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Deadline for Questions March 31, 2019, 17:00 Baku time
Expressions of Interest Due: April 16, 2019, 17:00 Baku time

SUPPORTING BUSINESS AND PROFESSIONAL ASSOCIATIONS IN AZERBAIJAN

Addendum to
BAA-OAA-LLDI-2019

The United States Agency for International Development (USAID)
Economic Growth, Education and Environment (E3)
Office of Local Sustainability

Broad Agency Announcement for Locally Led Development Innovation

Background

Oil rich Azerbaijan saw a precipitous decline in oil revenues in 2014. In 2016, the country experienced its first recession in 20 years due to low global energy prices and the impact from an economic crisis in neighboring Russia. By December 2015, citizens felt the effects of currency devaluations coupled with high inflation rates. In light of this, the government has announced a series of economic reforms to develop the non-oil sector with a particular focus on small and medium-sized businesses. Similarly, individuals are seeking increased income security, entrepreneurship opportunities, and engagement with the government on economic and social issues while private sector firms are likewise exploring ways to support Azerbaijan's social and economic development and independence. At an intersection such as this, business and professional associations represent productive entities and partners.

Business associations engage in promoting the business interests of their members. They typically perform activities like lobbying, information gathering, research, and setting industry standards, which are costly or time-consuming for an individual company to perform individually. Business association spokespeople combine their voices under one banner, enabling them to establish a strong and unified presence and effectively protect and advocate for their shared interests. Professional associations carry out functions such as: establishment of standards for professional conduct, establishment and review of certain qualification requirements of candidates before accepting them as members, establishment of quality standards for services or products mandatory for members' work, codes of conduct for members, provision of coverage for liability of members before their customers, establishment of costs for services provided by members, and other similar functions.

In recent years, USAID has identified agricultural producers' associations (first hazelnuts and pomegranates; now, berries) as organizations whose interests touch the lives of thousands in farming communities throughout the country, and sought to support these groups. Additionally, USAID and the Government of Azerbaijan have engaged on and agreed to support Azerbaijani business and professional associations since they are crucial for participatory and broad based economic growth. **In light of this, USAID seeks to identify innovative solutions for fostering civil society organization (CSO)-private sector partnerships to support business and professional associations in Azerbaijan with the purpose of promoting economic growth in the non-oil sector.** We posit that our approach will allow for a multiplication of outreach and engagement with community-level organizations, entrepreneurs, small to medium sized business owners, other international donors, corporations, and the Government of Azerbaijan as each stakeholder has something to offer and something to gain from the partnership approach. These activities will complement USAID's close collaboration with the Government of Azerbaijan to advance our enduring partnership, both with the government and with Azerbaijan's private sector and citizens, as well as support the diversification of Azerbaijan's economy.

Solutions Sought

USAID/Azerbaijan believes that supporting the development of, and strengthening, business and professional associations through partnerships with civil society, the private sector, and the government of Azerbaijan would accelerate the improvement in the economic enabling environment, ultimately contributing to the diversification of the economy. We posit that using an innovative, locally-driven development approach - by fostering coalitions between associations, government, and the private sector - will foster greater sustainability and strengthen the role of local actors in the government's reform agenda. This activity will test solutions and/or innovations (to be defined at the co-creation workshop) to uncover new or innovative methodologies or approaches to supporting the growth of business and professional associations in Azerbaijan's unique country context. It will focus on applied research, pilot initiatives, and generating results/evidence that can be shared with USAID Missions and other relevant stakeholders in the region and beyond. This data will be used to advance our Agency-wide learning around private sector engagement, host country government partnership practices, and engaging civil society organizations as service providers and partners in economic diversification and capacity building activities.

The Need for New Approaches

USAID is seeking to identify organizations – from civil society, associations, and the private sector – who would come together as groups, coalitions, or consortia, to suggest and test new ways of supporting nascent and established Azerbaijani business and professional associations towards improved diversification of Azerbaijan's economy. Anticipated outcomes of this approach are a more active citizenry, more citizen-government opportunities for engagement, and improved enabling environment for small and medium businesses in Azerbaijan.

USAID would like to identify, support, and develop cutting-edge methods of intervention through stronger private sector-civil society-government of Azerbaijan joint investment and participation in solving Azerbaijan's development challenges. Potential partners may also consider conducting perceptions or other data collection to reveal how associations and other similar public organizations are viewed locally, across government, by the private sector, in

communities, and by the relevant professional and business community members themselves. USAID will be looking for organizations with suggestions for using this kind of research, as well as technical knowledge, in the eventual design, development, testing, or evaluation of a potential new product, approach, or service (or of an improvement in an existing product, approach, or service) to support the development of robust and capacitated business and professional associations in Azerbaijan. USAID seeks informed, data and evidence driven approaches to addressing the development challenge for which we seek solutions.

Illustrative questions for Expressions of Interest to explore are below:

● How can business and professional associations across all sectors form, develop networks and capacity, and build traction to take actions that address locally-articulated needs?
● How can the private sector, civil society, and the Government of Azerbaijan work collaboratively during the co-creation phase and afterward, to reinforce the role they can all play in supporting business and professional associations in Azerbaijan?
● What are the most effective ways to substantively engage women and youth in pursuit of the concept objective: to accelerate the improvement in the economic enabling environment and showcase the value that an engaged and inclusive citizenry can play in Azerbaijan's development transition?
● How to encourage and leverage local and international private sector expertise, finance, and influence to further the objectives of the concept?

Expression of Interest Submission Instructions
Please submit your Expression of Interest indicating the research, new approaches, or development idea which will address the Solutions Sought from the list above. Your submission should clearly state how you intend to increase knowledge and seek potential solutions; exploit scientific discoveries or improvements in technology, materials, processes, methods, devices, or techniques; advance the state of the art; or use scientific and technical knowledge in the design, development, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service). Organizations are encouraged to consider collaborating with peer organizations that bring differing perspectives and/or comparative advantages. In addition to the description of the solution, applicants should describe any cost-share[1], matching[2], or leveraging[3], if applicable.

Organizations may submit **more than one** Expression of Interest. The questions provided above are illustrative; organizations submitting Expressions of Interest may speak to related matters as relevant.

[1] Cost-share: Any instance where USAID or its partner identifies and arranges financial or in-kind support from counterpart organizations or independent non-governmental organizations to the benefit of a training program. Cost-sharing can be with the training provider, training contractor, host-country institution, or any other stakeholder. Typical cost-sharing includes tuition remissions, assistantships, training-fee discounts, home-stays, in-kind contributions, international transportation costs, Participant salary, and payment of any direct Participant cost by the non-USAID funding source. Cost-sharing mobilizes additional financial resources for training, and increases the coverage and effectiveness of USAID's limited budget resources.

[2] Matching - in USAID vocabulary "matching" is another way of saying cost-sharing. Cost share or "matching" refers to the resources a recipient contributes to the total cost of an agreement.

[3] Leveraging: Significant resource mobilization. In the case of public-private alliances, USAID seeks the mobilization of resources of other actors on a 1:1 or greater basis. Resources may include funds, in-kind contributions, and intellectual property.

USAID is *not* seeking consortia *led* by international organizations. **We value our international partners and look forward to expression of interest submissions from international partners who are willing to serve as consortium or coalition partners with a local organization lead.** We will prioritize consortia led by local organizations whether they are civil society organizations or private sector organizations. For this BAA, USAID is unable to make an award to any organization who has been a USAID recipient of $5 million in the last 5 years.

Expression of Interest Information Formatting
Expression of Interest Information must:

1. Be in English OR Azerbaijani
2. Be no more than two (2) pages in length - and no smaller than 12 point font;
3. Be submitted electronically to **azerbaijan@usaid.gov** .
4. Contain a header with the following information (included in the page count):
    a. Respondent Name/Group;
    b. Contact Information;
    c. Response Title;
    d. BAA Addendum Name/Number;
    e. Optional graphic that fits on an 8.5"x11" or A4 piece of paper (included in the page limit);
5. Be in .pdf, .docx, or .doc format;
6. Include a footer with page numbers;
7. Describe your organization's idea/approach.

USAID may invite submitters of Expression of Interest(s) to participate in one or more co-creation workshops with other successful applicants to jointly develop applied research and/or research and development/pilot activities for potential funding. All applicants are encouraged to read the full announcement closely for guidance on the stages of co-creation.

Review of Submissions and Selection Criteria
Stage 1: USAID will review and select Expressions of Interest submitted in accordance with the guidelines and criteria set forth in this Addendum and the Evaluation Criteria described in Section V of the Broad Agency Announcement (BAA) for Locally Led Development Innovation. USAID reserves the right not to review any Expressions of Interest that do not meet the guidelines above.

Stage 2: Selected groups will be invited to join a co-creation workshop in Baku, Azerbaijan, where USAID, partners, and selected groups may gather to collaboratively develop activities designed to achieve the objectives articulated in this Addendum. Organizations may develop short concept papers following these co-creation workshops for potential funding. Travel costs for participants in these events will not be reimbursed by USAID. Concepts will be submitted after the co-creation workshop and per the guidelines outlined in the Broad Agency Announcement for Locally Led Development Innovation. Proposed concepts may be at any of the following stages of development:

1. Proof of concept - introduction of a solution in a specific country context to gain an early, real-world assessment of technical, organization, distribution, and financial viability of the solution.
2. Testing impact and delivery - testing a proven concept toward improved outcomes and/or viability, as well as operational refinement to build paths to sustainability and scale.
3. Scaling-up - adaptation of a rigorously evaluated innovation to new contexts and geographies and engagement of additional partners who will help scale the project beyond USAID support, but for whom more evidence of success and track record are needed.

Stage 3: Final concept papers produced after co-creation workshops will be submitted to USAID's Peer and Scientific Review Board. Approved concept papers for activities will be further refined and potentially implemented based on a decision at that time whether to proceed to implementation - and based on the availability of funds.

Criteria
The following criteria will be applied to all Expressions of Interest:

1. **Idea/Approach**: Soundness of your idea/approach, including appropriate evidence, to fostering systems that address challenges and harness opportunities. USAID will focus on how the applicant contributes fresh, informed, and realistic thinking, and how the applicant uses supporting evidence and analysis to clearly demonstrate how the proposed idea will advance knowledge and practice of locally led development identified in the "Background", "Solutions Sought" and "The Need for New Approaches" sections. USAID seeks organizations who can clearly demonstrate technical expertise and capability in their expression of interest. We also see organizations with the ability to effectively collaborate with a wide range of stakeholders, including USAID, to achieve results that are meaningful to local actors and communities.

2. **Partnership expectations and value**: Tell us about the unique qualities you would bring to the discussion and in solving the challenge of building a strong cadre of business and professional associations in Azerbaijan. Strengths of your organization as a partner, including your ability to make a unique contribution to the critical development challenge. USAID seeks the ability to connect disparate communities, i.e. academia, private sector, civil society, government as well as connecting with experts in nontraditional and diverse sectors. Please provide specific examples of collaboration or co-creation with other parties or partners.

3. **Diversity of perspectives and capabilities**: USAID seeks to bring together a diverse set of co-creators in collaboration in order to enable broader thinking and innovation, which may include organizations and entities with which USAID does not typically partner. Additionally, USAID values experience implementing adaptive and/or iterative activities, managing successful peer-to-peer networks, and catalyzing new ideas effectively. The selection of successful expressions of interest will be made with the goal of achieving this diversity.

4. **Impact and goals of the activities**: Describe the intended outcomes and goals of your suggested approach. Indicate how your suggested approach addresses USAID priorities for inclusive development (gender equality and women's empowerment, disability inclusion, addressing power imbalances with marginalized communities) as appropriate.

USAID is not obligated to issue financial instruments or awards as a result of this Addendum.

Response Dates

Questions: Any questions regarding this BAA Addendum should be submitted only via email to azerbaijan@usaid.gov with "Questions" in the subject line along with the BAA/Addendum Reference Number. Questions are due on the date and time indicated on Page 1. Responses to questions received prior to the deadline along with any applicable amendments to this BAA will be posted on beta.SAM.gov and grants.gov. Late questions may not be accepted after the deadline.

Expressions of Interest: Please submit your Expression of Interest in English or Azerbaijani only via email to azerbaijan@usaid.gov no later than the date and time indicated on Page 1. Late submissions may not be considered.

Reference

Applicants may access BAA-OAA-LLDI-2019 under:

beta.SAM.gov

https://beta.sam.gov/opp/c5b1d68c2eb7876fd1785fcfa2218790/view?keywords=BAA-OAA-LLDI-2019&sort=-relevance&index=opp&is_active=true&page=1

Grants.gov

https://www.grants.gov/web/grants/search-grants.html?keywords=BAA-OAA-LLDI-2019

Regards,

/s/

Robert Claussen
Regional Agreement and Contracting Officer