and sustainable market-led approach can ensure: 1) productivity/quality increases through the continued provision of services (market of services) for environmentally sensitive production, 2) capacity building to effectively addresses new international market regulations (e.g., deforestation-free cacao and coffee imports), and 3) the implementation of incentives for environment preservation.

II. Funding Priorities and Technical Focus Areas

USAID has been implementing Alternative Development (AD) activities[3] for over 20 years and helped thousands of rural families escape the poverty trap brought about by narcotrafficking. Despite the improvements in yields and product quality of the major AD value chains (cacao and coffee), and increases in incomes, the consolidation of all these efforts could be hampered by (1) a deterioration of the environment as a result of smallholder agriculture[4] and (2) an undeveloped market system that does not provide essential inputs and services to value chain actors, including farmers. Thus, USAID is seeking innovative development or business models that reduce or eliminate the pressure on Peruvian forests. This model shall strengthen a market of services that ensures the provision of credit, technology, information, supplies and technical assistance, to increase productivity, household incomes, and the profitability of rural businesses, enabling social, economic, and environmentally sustainable livelihoods.

This activity will directly support two of the three Intermediate results (IRs) of USAID Peru's Development Objective 1: Peru expands sustainable economic and social development in areas affected by illicit coca cultivation: Intermediate Result (IR) 1.2: *Sustainable licit economies strengthened in*

---

[1] According to USAID's Peru Cacao Alliance each smallholder cacao farmer has six hectares of primary and/or secondary forest, on average within their property.

[2] USAID acknowledges that the market of services alone is not the solution. A combination of other incentives and regulations, (e.g., access to climate finance, land titling and land use regulations, international import restrictions) will likely be necessary to reduce currently high levels of deforestation.

[3] In this document, USAID uses the term "activities" to refer to "proyectos" in Spanish. Throughout this text, the terms "activity" and "project" are used to refer to "proyecto" in Spanish.

[4] Soil use change (e.g., deforestation for small scale agriculture) is one of the main greenhouse gases (GHG) emitters in Peru.

targeted areas and IR 1.3: *Climate-smart responses to climate* ***change (****mitigation and adaptation) strengthened in targeted areas*.

Finally, this new environmentally sensitive[5] development model will be implemented in some of the Strategic Intervention Zones (ZEIs in Spanish) of Peru's Commission for Development and Life without Drugs (DEVIDA), as relevant and will potentially scale up and expand to other areas of the country.

III. Funding Restrictions

Profit is not allowable for recipients or subrecipients under this award. See 2 CFR 200.331 for assistance in determining whether a sub-tier entity is a subrecipient or contractor.

Construction is not allowed under this activity unless such costs are specifically requested by the applicant and approved by the Agreement Officer.

USAID will not allow the reimbursement of pre-award costs under this award without the explicit written approval of the Agreement Officer.

Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in Section B.4 of this NOFO and must meet the source and nationality requirements set forth in 22 CFR 228.

IV. Geographical scope

All proposed areas should consider DEVIDA's ZEIs where USAID has extensively worked (e.g., San Martin, Huánuco, Pasco, and Ucayali). Based on these prioritized areas, applicants shall propose a territorial intervention based on the following criteria:

- Economic development (poverty rates, physical and digital connectivity, proximity to population centers, etc.)
- Environmental vulnerability (buffer zones, proximity to areas of environmental importance, protected areas, amount of forest within producers' properties. etc.)
- Degree of producer aggregation (*asociatividad* in Spanish)
- Main economic activity.
- Presence of illegal coca, citizen security.
- And any other relevant selection criteria proposed by applicants.
- Presence of other USAID-funded activities with which synergies can be established to advance counter-narcotics and/or environmental objectives.

[5] This activity will advance an alternative development model that incorporates climate change mitigation and adaptation through climate-smart agriculture and environmental concerns in non-agricultural value chains.

CRITICAL PROGRAMMATIC CONSIDERATIONS:

Below is a list of key considerations that USAID considers important for the accomplishment of the objectives sought for with this solicitation. This list is not exhaustive, and the applicant may add or refute some of them.

COMPONENT 1: Information for service provision managed.

Information management is key for decision making and for the sustainability of commercial relationships. Under this component, the selected implementing partner would gather and manage information to identify opportunities for both providers and users of services to foster commercial relations that will consolidate licit economies in targeted areas. For example, traceability systems would be implemented to address market regulations, such as the EU no-deforestation policy on cacao and coffee imports. Also, this activity would engage in applied research and knowledge management to inform decisions, particularly to identify incentives for environmental preservation.

COMPONENT 2: Technological Innovations for resilient economies of scale implemented.

Economic and environmentally sustainable agriculture requires the adoption of technologies that ensure increases in productivity while protecting the environment. In this sense, this component would advance climate change adaptation and mitigation through the adoption of climate-smart technologies for GHG reduction proven and piloted in Peru and worldwide. The main goal of this component will be to preserve the forest within the property of participants, promote environmental sustainability of the productive approach (climate-smart agriculture), and develop/strengthen financial incentives for forest conservation and reduction of environmental degradation.

Furthermore, this component will build upon lessons learned from past and current USAID activities aiming at increasing household income through the aggregation of end users of services (e.g., farmers, traders) and service providers (e.g., of inputs, technology, etc.). Furthermore, this component will identify the most cost-efficient approaches and solutions to introduce incentives for environmental preservation and conservation, including aggregating target populations (e.g., farmers, SME owners, etc.) to achieve economies of scale attractive for private investors to consolidate environmentally sustainable licit economies in targeted areas. Also, the selected implementing partner would strengthen resilience and capacity of local businesses to adapt to climate change, identify and implement incentives for environment preservation/conservation, and strengthen supply aggregation[6] models.

Applicants shall describe their proposed methodology to improve the business acumen of producers to manage their productive units in a profitable way. In addition, applications shall promote sustainable entrepreneurship, prioritizing youth engagement. Finally, applicants shall address how the proposed technical innovations will improve food security of participant families.

---

[6] Supply aggregation (asociatividad, in Spanish) refers to different methods to group producers so they can access services (e.g., loans and technical assistance) through their organizations (e.g., cooperatives, associations, committees, etc.).

COMPONENT 3: Producer Organizations strengthened and promoted.

The majority of producers do not belong to any organization. This situation presents a challenge to expand services needed for environmentally sensitive production. Thus, applicants shall detail their proposed methodology to strengthen the organizational and institutional capacity of existing producer organizations, including cooperatives, associations, committees, etc. In addition, applicants will describe other innovative grouping approaches to advance economies of scale in order to expand access to the market of services described in this solicitation and to potentially access financial incentives for environmental conservation/preservation.

COMPONENT 4: Landscape approach implemented.

Through this component, the activity shall align with national and subnational priorities and work in close coordination with the corresponding authorities in charge of local economic and environmental development, as applicable. In this sense, the proposed intervention may contribute to the implementation of regional and/or local development plans such as low emission regional rural development plans, strategic community plans, *planes de desarrollo concertado*, when applicable.

V. Main Programmatic Objectives

At the end of 5 years of implementation, USAID Peru expects to see the following objectives:

1. The establishment and sustainable operation of a market of services accessible to economic actors operating in the proposed value chains. The provision of these services should generate program income that can be reinvested into the activity.
2. Hectares of forest (within participants property) preserved (not deforested), as a result of increase in productivity and quality of crops
3. An improvement of livelihood among participants (including food security and other social factors) as a result of activity implementation.

[END OF SECTION A –PROGRAM DESCRIPTION]

SECTION B - FEDERAL AWARD INFORMATION

I. Estimate of Funds Available and Number of Awards Contemplated

USAID intends to award **one Cooperative Agreement** pursuant to this notice of funding opportunity. Subject to funding availability and at the discretion of the Agency, USAID intends to provide approximately **$12,000,000.00** in total USAID funding.

II. Start Date and Period of Performance for Federal Awards

The anticipated period of performance is five years. The estimated start date will be TBD.

III. Substantial Involvement

In accordance with ADS 303.3.11, USAID will be substantially involved in:

a. Approval of the Recipient's Implementation Plan: USAID will review and approve the Recipient's annual implementation plan and any significant changes made thereto, as well as all the required program and financial reports.

b. Approval of specified Key Personnel: USAID will approve all Key Personnel. These positions are considered to be essential to the successful implementation of the award. Therefore, an individual proposed as a replacement shall have at least equal qualifications and experience. All changes thereto must be submitted for the approval of the Agreement Officer prior to replacement of an employee.

c. Monitoring Grantee's achievement of purpose of the Cooperative Agreement, which is the consolidation of a market of services that ensures the provision of credit, technology, information, supplies, technical assistance, and any other necessary inputs to enable livelihoods that are socially, economically, and environmentally sustainable and supports USAID's development objectives in Peru over the long term as described in this NOFO.

IV. Authorized Geographic Code

The geographic code for the procurement of commodities and services under this program is **937** (the United States, the recipient country, and developing countries other than advanced developing countries, but excluding any country that is a prohibited source).

V. Title to Property

Property title under the resultant agreement will vest with the recipient in accordance with the Requirements of 2 CODE of Federal Regulations (CFR) 200.

VI. Place of Performance

The place of performance for the activity will be Peru.

VII. Nature of the Relationship between USAID and the Recipient

The principal purpose of the relationship with the Recipient and under the subject program is to transfer funds to accomplish a public purpose of support or stimulation of the **Innovation for Sustainable Value Chains** which is authorized by Federal statute. The successful Recipient will be responsible for ensuring the achievement of the program objectives and the efficient and effective administration of the award through the application of sound management practices. The Recipient will assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

[END OF SECTION B - FEDERAL AWARD INFORMATION]

SECTION C - ELIGIBILITY INFORMATION

I. Eligible Applicants

Eligibility is restricted to local entities. USAID defines a "local entity" as an individual, a corporation, a nonprofit organization, or another body of persons that:

(1) Is legally organized under the laws of; and

(2) Has as its principal place of business or operations in; and

(3) Is majority owned by individuals who are citizens or lawful permanent residents of; and

(4) managed by a governing body the majority of who are citizens or lawful permanent residents of the country receiving assistance.

For purposes of this definition, 'majority owned' and 'managed by' include, without limitation, beneficiary interests and the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the organization's managers or a majority of the organization's governing body by any means.

USAID welcomes applications from organizations that have not previously received financial assistance from USAID.

Faith-based organizations are eligible to apply for federal financial assistance on the same basis as any other organization and are subject to the protections and requirements of Federal law.

Unique Entity Identifier (UEI) and SAM Registration

Applicants must obtain a Unique Entity Identifier (UEI) and register in the System for Award Management (SAM) (https://sam.gov/) in order to be eligible to receive federal assistance, such as grants and cooperative agreements. Unless an exemption applies (see ADS 303maz), applicants must be registered in SAM prior to submitting an application for award for USAID's consideration. Recipients must maintain an active SAM registration while they have an active award. Each applicant (unless the applicant is an individual or entity that is exempted from UEI/SAM requirements under 2 CFR 25.110) is required to:

1. Provide a valid UEI for the applicant and all proposed sub-recipients.
2. Be registered in SAM <u>before</u> submitting its application.
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.

Applicants can find additional resources for registering in SAM, including a Quick Start Guide and a video, on https://sam.gov/.

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 8 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. 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 they are 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.

II. Leverage

No applications will be considered without a proposed leverage contribution. Applicants shall propose a leverage amount required to ensure the financial sustainability of the operations and the continuation of the provision of market services even after the end of the award. Such funds include other multilateral, bilateral, and foundation donors; host governments; and local organizations, communities and private businesses that contribute financially and in-kind to implementation of activities at the country level.

[END OF SECTION C - ELIGIBILITY INFORMATION]

SECTION D - APPLICATION AND SUBMISSION INFORMATION

I. Agency Point of Contact

Andre-Guy Soh
Regional Agreement Officer
Regional Office of Acquisition and Assistance - ROAA
limasolicitations@usaid.gov

II. Questions and Answers

Questions regarding this NOFO should be submitted to limasolicitations@usaid.gov with a copy to the Acquisition and Assistance Specialist, Rosario Saldaña at rsaldana@usaid.gov, no later than the date and time indicated on the cover letter for each phase.

III. Submission Instructions

Applications in response to this NOFO must be submitted no later than the closing date and time indicated on the cover letter, as amended. Late applications will not be reviewed nor considered. Applicants must retain proof of timely delivery in the form of confirmation from the receiving office.

Applications must be addressed to Andre-Guy Soh, Agreement Officer at asoh@usaid.gov and to limasolicitations@usaid.gov with a copy to the Acquisition and Assistance Specialist, Rosario Saldaña at rsaldana@usaid.gov.

USAID's preference is that the Concept Note and Summary Budget be submitted as consolidated email attachments, e.g., that you consolidate the various parts of a technical application into a single document before sending it. If this is not possible, please provide instructions on how to collate the attachments. USAID will not be responsible for errors in compiling electronic applications if no instructions are provided or are unclear.

After submitting an application electronically, applicants should immediately check their own email to confirm that the attachments were indeed sent. If an applicant discovers an error in transmission, please send the material again and note in the subject line of the email or indicate in the file name if submitted via grants.gov that it is a "corrected" submission. Do not send the same email more than once unless there has been a change, and if so, please note that it is a "corrected" email.

Applicants are reminded that email is NOT instantaneous, and in some cases delays of several hours occur from transmission to receipt. Therefore, applicants are requested to send the application in sufficient time ahead of the deadline. For this NOFO, the initial point of entry to the government infrastructure is the USAID mail server.

There may be a problem with the receipt of *.zip files due to anti-virus software. Therefore, applicants are discouraged from sending files in this format as USAID/Peru cannot guarantee their acceptance by the internet server. File size must not exceed 5GB.

This opportunity will follow a two-phase review process.

a. Phase One

During the first phase, applicants shall submit 1) a written concept note and 2) a summary budget. The concept note shall not exceed five (5) pages.

Applications and any modifications thereof must be submitted in one email composed of (a) Concept Note and (b) Summary Budget (for the five years of the project). Email submissions must include the following in the subject line:

"Concept Note under **NOFO No. 72052723RFA00001,** submitted by: [name of Applicant organization]."

"Summary Budget under **NOFO No. 72052723RFA00001**, submitted by: [name of Applicant organization]."

b. Phase Two

After review of concepts submitted in phase one, USAID will formally request a full application from one or several applicants whose concepts would have received a "high confidence" rating. No applications will be accepted from applicants who do not participate in phase 1.

Applications and any modifications thereof must be submitted in one email composed of (a) Full Application and (b) Detailed Budget for Phase Two. Email submissions must include the following in the subject line:

"Full Application under **NOFO No. 72052723RFA00001,** submitted by: [name of Applicant organization]."

"Detailed Budget under **NOFO No. 72052723RFA00001**, submitted by: [name of Applicant organization]."

IV. General Instructions to apply.

A. Phase One: Concept Note Format

The Concept Note should be specific, complete, and presented concisely. The Concept Note must demonstrate the Applicant's capabilities and expertise with respect to achieving the goals of this program. The application should take into account the requirements of the program and merit review criteria found in Section E of this NOFO.

The five (5) page concept note should be formatted as follows:

- Language – English.
- Calibri 12 point, single- spaced.
- Margins - one inch on all sides.
- Consecutive page numbers

The concept note should include the following sections:

- **Cover Page (does not count towards page limit)**: The cover page should include a) program title; b) Request for Applications reference number; c) name of organization(s) applying for the agreement; d) proposed implementing partners; and e) contact person, telephone number, fax number, address, and name(s) and title(s) of person(s) who prepared the application, and corresponding signatures.

- **Executive Summar**y (1 page) - The Executive Summary must provide a high-level overview of the applicant's overall technical, partnership and management approach. This should be a succinct statement that convinces the reader to want to know more about the application. It should succinctly demonstrate that the applicant understands the problem, present a convincing strategy (technical, managerial and partnering) to successfully accomplish the objectives outlined in section A.

- **Technical Approach** (2 pages) - In this section, the applicant must clearly outline a problem statement, a theory of change and a magnitude of change. The applicant must present its approach to achieving the objectives of the activities, provide empirical evidence in support of the approach, demonstrate how the approach is informed by key considerations, present and defend its envisioned partnerships or alliances, etc. and when necessary - present assumptions underpinning its approach. Here, the applicant may discuss its leverage plan, geographic focuses and elicit its key assumptions.

- **Management Approach** (2 pages): The management approach should follow the structure presented in Section D and must demonstrate a clear partnership structure, a functional operating structure (offices, equipment, mobilization etc.), the existence of or plan to recruit qualified personnel, and a vision for efficient coordination across partners and across regions to seamlessly facilitate the implementation of its proposed interventions.

Summarized Cost Application

The Summary Budget must be submitted as a separate document, but in the same email. The Summary Budget application shall consist of a summary budget, in US Dollars, which provides a breakdown by major cost elements. The cost application does not count towards the page limit. The summary budget can be an excel table pasted in a word document for ease of review.

A. Phase Two: Request for Full Application

The full application should be structured as follows:

• Language – English.
• Calibri 12 point, single- spaced.
• Margins - one inch on all sides.
Consecutive page numbers

The full application **must not exceed 20 pages** and should include the following sections:

1) Cover Page: (not included in the 20-page limit)

The cover page should include a) program title; b) Request for Applications reference number; c) name of organization(s) applying for the agreement; d) proposed implementing partners; and e) contact person, telephone number, fax number, address, and name(s) and title(s) of person(s) who prepared the application, and corresponding signatures.

2) Technical Approach: (12 pages)

This section should present a convincing, evidence and market-based approach to accomplishing the objectives of this activity. Among other things:

- The applicant must present a problem statement, a coherent theory of change and a magnitude of change and a business plan.
- The applicant must demonstrate how its proposal will (1) achieve financially sustainability beyond the period of performance of this activity, 2) build upon past successes/lessons learned, 3) actively promote sustainable, climate smart, deforestation-free production, innovation, and forest conservation, 4) actively engage public and private sector actors, 5) promote gender equality and inclusion of youth and vulnerable populations, and 6) be potentially scalable/replicable to other areas.
- The applicant must address its plan to generate, access or diversity sources of funding (other than USAID) to fund the operation of this activity. To get there, the implementing partner must ensure that the private sector is able to profitably provide the services that farmers and other value chain actors need, so that sustainability is assured.
- The applicant's plan to effectively broker the necessary connections between the supply (i.e., input and service providers) and demand (i.e., producers) of these services (market of services[7]) while preparing farmers to address new market regulations, such as the recent EU deforestation-free policy on commodity imports.
- The applicant's communication strategy i.e. (1) key messages per audience, 2) realizing value of standing forest (sedentary farming families), 3) climate change/environmental commitments, 4) profitability of economic activity with diminished or null environmental impact, 5) target audiences (age, disaggregated by sex, geographical scope, and any other relevant layer) 6) affirmative action approach to women and youth (including roles and responsibilities), as necessary.
- A draft Activity Monitoring, Evaluation and Learning Plan (AMELP) to be finalized post award. This plan does not count toward the page limit. See Section F.
- Gender equality and Female Empowerment: Per Section 5b of ADS Chapter 201sam, USAID Peru is including a Gender Analysis in the annexes previously conducted.

[7] The Office of Alternative Development of USAID/Peru has been promoting the provision of services required to improve agricultural yields and profitability to farmers. By "services", USAID refers to credit, technology, technical assistance, market information, packing, post-harvest management, agricultural inputs (fertilizers, pesticides, pruning equipment, etc.), access to carbon credit markets, payment for ecosystem services, etc.

- Applicants that move to Phase 2, should briefly validate the assumptions included in said analysis in their technical approach. Furthermore, applicants shall describe its approach to tangibly address gender gaps in access to opportunities including, credit, procurement of inputs, business opportunities, leadership and decision-making opportunities, etc. highlighting the role, importance and challenges of young women. Also, applicants should demonstrate a clear understanding of the social, economic, cultural, and gender-based violence context in their proposed geographical area of intervention. Additional details can be included as an annex.

3) Management and Staffing Plan and Approach: (maximum 8 pages)

Applicants must present its management and staffing strategy to execute the proposed technical approach. Applicants must describe the roles and responsibilities of the prime awardee (headquarters, regional, in-country) and/or sub-awardees (if any); the internal and external communication flow; and position descriptions for applicant-determined core positions.

The Applicants must present a comprehensive organizational chart and skills matrix. The applicant must showcase how its personnel composition demonstrates gender equity and capitalizes on the local workforce.

This section may be organized as follows:

a. General operations

Applicants must describe its roll out plan, its existing capacities for immediate mobilization (established offices or presence) , its approach to address logistical and operational challenges. In addition, it should provide details about required equipment that will be purchased under this project. It should also include an explanation of the overall functioning of the human resources, procurement, financial, and other relevant units.

b. Personnel

Applicants must describe how the proposed key personnel will contribute holistically to both technical and administrative needs of this award. Applicants must include a position description with minimum requirements for each key personnel proposed, CV (not to exceed two pages as annexes), description of how each key personnel candidate’s experience will enhance implementation of the proposed strategy, a list of three (3) references not associated with the applicant's organization, and if possible, signed commitment letters from the proposed candidates. Please note that USAID/Peru may at its discretion seek reference information from individuals outside of those identified in the proposal.

c. Partnership structure

If the Applicant proposes an alliance with one or several other partners, it should describe their added value, the relationship and coordination processes between the firms, how the decision-making processes will be conducted, and the administrative and technical roles and responsibilities of each proposed partner. Under Phase Two, applicants should submit a Due Diligence for their proposed partners. Please see per Annex 9 a recommended questionnaire that you may use if find it useful.

d. Past Performance

The Applicant must provide past performance information for itself and each major sub-awardee, if applicable. Past Performance information shall be submitted as an annex during the first phase of this procurement (see Section III. General Content and Form of Application). "Major sub-awardees" are those sub-awardees expected to perform at least 20% (as quantified by or calculated by level of effort for staff and/or total estimated direct expenditures) of the technical effort under the award being solicited. The Applicant must provide a record of relevant past performance that demonstrates evidence of capacity and ability to successfully manage and implement a similar project. Performance information will be used for both the responsibility determination and best value decision. USAID may use performance information obtained from other than the sources identified by the Applicant/Sub-awardee.

The applicant must provide information regarding its recent history of performance for at least three (3) cost reimbursement contracts, grants, or cooperative agreements involving similar or related programs in the past five years, as follows:

• Name of the Awarding Organization.
• Award Number.
• Activity Title.
• A brief description of the activity.
• Period of Performance.
• Award Amount.
• Reports and findings from any audits performed in the last three years; and
• Name of at least two (2) updated professional contacts who most directly observed the work at the organization for which the service was performed with complete current contact information including telephone number, and e-mail address for each proposed individual.

If the applicant encountered problems on any of the referenced Awards, it may provide a short explanation and the corrective action taken. The applicant should not provide general information on its performance. USAID reserves the right to obtain relevant information concerning an applicant's history of performance from any sources and may consider such information in its review of the applicant's risk.

The Agency may request additional information and conduct a pre-award survey if it determines that it is necessary to inform the risk assessment.

Detailed Cost Application Format

The full Budget must be submitted separately from the technical application. The Budget application shall consist of a detailed budget in excel, in US Dollars, which provides a detailed breakdown of all cost elements. The cost application does not count towards the page limit. Please see Annex 1 to find a budget template for your consideration.

The anticipated costs under the Cooperative Agreement using Standard Form 424- Application for Federal Assistance, 424A- Budget Information- Non-Construction Programs, and 424B- Assurances- Non-Construction Programs. The summary business (cost) application must illustrate the entire period of performance, using the budget format shown in the SF-424A.

Standard Forms (SF424 Forms) The Applicant must sign and submit the Cost Application using the SF-424 series. Submissions of the SF 424, SF 424A, and SF 424B are required for the cost application. Standard Forms can be accessed electronically at www.grants.gov and can be downloaded from USAID's web site:

SF 424 Form(s) - The applicant must complete the following documents and submit a signed copy with their application. Standard Forms can be accessed electronically at https://www.grants.gov/web/grants/forms/sf-424-family.html

Applicants are expected to review, understand, and comply with all aspects of the NOFO.

[END OF SECTION D - APPLICATION AND SUBMISSION INFORMATION]

SECTION E – APPLICATION REVIEW INFORMATION

I. Review Criteria

Phase one:

Concept notes will be evaluated in accordance with the following confidence ratings:

High Confidence	The Government has **high confidenc**e that the application's technical and management approaches reflect the requirements of section D, and present the most realistic, factual and market-based strategies to accomplish the objectives outlined in section A of this solicitation i.e., that is the establishment and sustainable operation of a market of services accessible to economic actors in the Alternative Development value chain in target regions.
Some Confidence	The Government has **high confidenc**e that the application's technical and management approaches reflect the requirements of section D, and present the most realistic, factual and market-based strategies to accomplish the objectives outlined in section A of this solicitation i.e., that is the establishment and sustainable operation of a market of services accessible to economic actors in the Alternative Development value chain in target regions.
Low Confidence	The Government has **high confidenc**e that the application's technical and management approaches reflect the requirements of section D, and present the most realistic, factual and market-based strategies to accomplish the objectives outlined in section A of this solicitation i.e., that is the establishment and sustainable operation of a market of services accessible to economic actors in the Alternative Development value chain in target regions.

Phase two:

Successful Phase One applicants will be requested to submit a full application. The Merit Review Committee will evaluate the Technical Approach and the Management and Staffing Plan and Approach of each applications in accordance with the following rating system:

<table>
<tr><th>Adjective</th><th>Merit Review Criterion</th></tr>
<tr><td>Exceptional</td><td>An Exceptional application has the following characteristics:
A comprehensive and thorough application of exceptional merit.
Application meets and fully exceeds the Government expectations or exceeds NFO objectives and presents very low risk or no overall degree of risk of unsuccessful performance.
Strengths significantly outweigh any weaknesses that may exist.</td></tr>
<tr><td>Very Good</td><td>A Very Good application has the following characteristics:
An application demonstrating a strong grasp of the objectives.
Application meets NFO objectives and presents a low overall degree of risk of unsuccessful project performance.
Strengths significantly outweigh any weaknesses that exist.</td></tr>
<tr><td>Satisfactory</td><td>A Satisfactory application has the following characteristics:
An application demonstrating a reasonably sound response and a good grasp of the objectives.
Application meets NFO objectives and presents a moderate overall degree of risk of unsuccessful project performance.
Strengths outweigh weaknesses.</td></tr>
<tr><td>Marginal</td><td>A Marginal application has the following characteristics:
The application shows a limited understanding of the objectives.
Application meets some or most of the NFO objectives but presents a significant overall degree of risk of unsuccessful project performance.
Weaknesses equal or outweigh any strength that exists.</td></tr>
<tr><td>Unsatisfactory</td><td>An Unsatisfactory application has the following characteristics:
The Application does not meet the NFO objectives or requires a major rewrite of the application.
Presents an unacceptable degree of risk of unsuccessful project performance.
Weaknesses demonstrate a lack of understanding of the Government’s needs.
Weaknesses significantly outweigh any strength that exists.</td></tr>
</table>

The Technical Approach and the Management and Staffing Plan and Approach are of equal importance.

[END OF SECTION E – APPLICATION REVIEW INFORMATION]

SECTION F - FEDERAL AWARD ADMINISTRATION INFORMATION

I. Federal Award Notices

Award of the agreement contemplated by this NOFO cannot be made until funds have been appropriated, allocated and committed through internal USAID procedures. While USAID anticipates that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for the award.

II. Administrative & National Policy Requirements

The resulting award from this NOFO will be administered in accordance with the following policies and regulations.

For Non US organizations: ADS 303, Standard Provisions for Non-U.S. Nongovernmental Organizations

See **Annex2**, for a list of the Standard Provisions that will be applicable to any awards resulting from this NOFO.

III. Reporting Requirements (post award)

The successful applicant must submit the following reports[8]:

Financial Reporting:

The Recipient shall submit a quarterly financial report, within 30 calendar days after the end of each quarter, using the new Federal Financial Report (Standard Form 425). Financial Reports shall be in keeping with 2 CFR 200.327 https://www.usaid.gov/forms/sf-425; Recipient must send copies to the AOR and AO, respectively.

Performance Reporting:

a. Annual Work Plan

Immediately upon award, the successful applicant must submit a work plan corresponding to the first year of implementation only in their application. Illustrative discrete tasks include training events, workshops and seminars, outreach events, and information dissemination activities such as publications and reports. It is essential that the document be concise so as to ensure that it will be a simple reference tool for the implementer to track progress against the approved implementation schedule, and for USAID to monitor and evaluate performance through the work plan year and to ensure that award objectives are accomplished on time, on budget, and in accordance with expectations.

Work Plan Standards: Work plans typically identify a logical sequence of steps to be undertaken to implement each program component and must include an associated timetable. The applicant may not

[8] If the due date falls on a weekend or holiday, reports must be submitted on the following working day.

include activities in the work plan that fall outside the parameters of the program description. The applicant's annual work plan will describe how the applicant intends to organize the year's work including setting project priorities and how the applicant will organize responsibilities amongst Recipient staff to ensure accomplishment of the tasks. The work plan will address how the applicant will make effective use of any time during which counterparts are not readily accessible or actively engaged such as holidays.

The Year One Work Plan should include, at a minimum:

1. A brief introduction on the context where the activity will be implemented including the identification of assumptions and anticipated risks and how they will be addressed or mitigated. This should include any COVID-19-related assumptions and risks. This should also include any external activities planned, if any, and the potential risks that may arise from such activity, as well as how the applicant will mitigate such risk.

2. Programmed activities per component.

3. Details as to any planned community dialogue or engagement, including how impacted community members will be actively involved in the design and implementation process of financed projects.

4. Information on how activities will be implemented. In the case of training activities, the work plan should include details on the target audience and objectives to be achieved.

5. Timeline for implementation, including proposed location of the activities, milestones, and target completion dates.

6. The anticipated outputs and outcomes from each activity conducted.

7. Detailed budget per component/activity and per year.

b. Activity Monitoring, Evaluation, and Learning Plan (MEL Plan)

An Activity Monitoring, Evaluation, and Learning (AMEL) Plan detailing all plans for MEL will be co designed with USAID upon award. Nonetheless, applicants are required to include in their applications a brief description of the following elements:

1. A Results Framework
2. The activity's monitoring approach, including relevant performance indicators of activity outputs and outcomes, including targets.
3. The data sources and method and frequency of data collection, review, analysis and reporting.
4. The baseline data or the plan and timeline for gathering the baseline data.
5. Learning activities, including the formulation of learning questions and knowledge capture at activity close out; and how will be disseminated the results, lessons learned, and key tools or methods produced by the project.

6. Plans to ensure quality of data and collaboration in the implementation of Data Quality Assessments (DQA); and
7. A description of how gender considerations will be integrated into program implementation and the monitoring and evaluation.
8. Sex-specific targets and gender-equality indicators, if relevant; and
9. Sex disaggregated data for all people level indicators.
10. A specific commitment to collaborate with any external evaluation planned by the Mission.

c. An Environmental Mitigation and Monitoring Plan (EMMP)

It must be integrated into the initial work plan and submitted within 45 calendar days of award. The EMMP must describe how the activity will implement all Environmental Threshold Decision (ETD) conditions that apply to proposed project activities within the scope of the award and monitor its implementation for effectiveness.

Environmental Compliance

The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID's activities on the environment be considered, and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID's Automated Directives System (ADS) Parts 201.5.10g and 204 (http://www.usaid.gov/policy/ADS/200/), which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities. Recipient environmental compliance obligations under these regulations and procedures are specified in the following paragraphs of this NOFO.

In addition, the contractor/recipient must comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter shall govern.

No activity funded under this award will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that activity, as documented in a Request for Categorical Exclusion (RCE), Initial Environmental Examination (IEE), or Environmental Assessment (EA) duly signed by the Bureau Environmental Officer (BEO). (Hereinafter, such documents are described as "approved Regulation 216 environmental documentation.")

An Initial Environmental Examination (IEE) **LAC-IEE-22-119** has been approved for the Program funding this NOFO. The IEE covers activities expected to be implemented under this activity. USAID has determined that a Categorical Exclusion applies to one or more of the proposed activities. This indicates that, as currently planned, no interventions will directly affect the environment. The applicant shall be responsible for implementing all IEE conditions pertaining to activities to be funded under this solicitation.

As part of its initial Work Plan, and all Annual Work Plans thereafter, the recipient, in collaboration with the USAID Cognizant Technical Officer and Mission Environmental Officer or Bureau Environmental Officer, as appropriate, shall review all ongoing and planned activities under this award to determine if they are within the scope of the approved Regulation 216 environmental documentation.

If the recipient plans any new activities outside the scope of the approved Regulation 216 environmental documentation, it shall prepare an amendment to the documentation for USAID review and approval. No such new activities shall be undertaken prior to receiving written USAID approval of environmental documentation amendments.

Any ongoing activities found to be outside the scope of the approved Regulation 216 environmental documentation shall be halted until an amendment to the documentation is submitted and written approval is received from USAID.

Unless the approved Regulation 216 documentation contains a complete environmental mitigation and monitoring plan (EMMP) or a project mitigation and monitoring (M&M) plan, the recipient shall prepare an EMMP or M&M Plan describing how the recipient will, in specific terms, implement all IEE and/or EA conditions that apply to proposed project activities within the scope of the award. The EMMP or M&M Plan shall include monitoring the implementation of the conditions and their effectiveness.

Integrate a completed EMMP or M&M Plan into the initial work plan.

Integrate an EMMP or M&M Plan into subsequent Annual Work Plans, making any necessary adjustments to activity implementation in order to minimize adverse impacts to the environment.

d. Quarterly Progress Report:

Quarterly reports will summarize the following: program highlights, achievements, and major activities; budget information; problems encountered, proposed remedial actions and impact achieved against the objectives. The Recipient shall submit an electronic copy of a performance report to the AOR. The performance reports are required to be submitted quarterly (30 calendar days after the quarter). Please refer to 2 CFR 200.328 (b) (1). Along with the quarterly progress report, the Awardee will provide at least one success story (Telling Our Story) from its program each quarter. Success stories should be no more than one page. In addition, reporting will also be done through the mission’s online performance monitoring system, to be specified later.

e. Annual reports:

The annual report shall be submitted within **90 calendar days** after the reporting period the end of the first full USAID fiscal year and annually thereafter for each authorized year of performance. The Annual Performance Report shall follow the same format as the quarterly report, but with additional focus on cumulative accomplishments, progress, and problems toward achievement of results, performance measures, indicators and benchmarks tied to the Annual Work Plan and the AMELP targets, for the quarter and the entire previous fiscal year, which runs from October 1-September 30.

f. Exit strategy:

A sustainability/exit strategy will be essential to ensure that effective activities continue after USAID funds are withdrawn, including integration of activities into coordination platforms for conservation and reforestation. The Recipient shall submit an exit strategy to the AOR as part of the first annual report.

g. Branding Strategy and Marking Plan

The apparently successful applicant will be asked to provide a Branding Strategy and Marking Plan to be evaluated and approved by the Agreement Officer and incorporated into any resulting award. The plan template will be provided upon award.

h. Final Report

A draft final report must be submitted 60 calendar days before the end of the award. The Recipient must submit one original and one final copy to the Regional Financial Management Office (RFMO), Agreement Officer (AO), and the AOR within 30 calendar days after the award. In addition, the Recipient shall submit one copy via e-mail to DocSubmit@usaid.gov.

[END OF SECTION F – FEDERAL AWARD ADMINISTRATION INFORMATION]

SECTION G - FEDERAL AWARDING AGENCY CONTACT(S)

The Agreement Officer (AO) for this NOFO is:

Andre-Guy Soh
Regional Agreement Officer
USAID/Perú
La Encalada Avenue, Block 17
Monterrico, Surco, Perú
Asoh@usaid.gov

The Acquisition and Assistance (A&A) Specialist for this NOFO is:

Rosario Saldaña
A&A Specialist
USAID/Peru
La Encalada Avenue, Block 17
Monterrico, Surco, Perú
rsaldana@usaid.gov

[END OF SECTION G – FEDERAL AWARD AGENCY CONTACT(S)]

SECTION H - OTHER INFORMATION

USAID reserves the right to fund any or none of the applications submitted. The Agreement Officer is the only individual who may legally commit the Government to the expenditure of public funds. Any award and subsequent incremental funding will be subject to the availability of funds and continued relevance to Agency programming.

Applications with Proprietary Data

Applicants who include data that they do not want disclosed to the public for any purpose or used by the U.S. Government except for evaluation purpose, should mark the cover page with the following:

> *"This application includes data that must not be disclosed, duplicated, or used – in whole or in part – for any purpose other than to evaluate this application. If, however, an award is made as a result of – or in connection with – the submission of this data, the U.S. Government will have the right to duplicate, use, or disclose the data to the extent provided in the resulting award. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets {insert sheet numbers}."*

Additionally, the applicant must mark each sheet of data it wishes to restrict with the following:

> *"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application."*

[END OF SECTION H – OTHER INFORMATION]

ANNEXES

These documents can be located as an attachment to this NOFO:

ANNEX 1 - SUMMARY BUDGET TEMPLATE

ANNEX 2 - STANDARD PROVISIONS

ANNEX 3 - MANDATORY ANALYSES

ANNEX 4 – USAID CLIMATE STRATEGY 2022-2030

ANNEX 5 – AWARD PERFORMANCE REPORT FORMAT

ANNEX 6 – INITIAL ENVIRONMENTAL EXAMINATION

ANNEX 7 - SAMPLE DUE DILIGENCE RESEARCH QUESTIONS

ANNEX 8 - RFI NO. 72052722RFI00004:

a. Actual Text of RFI.
b. Amendment No. 1.
c. Amendment No. 2.
d. Pre-Solicitation Conference Readout.