



ISSUE DATE: February 04, 2020

REFERENCE: 72016520APS00001 - Community Self-Reliance Activity

SUBJECT: Amendment No. 2 – Questions & Answers

Dear Applicants:

The purpose of this Amendment No. 2 is to provide insight to the submitted questions and provided answers during the three Pre-Applicants Conferences held in Tetovo, Prilep and Stip, on January 15 through January 17, 2020.

Question 1: What are the evaluation criteria for the concept paper?

Answer 1: USAID will evaluate concept papers in accordance with the Concept Paper Review Criteria - Section 4 of the APS on page 8 & 9. The evaluation criteria are also incorporated in the Attachment B (Concept Paper Format and Instructions) under Section 2 - Narrative Description on page 14 - 15.

Question 2: What is the anticipated timeline for reviewing and notifying applicants of their invitation to apply for a full proposal?

Answer 2: USAID will review all concept papers received by the first cut-off date of February 29, 2020. The number of received concept papers will dictate the review and applicant notification timeline. USAID anticipates being able to notify applicants whether their concept paper was or was not selected to go to the next stage at the beginning of April 2020.

Question 3: How much detail is required for items such as the budget, formal partnership agreements, and other implementation components in the concept paper?

Answer 3: At this stage, the applicants are not required to provide detailed budget information other than the total amount of funding requested from USAID. While the applicants may want to indicate the partnerships they have already established and/or expect to establish over the course of their program, they are not required to submit any formal partnership agreements with the concept papers. As for the level of detail to describe the proposed approach for achieving CSRA's program objectives, please follow the Concept Paper Format and Instructions template provided as Attachment B, having in mind the page limitation requirements outlined in Section 3, Step 1 of the APS.

Question 4: Will concept papers that integrate multiple cities be preferred and / or rate higher in the review process?

Answer 4: No.

Question 5: For applying organizations, how do you assess the capacity for implementation? Is existing capacity an evaluation point in the concept papers?

Answer 5: The existing capacity of the applicant is not an evaluation point at the concept paper stage; however, it will likely be at the full application stage. Note that applicants will be subject to pre-award survey in accordance to ADS 303.3.8 and 303.3.9.

Question 6: What types of support will USAID provide after concept papers move to the next stage?

Answer 6: USAID will support the organizations selected to move to the next APS stage by engaging with them in a process of co-creation, that will help these organizations to develop their concept papers into full applications. USAID will have an advisory and guiding role in the co-creation process.

Question 7: What is the evaluation plan after the projects are being implemented? Will USAID support the evaluation, or does the concept paper have to include evaluation criteria?

Answer 7: Selected programs will be evaluated by an independent evaluator contracted by USAID during the course of implementation. The findings of the evaluations will inform USAID's decision on continuing the funding of these programs. The applicants are not required to include criteria for program evaluation in their concept papers. Consequently, there is no need to budget funding for this purpose.

Question 8: On page 3 under Leveraging Local Resources it is said that the organization or consortium should contribute in-kind or in-cash. What is the amount, and should it be in-kind or in-cash, or both? (APS, page 3, Section 1, Leveraging Local Resources).

Answer 8: As indicated in the APS (page 3) the leveraging of local resources should be in one or both of the following ways: (1) contribution with cash or in-kind resources (or any combination of the two), and (2) by strengthening the capacity of local organizations to generate or leverage local resources beyond those provided by international donors. Conforming to a specific amount or percentage of the total program budget as cash and/or in-kind contribution is not a requirement under this APS.

Question 9: In the Attachment B under section 1 – summary information, paragraph C – says applicants need to have a certification that they have not received more than \$5 million in USAID funding in the last five years - does this mean that our organization has to undergo a financial audit to apply.

Answer 9: A statement by the Applicant certifying that the organization has not received more than \$5 million in USAID funding over the last five years should be provided with the concept paper. USAID has the ability to verify the applicant's certification against U.S. Government funding databases in order to ensure that the organization meets this eligibility requirement.

Question 10: Is the annual budget of the organization a criterion to impact in the evaluation of the project?

Answer 10: No.

Question 11: If in our consortium we include municipalities and more actors, do we need to submit letters of support in the phase of the concept-note submission?

Answer 11: No.

Question 12: There is no instruction on the APS and Attachments about budget planning, but the real cost is a segment of evaluation, how should budget be allocated?

Answer 12: The applicant is not required to provide detailed budget information other than the total amount of funding requested from USAID at the concept stage. The detailed budget will be required at the full application stage.

Question 13: Do you value more the institutional development, or rather your interest is more on the development of the capacities of citizens in order to achieve the mission of CSRA?

Answer 13: Both. Please keep in mind the purpose of the CSRA, which is “to establish sustainable systems and develop capacities of communities so that the communities can plan, finance, and implement solutions to their own development challenges and priorities”.

Question 14: Can public (government) institution be part of the consortium without being financially supported by the program? This since, for example, when cloning the program in other schools, it will be more efficient if it is being presented to them by a gymnasium instead by some outsider NGO.

Answer 14: On page 5 of the APS (Section 2: Eligibility and Award Information), there is an illustrative list of the types of local organizations which are eligible to apply. Public (government) institutions that are financed from the budget of the Government of North Macedonia (GoNM) (national and local government institutions, public schools and universities, etc.), are not eligible to apply. However, USAID welcomes strategic partnerships between organizations, local municipalities, and public institutions as relevant stakeholders for the implementation of the program. The partnership with these public entities does not mean that they can receive USAID funding and/or financial support through this program.

Question 15: Is it allowed for a public institution employee to be engaged for activities of this program outside of his/her working hours, for tasks that are different of those the employee performs at work, and if those activities are performed outside of the public institution?

Answer 15: Yes, if that is allowed by the public institution. For their engagement on program activities these persons can be paid from the program funds.

Question 16: Will USAID accept costs incurred for best practices exchange or study tour in light of preparatory activities for this program?

Answer 16: Yes, if those costs are budgeted, they take place after the award has been made, and the costs are reasonable, allowable and are related to the award.

Question 17: Is there a procedure to prove that applicant certification that they have not received over 5 million over five years in USAID funding is accurate?

Answer 17: Yes - please see the response to Question 9 for more details.

Question 18: If funds are exhausted in the first tranche will USAID announce that there is no further acceptance of concept papers?

Answer 18: Yes.

Question 19: The APS states that applications received by Feb 29, 2020. Does that apply to concept papers or full applications?

Answer 19: The deadline of February 29, 2020 applies to concept paper submissions, not to full applications.

Question 20: Step 3 of the evaluation process, states that USAID will evaluate the concept papers, and if it is noticed that some applicants have more or less the same idea, USAID will suggest that they get together and co-create on those similar ideas. Does this mean that the full application has been accepted?

Answer 20: No. If the selected applicants enter a process of co-creation, in which they will collaborate on and refine approaches with one another, they will be expected to submit a new concept paper for consideration by USAID. This does not mean that they have been selected to move to the next full application stage. USAID may only suggest to the applicants to collaborate on a new joint concept paper, but it is up to the applicants to decide if they want to engage in a co-creation with other applicants. The concept papers of those applicants that decide not to co-create with other applicants will be considered as stand-alone and USAID will evaluate them as such.

Question 21: Has USAID planned a budget for this co-creation process for the applicants to use even if applicants enter the one-on-one co-creation process with USAID?

Answer 21: USAID will not provide financial support for the co-creation process with the applicant selected for the full application stage. The co-creation process will consist of a series of meetings that could take place at the applicant's premises, in order to avoid incurring extra costs for the applicant. USAID will bear the costs related to participation of its representatives in the co-creation meetings at the applicant's premises.

Question 22: Can USAID provide more information on the gap-funding procedure?

Answer 22: USAID will support local actors to mobilize resources to address community problems. USAID will not fund the resolution of the identified problems, per se. The local actors are expected to mobilize most if not all resources needed to solve the identified community problems. In cases when the local actors were unable to mobilize sufficient funding from citizens, private sector, central and local government, and other sources, then the "gap funding" can be used. For each community problem solving initiative the "gap funding" may not exceed 40% of the full budget of the initiative (both cash and in-kind contributions from the community) in the first year of implementation of community initiatives, 30% in the second and 20% in the third year. The gap funding should not be

the first money on the table, but would be the money that the CSRA will provide after the community has completed the mobilization of most of the needed resources.

Question 23: Does the other funding have to come from other than USAID sources (local communities, private sector funds, applicant's resources, etc.)?

Answer 23: Yes. Please see the response to Question 8 for more details.

Question: 24: Does this mean that co-financing can be accepted of the program? Should applicants plan a co-financing of the program?

Answer 24: Yes.

Question 25: Is there a possibility of creating a sustainable system, a business model, or develop a certain business model that certain community can use it in the future, so the community can make a profit using it?

Answer 25: The ultimate result of the CSRA should be a sustainable system and capacities of the communities, which the communities can utilize for mobilizing local actors and resources to solve community issues. If the establishment of this system entails a business model, which can generate profit for the communities to continue to implement activities beyond USAID's assistance, there is no problem with that.

Question 26: Will more than one program be awarded?

Answer 26: USAID expects to make several awards under this APS.

Question 27: If two applicants prepare separate programs to deal with same issue, and they apply for, let's say, \$1 million each, then, when they join together the overall value of the program will still be \$1 million. Is that correct?

Answer 27: In such a case, USAID may suggest to these applicants to engage in a co-creation process, which will result with a new joint concept paper and a corresponding funding amount for the implementation of the joint program. Presumably, the collaboration of the two applicants on the implementation of their proposed activities will produce a bigger impact i.e. the ability to cover a larger geographic area, replicate the best community models in a bigger number of communities, etc., thus the amount of funding requested from USAID may exceed \$1 million.

Question 28: As there must be one lead organization (awardee), while co-creation may be carried out among several organizations treating similar ideas, how will the evaluation of the concept papers be done if USAID determines that one organization is good in three criteria, while they lagging low on the forth? Will USAID get back to the applicants and ask for clarifications or revised applications?

Answer 28: All applicants who have submitted concept papers will receive feedback. During the process of co-creation with USAID, the applicants selected to move to the full application stage, will be able to address the weaknesses identified in their concept papers as they develop the full applications. The applicants who are not selected for the full application stage, will also receive feedback, so that they can work on improving their initially submitted concept papers should they want to apply again for the second APS's tranche from March 1 through November 30, 2020.

Question 29: In terms of the budget, one part is administration and the other part is investment. In the admin part should we calculate co-financing and some amount of advance in the end?

Answer 29: Co-financing in the form of leveraging local resources is envisioned as: a) cash or in-kind contribution (or any combination of the two; and/or b) strengthening the capacities of local organizations to generate or leverage local resources beyond those provided by international donors. The leveraged local resources could be used for both administrative and programmatic purposes.

Once the agreement is signed with the selected applicant, USAID will consider using two methods of payments against the award: 1) providing advances and 2) making reimbursements. The decision about the payment method will be based on the pre-award survey of the selected organization's financial and administrative management capacities. In the case of the financing on reimbursement basis, the implementing partner sustains the costs upfront and requests that they are reimbursed by USAID on monthly or quarterly basis.

Question 30: Does USAID anticipate obtaining concept papers that have a very focused approach, or it is maybe inclined that applicants widely observe the six learning priority factors?

Answer 30: USAID expects that at least one of the six learning priorities listed on page 3 of the APS will be incorporated in the proposed approach.

Question 31: In the concept notes are applicants allowed to test, explore models that would later be specified?

Answer 31: Yes. USAID encourages testing and exploring new, creative and innovative approaches, as well as good practices from other countries.

Question 32: Does this program allow for re-granting?

Answer 32: Yes, USAID will make one award to one organization (prime awardee). The prime awardee may partner with other organizations (sub-awardees) for the implementation of the program. The prime awardee will be responsible for managing its relationship with and performance of the sub-awardees under the award. Please note that the CSRA is not a civil society project and is not intended to provide sub-grants to other civil society organizations in the traditional sense. The prime awardee could provide financial resources to sub-awardees to cover their administrative expenses during the program implementation.

Question 33: Can the concept paper be submitted by a municipality that is collaborating with a non-profit that is not from the local community, i.e. that is from Skopje?

Answer 33: The municipalities are not eligible entities and cannot be recipients of an award under this APS, since they are financed from the budget of the GoNM (see the eligibility criteria and definition of a local organization in Section 2: Eligibility and Award Information on pages 4 and 5 of the APS) A non-profit organization from Skopje can submit a concept paper under this APS although it is not based in the target local community.

Question 34: Will the applicant have the opportunity to change the listed partners (remove some, or add new ones), once they have listed them in the concept papers?

Answer 34: Yes.

Question 35: Do applicants have to list partner organizations by the names?

Answer 35: Not necessarily.

Question 36: Is there a limitation for one organization on one concept to be lead and one other to be a sub-awardee (partner)?

Answer 36: The agreement will be signed with the lead organization, but there is no limitation of the number of partner organizations and/or stakeholders collaborating on the implementation of the proposed program.

Question 37: As stated in the APS, there will be two cut-off dates for submission of concept papers, the first one ending on February 29, 2020 and the second one ending on November 30, 2020. Will organizations whose concepts were submitted in the first tranche and not accepted for further review by USAID, be eligible to re-submit new concept papers in the second tranche?

Answer 37: Yes.

Question 38: Is supply of equipment, machinery, etc., allowable under this program?

Answer 38: Yes, if the awardee can justify that such supplies will support the accomplishment of the overall CSRA goal and objectives.

Question 39: The project needs to have strong relations with the community. In cases of low community population our organization takes steps to provide incentives for the general population (youth, retired people), to return to those communities, like are pavements of roads with gravel using own machinery, fixing damaged bridges, etc. Can such activities be supported under this program?

Answer 39: Yes.

Question 40: Can investments we already made be counted as local contribution under this program?

Answer 40: No. This program anticipates new initiatives and does not allow retroactive accounting for previous investments.

Question 41: Do we have to explain the long run and short run goals, or we should only address activity by activity?

Answer 41: In the concept paper phase USAID expects to see the ideas. No need to explain activity by activity in detail given the page limitation for the concept papers.

Question 42: Do the organization have to be registered in the area of implementation of the program?

Answer 42: No. Please see Section 2: Eligibility and Award Information on page 4 of the APS.

Question 43: In the evaluation process would any advantage be given to a partnership of more organizations that work on a same issue, over a single organization?

Answer 43: No.

Question 44: If an applicant decides to apply as partnership of more organizations, will sub-granting be allowed?

Answer 44: See answer to question 32.

Question 45: Could a current grant recipient be one of the lead partner organizations on this program?

Answer 45: Yes.

Question 46: Will this program allow that organizations merge their ideas with the ongoing programs of the Ministries?

Answer 46: Yes. The CSRA is intended to establish a broad collaboration among and partner with relevant stakeholders (including central and local government institutions) on addressing community issues. It will be very useful, if the applicants highlight those partnerships in their concept papers.

Question 47: The EU donors require that applicants demonstrate they had, for example, 100,000 Euro in turnover for them to apply for 100,000 Euro of EU funds. Is that also the case here?

Answer 47: No, there is no such a requirement for this program.

Question 48: Can a Municipality Council apply for this program? It is a body that incorporates representatives from the private sector, social welfare and education sector?

Answer 48: See answer to question 14.

Question 49: In cases where the municipality would be one of the partners, the program would indicate that a particular resources portion would be coming from the municipalities budget. However, as we know, whether those funds will, in fact, be provided by the municipality, will be known only after the municipality council adopts the budget. How will USAID evaluate such cases?

Answer 49: It is up to the applicants to propose how they are going to address such issues. Knowing that things change on the ground, knowing that governments come and go, different players change, etc., it is up to the applicants to demonstrate and propose their best approach to mobilization of local resources. It is not necessary for the applicant to indicate and/or commit to a particular resource portion that will come from the municipal budget in the concept paper. In the full application stage, the applicant may list the assumptions, risks and propose means for mitigating those risks in order to ensure that the program objectives are accomplished.

Question 50: I'm interested about the sub-granting, in regard that one organization will be led while others will be partners.

Answer 50: See answer to question 32.

Question 51: What type of organizations are eligible to apply?

Answer 51: See answer to question 14.

Question 52: How many times an organization can appear in applications? Can it appear more than once as a lead or partner?

Answer 52: There is no limit. An applicant can submit more than one concept paper and may appear as a sub-partner on concept papers submitted by other applicants.

Question 53: Should applicants incorporate the “gap funding” portion in their planning budgets?

Answer 53: Yes.

Question 54: How many of those submitting concept papers will pass on and be allowed to submit full applications? Is there a limited number?

Answer 54: The number of applications to move to the full application stage is not limited and will depend on the concept paper quality.

Question 55: It was said that in the concept paper phase a single line budget should be submitted. Is co-financing required, and if it is, can it be in-kind or in-cash?

Answer 55: See answer to question 8.

Question 56: Should the requested budget be in line with the applicants’ assets turnover in the past years?

Answer 56: No. Also see answer to question 47.

Question 57: When should applicants plan the beginning of the activities under this program?

Answer 57: USAID’s best guess is autumn of 2020 at the earliest.

Question 58: Would it and how significantly would USAID allow for the concept paper to be modified later, for example, to add or remove lister partners, of increase or decrease the budget for 10%, 20%, etc.?

Answer 58: USAID is going to evaluate concept papers in accordance with the evaluation criteria listed in the APS. At this point, the applicants are advised to concentrate on the concept paper stage. After selecting a concept paper to move to the full application stage, USAID will provide further instructions to selected organizations at that point.

Question 59: It is said that this opportunity asks for results, and not processes. Can we confirm what is considered as a result, since now we are to propose a program, and not a project? In accordance to our experience we realized what are the needs, so is confirmation of those needs with the local community considered to be a result? How quickly USAID expects these results to be achieved? As you know in its nature these strategic partners are functioning rather slow, and the local authorities

with whom we are to establish relations, due to various reasons usually responding slow because there is always some emergency or contingency situation that causes these such delays.

Answer 59: USAID deems you to be the most knowledgeable of the situation in your respective communities. Therefore, USAID expects of you to tell us what the measures of the success of this program would be. In the full application phase, the applicants will be required to propose illustrative indicators for measuring the expected results. These proposed results and indicators will be refined during the co-creation process. The program Monitoring, Evaluation and Learning (MEL) Plan will be subject to USAID's approval following the signing of the agreement with the successful applicant.

Question 60: You said that the concept paper should not exceed 5 pages. Did USAID determine paper margins?

Answer 60: See APS, page 6, Step 1.

Question 61: In the "gap funding" discussion paragraph of the APS it is stated "...and other sources". That means that the municipalities lookout for other resources and those resources may be combined with the gap funding.

Answer 61: Yes. Also see answer to question 22.

Question 62: Is the level of 40% of gap funding related to the full amount of program, or it is related to every individual action the program will undertake?

Answer 62: 40% of the gap funding is applicable to every individual action the program will undertake in the course of year one, 30% during the year two, and 20% during the course of year three.

Question 63: The APS states that programs should last a minimum of three and a maximum of five years. What if an applicant intends to support construction of a sewage system which will take no more than a year to be completed?

Answer 63: Please note that this is not a project to resolve one community issue. It is a program that aims to establish a sustainable system for mobilizing people and resources to address development challenges and priorities in the communities. The sustainability of a system for mobilization of local resources can hardly be achieved by implementing only one initiative. This means that the construction of a sewer system can be one of the initiatives under this program, if that is defined as a priority issue by the people in that community. Please keep in mind the purpose of the program when developing your proposed programs.

Question 64: Step 3 of the APS, states that if engaged in co-creation the applicants will be refining their concept papers. It further states USAID may suggest to selected applicants to enter the co-creation together and resubmit the concept paper. Does this mean that the co-creation process assumes that a new concept paper will be generated, or the existing concept paper(s) will be improved?

Answer 64: See answer to question 20.

Question 65: Regarding resources mobilization, applicants would need to predict the financial resources that may have different origin, like those to come from the private sector, municipal budget, donors, etc. Would USAID consider eligible resources that applicants may obtain from other USAID projects, like is the USAID regional project? This in case the regional project decides to support formation of partnerships with local actors and in that line is willing to contribute toward those partnership initiatives.

Answer 65: The key objective is mobilizing local resources and thus, resources from other USAID projects don't fit that category. USAID wants to see local communities becoming able to mobilize their own resources or applying for external resources. The resources to be mobilized through this program, apart from the gap funding, must come from the local community.

Question 66: Can government institutions be part of a partnership or consortium? If yes, should that be regulated by some sort of a memorandum?

Answer 66: See answer to question 14.

Question 67: Does USAID expect that applicants announce their partnership agreements with the submission of their concept papers?

Answer 67: No.

Question 68: What types of innovations are likely to be competitive when we talk about CSRA?

Answer 68: USAID encourages creative and innovative approaches that are likely to result with successful mobilization of local resources and improved locally-led development in communities. It is up to applicants to convince USAID why an approach is likely to be successful.

Link to USAID ACQUISITION STRATEGY: (<https://www.usaid.gov/work-usaid/how-to-work-with-usaid/acquisition-and-assistance-strategy>).

Link to JOURNEY TO SELF-RELIANCE (<https://www.usaid.gov/selfreliance>).

All other terms and conditions under the original RFA remain unchanged.

Thank you for your interest in USAID programs.

Sincerely,

_____/s/
Edward Acevedo
Agreement Officer

(END of Amendment 2)