



USAID | ETHIOPIA

FROM THE AMERICAN PEOPLE

Issuance Date:	September 20, 2011
Deadline for Receipt of Questions:	October 05, 2011; 1600 hrs. [Addis Ababa time]
Closing Date for Submissions of First Round of Concept Papers:	October 25, 2011; 1600 hrs. [Addis Ababa time]
Closing Date for Annual Program Statement (APS):	March 30, 2012; 1600 hrs. [Addis Ababa time]

Subject: Annual Program Statement (APS) No. APS-663-11-000002 Innovation Fund for Ethiopian Agriculture (IFEA)

Dear Ladies/Gentlemen:

The United States Government, as represented by the United States Agency for International Development (USAID) Ethiopia would like to make a call for submission of concept papers related to the Mission effort under the Systems Change Initiative (SCI) of the Feed the Future Strategy. This APS invites applications from Ethiopian Non-Governmental Organizations, U.S. and other international Non-Governmental Organizations, Ethiopian governmental and non- governmental research institutes. U.S. and Other international NGOs are strongly encouraged to form partnership with Ethiopian (local) NGOs as part of their concept development and plan for sustainability. The program will henceforth be identified as the Innovation Fund for Ethiopian Agriculture (IFEA).

USAID/Ethiopia reserves the right to make multiple grants, cooperative agreements, or no awards at all through this APS. The award size may range from \$100,000 to \$2,000,000 over two to five year period. The actual number of awards made under this APS is subject to the availability of funds, the interests and requirements of USAID/Ethiopia, as well as the viability of applications received.

There is a **two-stage application process** consisting of the submission of an initial concept paper and then, upon invitation by USAID, the submission of a full application. Through this APS, USAID/Ethiopia may fund up to a total of seven applications and a minimum of two awards may be reserved for local Ethiopian NGOs.

Applications received in response to this APS will be reviewed during or shortly after the period the APS will remain open. The cutoff dates are indicated at the top of this cover letter. Any questions concerning this APS must be submitted in writing **via email** to caddis@usaid.gov with a copy to Mr. Assefa Abebe at asabebe@usaid.gov

and Mr. Gregory Taitt at gtaitt@usaid.gov on or before **October 5, 2011, 1600 hrs;** [Addis Ababa time].

If it is determined that the answer to any question(s) is/are of importance to warrant notification to all prospective recipients, a Questions and Answers document, and/or if needed, an amendment to the APS, will be issued.

Pursuant to 22 CFR 226.81, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the award program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A122 for non-profit organizations, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) part 31 for profit organization), may be paid under the award(s) issued under this APS.

Issuance of this APS does not constitute an award commitment on the part of the United States Government, nor does it commit the United States Government to pay for costs incurred in the preparation and submission of an application. In addition, final award(s) of any resultant grant or agreement cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award. Applications are submitted at the risk of the applicant- should circumstances prevent award, all preparation and submission costs are at the applicants' expense.

Sincerely,



Gregory E. Taitt
Supervisory Agreement Officer

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1. BACKGROUND

Ethiopia is a country of contrasts with some areas of the country producing surpluses of food each year while others face emergency and chronic food insecurity. Recognizing the central role of agriculture in the economic development of the country, USAID's Feed the Future Strategy (FTFS) addresses the strengths and opportunities available in various regions of Ethiopia with a particular focus on productive areas that have previously received underinvestment from government and donors.

USAID/Ethiopia has developed a strategy for programming that utilizes a Push/Pull model, which seeks to build the capacity of vulnerable and chronically food insecure households to participate in economic activity (the "push"), while mobilizing market-led agricultural growth to generate relevant economic opportunity and demand for smallholder production, labor, and services (the "pull"). This strategy is premised on the assumption that households without adequate assets or mechanisms to manage risk are not in a position to engage in economic opportunity, even if that opportunity is all around them. In addition, vibrant economic growth is necessary for the creation of opportunity and market demand upon which sustainable livelihoods can be built. Finally, explicit attention to the nature of the growth and types of interventions used to link the vulnerable populations to economic opportunity will play a tremendous role in the degree to which that growth effectively reduces poverty and food insecurity in the most sustainable ways.

While the focus of USAID/Ethiopia's FTFS will be to support agriculture-led growth, there are **multiple cross-cutting areas such as nutrition and climate change** that are important determinants of food security. These cross-cutting issues have been integrated into the designs of new FTFS projects, to ensure that activities not only increase agriculture productivity and incomes, but also improve nutritional status of populations and provide vulnerable households with the tools to adapt to changing climate conditions.

USAID/Ethiopia seeks to develop innovative projects and investment opportunities that diversify the agriculture sector production and markets, promote enterprise development along entire value-chains, and increase the livelihoods of Ethiopians involved in the agriculture sector. Additionally, USAID/Ethiopia is seeking innovative approaches that address nutrition and/or climate change issues as they relate to our target population and geography.

2. PROGRAM OBJECTIVE

This APS fund will provide funds to seed and scale up promising innovations with potential to catalyze systemic change across Ethiopia in the areas of agriculture and food security, nutrition and climate change. For example, this may include (illustrative purposes only):

- Raising on-farm productivity through new technologies or practices;
- Promoting agro-industry development;
- Increasing sales of single product lines along entire value chains;
- Creating permanent and seasonal employment in agriculture related industries;
- Developing new single agri-business enterprises or value chains;
- Expanding current enterprises or activities to a larger scale raising both employment levels and total sales volume;
- Promoting community development groups and/or farmer organizations to deliver services;
- Increasing the diversification of household incomes for vulnerable populations;
- Promoting increased nutritional status among rural populations;
- Introducing new technologies or community practices to reduce risk to natural disasters; and
- Increasing knowledge of and on-farm practices related to conservation farming, natural resource management, or other climate change factors.

Applications for funding must be linked with USAID/Ethiopia FTFS at: http://www.feedthefuture.gov/documents/FTF_2010_Implementation_Plan_Ethiopia.pdf.

3. AWARD INFORMATION

The APS requirements relating to funding and eligibility requirements are specified below.

3.1 Authorizing Legislation

Awards under this APS are authorized in accordance with the Foreign Assistance Act of 1961, as amended.

3.2 Funding Amounts and Timing

USAID/Ethiopia reserves the right to make multiple grants, cooperative agreements, or no awards at all through this APS. This APS seeks application for the implementation of Innovation Fund for Ethiopian Agriculture. USAID/Ethiopia envisions

to issue a total of seven award under this APS from two rounds of applications. The actual number and size of awards under this APS is subject to the availability of funds, the interest and requirements of USAID/Ethiopia, as well as the viability of applications received. A minimum of two of these awards are reserved for local Ethiopian NGOs. USAID reserves the right to fund any or none of the applications submitted

Programs may have a maximum duration of two to five years. There will be a minimum grant size of \$100,000 and a maximum grant size of \$2,000,000. U.S. and other international NGO applicants are encouraged to partner with local Ethiopian NGOs.

3.3 Type of Award(s) / Substantial Involvement

USAID anticipates that a grant(s) or cooperative agreement(s) will be awarded as a result of this APS.

Depending on the application(s) that is/are received and selected, USAID may decide to be “substantially involved” in the implementation of the program, and therefore award a cooperative agreement(s) instead of a grant(s). Cooperative agreements are identical to grants except that in a cooperative agreement, USAID may be substantially involved in one or more of the following areas:

1. USAID approval of the recipient's implementation plans (limited to not more frequently than annually);
2. USAID approval of specified key personnel (limited to 5 positions or 5% of the recipient's total team size, whichever is greater);
3. USAID and recipient collaboration or joint participation, which includes one or more of the following:
 - a. Collaborative involvement in selection of advisory committee members (USAID may also choose to become a member), if applicable;
 - b. USAID concurrence on the selection of sub-award recipients and/or review of technical/programmatic content of sub-awards;
 - c. USAID approval of a program monitoring and evaluation (M&E) plan (to the extent that such information is not included in the application);
 - d. USAID authority to immediately halt a construction activity, if applicable.

Depending on the application(s) that is/are received and selected, USAID may decide to award a fixed obligation grant (FOG) instead of a grant to all eligible organizations.

For more details, refer to ADS 303.2.25 at:

<http://www.usaid.gov/policy/ads/300/303.pdf>.

3.4 Partner Eligibility Criteria

This APS is open to Ethiopian Non-Governmental Organizations, U.S. and other International NGOs, Ethiopian and U.S. Universities, and Ethiopian governmental and non-governmental research institutes. U.S. and other international NGOs are strongly encouraged to form partnerships with an Ethiopian NGO as part of their concept development and plan for sustainability.

3.5 Cost Share

Cost sharing is **not required** under this APS, though it is encouraged.

Cost sharing is an important element of the USAID-recipient relationship. In addition to USAID funds, applicants are encouraged to contribute resources from own, private or local sources for the implementation of this program. Cost sharing is defined at 22 CFR 226.23. Cost sharing may consist of cash or in-kind contributions but, by definition, may not include USG funds or USG-funded in-kind contributions. Cost sharing must be used for the accomplishment of program objectives, and must consist of allowable costs under the applicable USG cost principles (see OMB Circular A-110 and 22 CFR 226.23 for discussion of allowable in-kind contributions). Information regarding the proposed cost share, if any, should be included in the budget.

This APS further encourages applicants to leverage additional resources from the private sector in this program. USAID is looking for innovative, practical approaches to using these resources while promoting the program objectives. In accordance with ADS 303.3.10.2, leveraging represents all of the non-USAID resources that are expected to be applied to a project. It may include cost sharing, but may also include resources that third parties bring to the program without necessarily providing them to the recipient. Thus, the recipient is not responsible for any leveraging in excess of the agreed-upon cost share.

4. APPLICATION COMPETITION

USAID/Ethiopia requests interested parties to adhere to the following guidelines for the APS competition process.

4.1 Criteria for Award Selection

Applications shall be evaluated by a USAID/Ethiopia Technical Evaluation Committee (TEC). The TEC shall evaluate the applications and rate each applicant based on the criteria outlined in Section 5 below. Additional discussions with applicants may take place if the applications submitted do not adequately describe the activities to be funded and/or there is/are one or more points to be clarified or modified based on the recommendations of the TEC. USAID/Ethiopia reserves the right to reject any or all applications, to negotiate with any applicant(s) considered qualified, or to make award without further discussions with the applicant.

4.2 APS Timing and Limitations

This APS will be open for the period beginning **September 20, 2011 to March 30, 2012**. For the first round of review, the closing date for the submission of concept papers is **October 25, 2011**. Based on review of concept papers, only selected applicants will be invited to submit full applications. At that time, all applications received will be considered to be a reasonable number, even if it is just one.

Applications submitted only after the initial due date and before the APS closing date set for **March 30, 2012**, will be reviewed.

Note that all applicants may be subject to a pre-award financial and management review and must demonstrate that they have a rigorous financial and monitoring system in place that will ensure auditable systems and records.

4.3 Deadline for Submission of Questions

Interested applicants may submit questions related to the APS by e-mail to caddis@usaid.gov with a copy to Mr. Gregory E. Taitt at gtaitt@usaid.gov and to Assefa Abebe at asabebe@usaid.gov through deadline for questions indicated on the cover page. If it is determined that the answer to any question(s) is of sufficient importance to warrant notification to all prospective recipients, a Questions and Answers document, and/or if needed, an amendment to the APS, will be issued within one week of the deadline for submitting questions. No requests for meetings or phone calls with any USG officials will be accepted during the application process.

5. APPLICATION PROCESS

USAID/Ethiopia will review applications using a **two-stage process**. Applicants must first submit a concept paper of not more than ten pages directly to USAID/Ethiopia. If approved by the Technical Evaluation Committee, applicants will be invited to submit a full application. Concept papers must meet the identified needs of this solicitation.

Applicants are encouraged to propose innovative approaches to address the agriculture and cross-cutting issues outlined in the USAID/Ethiopia FTFS and relatedly, the Government of Ethiopia strategies including the Comprehensive Africa Agriculture Development Program (CAADP) Policy Implementation Framework (PIF) and the Growth and Transformation Plan. Applicants are encouraged to propose projects that promote a holistic value-chain approach to agri-business development and/or nutrition and climate change adaptation.

Applicants should consider the geographic area outlined in USAID/Ethiopia's FTFS as well as the targeted value chains. Applicants may submit proposals that cover more than one geographic location and value chain if the goal across locations and product lines are complimentary. Applicants may propose projects outside of FTFS target geographic areas as well as commodities that are not listed as priorities within FTFS. However, it is essential that all projects be explicitly linked to the overall goal of the FTFS.

While not required, preference will be given to applicants who form partnership alliances with other Ethiopian NGOs, Ethiopian private sector companies, or other

actors to promote sustainability, strengthen market linkages/access, leveraging of resources, and scaling-up potential.

N.B. Do not submit a full application unless requested by USAID. Only upon receipt of positive USAID feedback on the concept paper is the applicant requested to put together a full application for USAID consideration, at which point further direction will be supplied.

5.1 Step One: Submission of Concept Paper

Eligible organizations interested in applying for a Grant or Cooperative Agreement in response to this APS are invited to submit a concept paper and budget summary.

In developing the concept paper and submitting, the applicant should carefully consider all information contained in this APS. If an applicant does not follow the instructions in this APS, its application may be downgraded and may not receive full credit under the applicable evaluation factors, or, at the discretion of the USAID Agreement Officer, be eliminated from competition.

The preferred delivery method is electronically via email to caddis@usaid.gov with a copy to gtaitt@usaid.gov and asabebe@usaid.gov. The subject line of each email must include the following: “**Innovation Fund for Ethiopian Agriculture Program, APS-663-11-000002.**” Attachments (5MB limit per email) must be compatible with MS Word, Excel, or Adobe Acrobat in an MS Windows environment. Applicants are discouraged from sending files in .zip format as we cannot guarantee their acceptance by the internet server which may block such files. Each page must be marked with the APS title and number. All concept papers must be in English and submitted electronically via email.

5.1.1 Concept Paper Instructions:

The concept paper is limited to ten (10) pages, and must include the following information:

A. Cover Page:

- a. Name and address of organization;
- b. Type of organization (e.g., for-profit, non-profit, university, etc.);
- c. Contact point (lead contact name; relevant telephone, and e-mail information); and
- d. Signature of authorized representative of the applicant.

The ten-page maximum does not include the cover page.

B. Technical Information:

Suggested Outline of Technical Section of Concept Paper

- I. Problem Definition

- II. Background
- III. Goal Statement and Objectives
- IV. Strategy for Implementation
- V. Interventions and/or Activities
- VI. Outcomes, Results, and Sustainability Plan
- VII. Relation to Feed the Future Strategy
- VIII. Gender Strategy and Linkage to Cross Cutting Issues where Appropriate
- IX. Implementation Timeline (Gantt Chart)

C. Budget:

- a. Proposed estimated cost;
- b. Brief cost breakdown (e.g., salaries, travel, etc.);
- c. Proposed amount of the applicant's financial as well as in-kind participation (clearly identify which resources are cash and which are in-kind and provide information on the nature of the in-kind contributions); and
- d. Proposed amount of prospective partner's (or partners') financial as well as in-kind participation.

5.1.2 Concept Paper Evaluation Factors:

Concept papers will be evaluated based on the extent to which they convincingly address the following evaluation criteria:

- 1. Problem Definition (Goals and Objectives)
- 2. Linkage with FTF and Government of Ethiopia Strategies
- 3. Innovation and Creativity of Approach
- 4. Implementation Strategy and Sustainability Plan
- 5. Potential for Scaling-Up
- 6. Linkage to Cross-Cutting Issues of Nutrition and/or Climate Change
- 7. Leverages investments of other donors or private sector entities (Partnerships);
- 8. Reasonable Budget. The proposed budget is realistic and consistent with the proposed activities and results.

5.2 Step Two: Full Application

If initial review by USAID/Ethiopia indicates the concept paper merits further consideration for funding, USAID will request a full application. The full application should reflect full consideration of all the information provided in this APS, and further. A full application consists of a Program Application and additional information described in the full application guidelines to be supplied. Please note that a request for a full application does not represent a USAID funding commitment.

5.2.1 Evaluation Factors for Full Applications

Full applications received by invitation, in response to the Annual Program Statement will be evaluated in accordance with the evaluation criteria set forth

above under 5.1.2.

6. ADMINISTRATION OF AWARDS

The awards will be negotiated and administered by the Office of Acquisition and Assistance of USAID/Ethiopia. The Office of Business, Environment, Agriculture and Trade of USAID/Ethiopia will manage the implementation of the activities under the resulting awards.

For U.S. organizations, 22 CFR 226 and the *Standard Provisions for U.S. Nongovernmental Recipients* will apply in the administration of the award.

For non-U.S. organizations, the *Standard Provisions for Non-U.S. Nongovernmental Recipients* will apply. While 22 CFR 226 does not directly apply to non-U.S. applicants, the Agreement Officer will use the standards of 22 CFR 226 in the administration of the award.

For Public International Organizations (PIOs), the *Standard Provisions for Grants to Public International Organizations*, along with selected provisions from the Standard Provisions for Non-U.S. Nongovernmental Recipients and other negotiated provisions, will be used.

7. AGENCY CONTACT

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[End of APS No. APS-663-11-000002 Innovation Fund for Ethiopian Agriculture]