USAID | EL SALVADOR
DEL PUEBLO DE LOS ESTADOS UNIDOS DE AMÉRICA

El Salvador Country Development Cooperation Strategy (CDCS) Annual Program Statement (APS) No.: 72051921APS00001- Addendum 4

Issuance Date:		September 28, 2021
Deadline for Questions:		October 13, 2021 17:00 (El Salvador)
Closing Date:		September 28, 2022
Concept Paper Submission Closing Dates:		
	First Round:	November 15, 2021 08:00 (El Salvador)
	Following Rounds:	To be determined

Subject: El Salvador Country Development Cooperation Strategy (CDCS) Annual Program Statement (APS) No.: 72051921APS00001

Program Title: Private Sector Engagement Activity - Addendum 4

Catalog of Federal Domestic Assistance: 98.001, Foreign Assistance for Programs Overseas

Pursuant to the Foreign Assistance Act of 1961, as amended, the United States Government, as represented by the U.S. Agency for International Development (USAID), USAID/El Salvador, is announcing the Private Sector Engagement Activity Addendum to the USAID/El Salvador Country Development Cooperation Strategy (CDCS) Annual Program Statement (APS) No. 72051921APS00001, hereafter known as the CDCS APS.

Through this Private Sector Engagement Activity Addendum to the CDCS APS, USAID/El Salvador seeks to partner with the private sector as a means to increase the sustainable impact of USAID's development assistance programs and more effectively address critical development challenges in El Salvador or within the region, including El Salvador, Guatemala, and Honduras. The activity will contribute to USAID/El Salvador's CDCS goal to "Reduce the Drivers of Irregular Migration by Fostering a More Self-Reliant El Salvador: Secure, Prosperous and Well-Governed". Further, this activity will contribute to achieving regional goals of the U.S. Government's Root Causes of Migration Strategy (RCS).

Subject to the availability of funds, USAID/El Salvador anticipates investing approximately $50,000,000 in this activity in support of one or more awards. USAID/El Salvador reserves the right to award more or fewer awards than this estimate and is not obligated to make any awards.

USAID/El Salvador is issuing this Addendum pursuant to the Foreign Assistance Act (FAA) of 1961, as amended. Any potential resulting award(s) will be subject to 2 CFR 700 and 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and USAID's Standard Provisions for U.S and Non-U.S Based organizations per ADS 303.

It is the responsibility of the Applicant to ensure that the entire CDCS APS and Addendum opportunity has been downloaded from www.grants.gov and USAID/El Salvador bears no responsibility for data errors resulting from transmission or conversion process. If you have difficulty accessing the CDCS APS, please contact the grants.gov Helpdesk at 1-800-518-4726 or via email at support@grants.gov for technical assistance.

Issuance of this Addendum does not constitute an award or commitment on the part of the U.S. Government to make an award, nor does it commit the U.S. Government to pay for costs incurred in the preparation and submission of a Concept Paper or Application(s). Should you have any questions about this Addendum, please contact us at esalliancebuilding@usaid.gov.

Thank you for your interest in USAID programs.

Sincerely,

Albert Carrera Digitally signed by Albert Carrera
Date: 2021.09.28 09:13:58 -06'00'

Albert E. Carrera
Agreement Officer
Regional Office of Acquisition and Assistance
USAID/El Salvador

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNOUNCEMENT

CALL FOR CONCEPT PAPERS

El Salvador Private Sector Engagement Activity Addendum

UNDER EXISTING

USAID/El Salvador Country Development Cooperation Strategy (CDCS)
Annual Program Statement (APS)
No.: 72051921APS00001

PLEASE NOTE: This is an Addendum to an existing announcement. All interested organizations should carefully review both this Private Sector Engagement Addendum AND the full announcement, which can be found here: https://www.grants.gov/web/grants/view-opportunity.html?oppId=332969.
Important information contained in the full worldwide announcement is not repeated in the Private Sector Engagement Addendum.

This Addendum is authorized in accordance with Part 1 of the Foreign Assistance Act of 1961, as amended.

Through the Private Sector Engagement Activity Addendum to the USAID/El Salvador CDCS APS No.72051921APS00001, USAID/El Salvador will pursue and support partnerships with the private sector as a means to increase the sustainable impact of USAID's development assistance programs and more effectively address critical development challenges in El Salvador or within the region, including El Salvador, Guatemala, and Honduras. .

Subject to the availability of funds, USAID/El Salvador anticipates investing approximately $50,000,000 in this area and supporting one or more awards. USAID/El Salvador reserves the right to award more or fewer awards than this estimate and is not obligated to make any awards.

Unless otherwise stated herein, all terms and conditions of the CDCS APS apply (https://www.grants.gov/web/grants/view-opportunity.html?oppId=332969).

TABLE OF CONTENTS

LIST OF ACRONYMS

ADS: Automated Directives Systems
AO: Agreement Officer
AOR: Agreement Officer Representative
APS: Annual Program Statement
CDCS: Country Development Cooperation Strategy
CLA: Collaborating, learning and adapting
DO: Development Objective
DOC: Development Outreach and Communications
GOES: Government of El Salvador
NPI: New Partnerships Initiative
NOFO: Notice of Funding Opportunity
PSE: Private Sector Engagement
RSC: Root Causes of Migration Strategy
USG: United States Government

SECTION A: PROGRAM DESCRIPTION

A.1. Background

USAID/El Salvador and USAID Central American Regional Mission (USAID/CAM), or the Mission hereafter, is focused on addressing U.S. foreign policy priorities and related development challenges in the region (El Salvador, Guatemala, and Honduras), including: ineffective governance; the evolving security situation, specifically the pervasive crime and violence affecting the countries of Guatemala, El Salvador, and Honduras; slow economic growth and integration; lack of economic opportunities for likely migrants; low-quality education for the most vulnerable; and climate change and high vulnerability to natural disasters. Combined, these issues are contributing to the recent surge in migration from El Salvador, Guatemala, and Honduras to the U.S., which indicates that the serious and long-standing challenges in the region are worsening.

The response to these challenges should be done in a holistic way that recognizes the interrelated nature of these issues is paramount. Programming that eschews traditional sectoral focus, and contemplates the linkages between citizen security, governance, economic growth, education, and global climate change, will enable the Mission to contribute to comprehensive regional change. **This Private Sector Engagement (PSE) addendum seeks partnerships to address the Root Causes of migration in El Salvador, Guatemala, and Honduras.**

Therefore, partnerships developed under this PSE Addendum will support one or more of USAID's core development initiatives and advance the development objectives and priorities articulated in the El Salvador Country Development Cooperation Strategy (CDCS) and the U.S. Government's Root Causes of Migration Strategy (RCS). Prospective partners should carefully review those initiatives, objectives and priorities in order to determine whether and how business and USAID interests might intersect.

A.2. Geographic Coverage

To address the challenges mentioned above, the Mission identifies opportunities to expand engagement with the private sector in order to improve development outcomes for El Salvador and/or regionally in El Salvador, Guatemala, and Honduras.

Notably, for programming in El Salvador, the El Salvador CDCS focuses geographically in three main urban hubs: San Salvador, San Miguel and Santa Ana, which account for the majority of illegal migration and insecurity in the country. As such, this activity seeks to concentrate bilateral efforts in those areas; however, work in other geographic areas is NOT excluded and will be considered.

A.3. Focus on Partnerships

Working directly with local and international private sector enterprises leads to improved development results. Private sector partners add value to USAID programs through their resources, technologies, networks, access to markets, specialized expertise, and knowledge. Furthermore, they create jobs in areas affected by irregular migration and the drivers that cause it, thus reducing migratory pressures for those irregularly seeking expanded economic opportunities in the United States. Partnerships with the private sector also create opportunities for innovation and effective market-led development, and are integral to USAID's efforts to increase the likelihood of sustained impact and self-reliance after support ends.

Through this Addendum, the Mission seeks to pursue and support partnerships with the private sector[1] as a means to increase the sustainable impact of USAID's development assistance programs and more effectively address critical development challenges in El Salvador or within the region, including El Salvador, Guatemala, and Honduras.

This Addendum provides the Mission with a means of supporting or funding activities that are developed in collaboration with the private sector. Partnerships developed under this Addendum must involve one or more private sector entities. For purposes of this Addendum, prospective implementing partners may include, but are not limited to:

1. Private sector entities,
2. NGOs,
3. Universities,
4. Think tanks,
5. Foundations
6. Philanthropic institutions, and
7. Other entities whose rich array of expertise, experience and other human and institutional assets position them to be valuable partners in the creation and implementation of high-impact partnerships.

Partnerships co-created under this Addendum must advance private sector interests and objectives AND the development objectives and priorities that guide USAID's development assistance programs and investments, such as El Salvador's CDCS and the development initiatives in the RCS. Therefore, building an effective partnership requires a mutual understanding of USAID and private sector interests and priorities. The most successful partnerships are grounded in the mutually reinforcing relationship between core business interests (rather than purely philanthropic interests) and one or more of USAID's development objectives. Developing such successful, high-impact partnerships is a collaborative effort based on several key practices:

- Engage early, and often, with the private sector;
- Proactive and extensive communication;

[1] USAID's Private Sector Engagement Policy defines the "private sector" as for-profit, commercial entities and their affiliated foundations; financial institutions, investors and intermediaries; business associations and cooperatives; micro, small, medium and large enterprises that operate in the formal and informal sectors; American, local, regional, and multinational businesses; and for-profit approaches that generate sustainable income (e.g., a venture fund run by a non-governmental organization (NGO) or a social enterprise). For this Addendum, the Mission considers "private sector" as private for-profit entities such as a business, corporation, or private firm; private equity or private financial institutions, including private investment firms, mutual funds, or insurance companies; private investors (individuals or groups); entrepreneurs; private business or industry associations, including but not limited to chambers of commerce and related types of entities; and private grant-making foundations or philanthropic entities.

- Joint and collaborative identification and definition of problems and opportunities;
- Clear articulation and understanding of partner interests and objectives;
- Thorough exploration of whether and how those interests and objectives overlap or complement one another;
- Thorough exploration of how the application of private sector and USAID expertise, capabilities, and resources provide business and development value propositions; and
- Joint and collaborative development of approaches to address the identified problems and opportunities and achieve the identified value propositions.

Consistent with USAID's PSE Policy, the Mission seeks proactive engagement of and collaboration with the private sector in the identification and definition of key business and development problems and opportunities. Such engagement may include the co-creation and development of market-based and market-oriented approaches to solve problems and seize opportunities; the facilitation and implementation of such approaches; and the development and modeling of environmentally friendly ("green") practices and policies in the private sector.

A.3.1. Leverage

The PSE Addendum will focus on developing partnerships that provide opportunities for leverage. Leverage is the resources mobilized and contributed by the private sector to significantly advance the proposed impact or progress against outcomes in a development activity, including assets, capabilities, and expertise. To this end, the Mission prefers to mobilize private sector resources, assets, capabilities, and expertise in equal or greater value of resources provided by the USG. However, the Mission will consider less when a concept presents a compelling partnership that will appreciably contribute to El Salvador's CDCS and the development initiatives in the regional RCS. A lower ratio may also be considered due to Covid-19 and the resulting economic consequences in El Salvador, Guatemala, and Honduras. As part of any special consideration related to Covid-19, the co-creation process will need to result in the applicant proposing how it will attempt to increase its leverage amount throughout implementation and as the economy improves. Leveraged resources may include grants/awards from non-US Government organizations and other private sector donors.

<u>What counts as leverage?</u>

In practice, leverage is typically a combination of cash and in-kind contributions of non-US Government funding or resources that advance proposed impact and progress against outcomes. Examples of in-kind contributions that USAID might count toward the private sector leverage requirement include:

- Equipment
- Use of training or other purpose-specific facilities necessary to a program's implementation
- Value of time donated by technical consultants, industry and business association members and staff, business owners, and/or company employees whose work, expertise, and experience positions them to be valuable partners in the partnership
- Value of salaries for staff dedicated to the partnership
- Technology, communications and capital assets

- Intellectual property rights
- Licenses
- Cash
- Crypto assets and/or cryptocurrencies such as Bitcoin (BTC) and Ether (ETH)

A.4. Demographic Focus

The El Salvador CDCS relies on an urban-hub place-based approach and focuses on likely migrants who strive to eke out a living. Activities under this program description would, therefore, largely be focused on its targeted demographic (individuals under 40 with less than $400 per month in income or at risk of dropping out of school; and/or likely to be subjected to violence).

Similarly, any regional activity would need to focus on likely migrants from El Salvador, Guatemala, and Honduras. As stated by the RCS, a coordinated, place-based approach to improve the underlying causes that push Central Americans to migrate is of primary importance.

A.5. Programmatic Focus

The Mission anticipates that the Addendum will allow private sector partners to contribute:

- Bilaterally, in El Salvador, by achieving the goal of the CDCS, “Reduce the Drivers of Irregular Migration by Fostering a More Self-Reliant El Salvador: Secure, Prosperous and Well-Governed” and/or

- Regionally, in the El Salvador, Guatemala, and Honduras, by achieving the desired end-state for the region as stated in the RCS, “A democratic, prosperous, and safe region, where people advance economically, live, work, ans learn in safety and dignity, contribute to and benefit from the democratic process, have confidence in public institutions, and enjoy opportunities to create futures for themselves and their families at home.”

This Addendum is concentrated on USAID/El Salvador bilateral activities. However, concepts for activities in El Salvador, Guatemala and Honduras in order to support the USG’s regional RCS may also be considered.

A.5.1. El Salvador Expected Outcomes

Outcomes and outputs of any bilateral concept submitted under this Addendum should consider and contribute to the achievement of the following strategic expected outcomes:

a. SECURITY - DO 1: Security increased for likely migrants
1. Decrease the intentional homicide rate to 15 per 100,000 inhabitants
2. Decrease femicides by 30% per 100K women
3. Improve by 20% the national security perception

4. Decrease by 24% the percentage of people that have witnessed police perpetrated violence
5. Improve by 24% the Criminal Justice Factor of the rule of Law Index

b. PROSPERITY - DO 2: Jobs and income potential increased for likely migrants
1. Spur job creation of 85,000 new or better formal jobs, specifically targeting employment opportunities for those most likely to migrate,
2. Stop an additional 48,000 youth from dropping out of school.

c. GOVERNANCE - DO 3: Government responsiveness, accountability and transparency
1. Improve the government effectiveness index by 49%
2. Improve the electoral democracy index by 10%
3. Improve the corruption perception index by 18%

All bilateral addenda for El Salvador should also consider El Salvador's CDCS results framework.

A.5.2. Expected Outcomes Regionally

Outcomes and outputs of any regional concept submitted under this Addendum should consider and contribute to the achievement of the following strategic expected outcomes:

a. SECURITY
1. Build safe communities through violence prevention and intervention in El Salvador, Guatemala, and Honduras

b. PROSPERITY
1. Foster a Business Enabling Environment for inclusive economic growth in El Salvador, Guatemala, and Honduras
2. Increase and diversify trade in El Salvador, Guatemala, and Honduras
3. Build resilience to address climate change and food security in El Salvador, Guatemala, and Honduras
4. Enhance workforce employability through quality education in El Salvador, Guatemala, and Honduras

c. GOVERNANCE
1. Enhance respect for human rights in El Salvador, Guatemala, and Honduras
2. Enhance respect for labor rights in El Salvador, Guatemala, and Honduras
3. Promote free press in El Salvador, Guatemala, and Honduras

A.6. Focus Areas

A.6.1. Citizen Security

Crime and Violence Prevention: The Mission seeks to leverage resources and engagement by philanthropic and corporate partners in advancing crime and violence prevention in El Salvador or regionally (El Salvador, Guatemala, and Honduras). This includes partnering with the private sector to: improve safe spaces; support youth with extra-curricular activities including sports and cultural programs; and develop market-driven approaches in transitioning neighborhoods. The Mission also seeks partnerships with private sector entities willing to support 'second chances' - educational and economic, to individuals who may have previously been in conflict with the law, or had association with a criminal organization, but who have shown a commitment to changing their life trajectory. Job training and support is also sought for individuals who are at high risk of violence, such as victims of gender-based violence, including members of the lesbian, gay, bisexual, transgender, queer, and intersex (LGBTQI+) community and/or people with disabilities, who are seeking a means to secure livelihoods.

Illustrative Outputs:

- Partnerships with the private sector and foundations that improve conditions for the residents and businesses in transition neighborhoods in targeted geographic areas that can demonstrably and quantifiably impact perceptions among the community about their safety and wellbeing.
- Implementation of extracurricular activities that target youth who have not yet committed violence or been in conflict with the law, but are at risk of doing so, and that can demonstrably and quantifiably can reduce this risk.
- Partnerships with private sector entities to support individuals who have been in conflict with the law and/or committed violence, but who have shown a commitment to changing their life trajectory, with educational, job-training, psychological, social, or other types of support that can demonstrably and measurably increase the chances of their successful integration back into society.

A.6.2. Democratic Governance

Advancing public sector transparency, ethics, and accountability: The Mission seeks to partner with the private sector in expanding the business community's involvement in advancing transparency and accountability in the areas of the rule of law, human rights, workers rights, and rules-based commerce and trade. This could include conducting and publishing research around contemporary business and leadership topics to educate and inform corporate leaders, policy makers and the general public.

Illustrative Output:

- Partnerships with the private sector and foundations in advancing rule of law, human rights, workers rights, freedom of press, transparency, accountability, and rules-based commerce and trade.

Improved private sector transparency, ethics, and accountability: The Mission seeks to partner with private sector entities committed to advancing business ethics and leadership. This would include initiatives to develop talent management, and leadership skills among emerging business and civic leaders.

Illustrative Output:

- Initiatives to develop leadership skills and corporate responsibility among current and emerging business leaders in the country around issues such as business ethics, critical problem solving, and corporate governance in ways that have a demonstrable and measurable impact in areas such as reduction of sexual harassment in the workplace and society, imporved labor relations, improved environmental practices, and greater economic oportunity for magilalzed segements of society.

A.6.3. Economic Growth

Job creation and employment of individuals at high risk of using irregular means of migration: The Mission seeks to establish alliances that support productivity-enhancing innovations and new ventures that create jobs in El Salvador or regionally (El Salvador, Guatemala, and Honduras). Proposed activities should engage vulnerable populations, especially women and youth, in entrepreneurial activities. These efforts might also include support to small and medium-sized enterprises (SMEs) to spur innovation, increase productivity, and create links to export markets.

Illustrative Outputs:

- Partnerships to support entrepreneurs who are creating technology-driven, market-led solutions to development challenges in regions of high out-migration.
- Alliances to strengthen the entrepreneurship and innovation ecosystem, by reducing barriers to formalizing business and building capacity and competencies.
- Initiatives to facilitate market linkages of SMEs to high growth value chains, to create jobs, and to improve livelihoods for vulnerable populations and their communities.
- Partnerships to increase SMEs access to inputs, training, financing, and market knowledge to improve their production capabilities.
- Partnerships that provide youth at high risk of using irregular means of migration with economic opportunities such as participation in volunteer activities, community engagement, and training that serve to both provide basic short-term income while also fostering a sense of rootedness and links to longer-term economic opportunity.

Modeling and advancement of environmentally friendly ("green") practices and policies in industry: The Mission seeks partnerships with the private sector to incentivize practices and policies that increase social and environmental benefits, while creating green employment and ensuring sustainable development outcomes. Proposed activities should increase resilience to climate change impacts, reduce greenhouse emissions, and incentivize investment to improve environmental development goals. Concepts should identify enterprise-led innovations for businesses to improve their resource productivity (e.g.; by increasing energy efficiency or improving water management), and/or introduce new products and services which are less carbon intensive.

Illustrative Outputs:

- Alliances to measurably and significantly increase resilience to climate change impacts, reduce greenhouse emissions, and incentivize investment to improve environmental development goals.
- Initiatives to improve private sector resource productivity, which could include measurably and significantly increase energy efficiency, improving water management, and/or introduce new products and services that are less carbon intensive or that enable carbon reduction by others in ways that are likely to have a significant impact.
- Environmentally responsible ventures that are aligned with both USG and El Salvador and/or Salvadoran, Guatemalan, and Honduran government strategies, policies, and "green" legislation[2].

Women's economic empowerment and economic justice rights: Given Covid-19 and the rapid increase in the use of technology to sell goods and services online and make and receive payments, the Mission seeks partnerships with the private sector to reduce the gender gap in financial inclusion and increase women's economic empowerment to reduce poverty and violence in El Salvador or regionally (El Salvador, Guatemala, and Honduras).

Illustrative Outputs:

- Partnerships that foster measurable and significant increases in women's economic access, agency, and power to improve their economic and social opportunities through technology.
- Strategic alliances to recruit, retain, and promote women in well-paying and safe traditionally male-dominated jobs, such as the technology sector, as well as access to capital, networks, mentors, and markets for women-owned and women-managed small and medium-sized businesses.
- Strategic alliances to improve employer practices sustainably, including: providing affordable, safe, and quality childcare options for working parents as well as addressing gender-based violence and sexual harassment in the workplace.

A.6.4. Education

Equipping Vulnerable Youth for Educational Success: The Mission seeks partnerships with the private sector to provide school-aged children and vulnerable youth with the conditions and incentives to stay in school and complete basic and secondary education (i.e.; high school). Concepts should identify innovative ways to improve the learning outcomes or improve school facilities to foster student retention through educational technology. Many educators and students are using social media and online platforms as communication tools in which educators interact

[2] For example, the recently approved "Ley de fomento e incentivos para la importación y uso de medios de transporte eléctricos e híbridos" (i.e.; "Law of promotion and incentives for the importation and use of electric and hybrid means of transportation").

with parents and students interact among peers more easily. Social media and online platforms are here to stay, and schools can use it to collaborate, share, innovate and lead to an improved learning experience.

Illustrative Outputs:

- Increase the average completed level of schooling in relevant areas to the private sector.
- Stop youth from dropping out of school.

Closing the Digital Divide in Education: The Mission seeks partnerships with the private sector to provide bilateral or regional (El Salvador, Guatemala, and Honduras) alternatives to reduce the digital divide[3] in four major areas: a) access to technological devices (desktop and laptop computers, tablets); b) access to the Internet (including--for El Salvador only-- innovative, cost effective formats such as using the white space telecommunication spectrum in bilateral coordination with the Government of El Salvador); c) improvement to collaborative teaching/learning methodologies to bridge the gap between teachers and students; and d) help students strengthen their academic, interpersonal, and emotional skills and access to stable connectivity for teachers and students in schools and at home for virtual teaching/learning. The advantages of incorporating science, technology, engineering, art, and math (STEAM) in the education system is that it helps students become more active, become more critical thinkers, and be creative in their learning process.

Illustrative Outputs:

- Increase the access to quality technical education, especially for vulnerable groups, in the areas of STEAM education.
- Improved learning and teaching methodologies, in which technology adds valuable knowledge and uses for educators and learners, both in theory and in real life.
- Ensure equitable access to digital literacy skills and training, particularly for vulnerable populations, including women, persons with disabilities, and other underrepresented groups identified in the El Salvador CDCS and the RCS.

Youth Training for Improved Employability: The Mission seeks partnerships with the private sector to strengthen and increase the pipeline of skilled youth working in technical areas (i.e.; general high schools, technical high school, higher-education technical education, and/or professional formation in technical vocational education). Teachers and students are using new tools and technologies, as a result of the Covid-19 pandemic. Therefore, the roles of educators need to evolve continuously. It is crucial to create essential digital competencies and skills for

[3] According to the USAID Digital Divide Primer launched in August 2020, the digital divide is the distinction between those who have Internet and mobile access and can use digital communications services and those who are excluded from these services. The gender digital divide reflects the inequalities between men and women regarding digital technology access and use. Digital literacy skills are those necessary to "access, manage, understand, integrate, communicate, evaluate, and create information safely and appropriately through digital devices and networked technologies for participation in economic and social life." There are two pillars of digital literacy: capacity and safety. Capacity is the hard skills people need to access the Internet and utilize various digital platforms, including computers, mobile devices, and other media (e.g., audio and video). Safety encompasses using digital tools safely, including online security, privacy, and information and media literacy.

teachers. Technology might introduce new teaching methods using Information, Communication, and Technology (ICT) resources in open source environments as there is an enormous wealth of learning and training materials available online. Proposed activities must also contribute to improved economic outcomes for them, their families, and their communities. The Mission seeks market-driven approaches that provide incentives to align technical-vocational school curricula with private sector demand, and foster the development of "soft" social skills necessary for success in businesses.

Illustrative Outputs:

- Directly train and place vulnerable people in better jobs, and foster a more competitive workforce nationwide.
- Develop education/private sector alliances that help provide training and support for job placement.
- Increase the earnings of participants by at least one month of minimum wage earnings.

A.7. Coordination Efforts

A.7.1. Coordination with Business Associations and NPI

USAID assistance for achieving the activity purpose relies on strong partnerships and coordination with local institutions, donors, and the private sector. This Addendum recognizes the important role of business associations and philanthropic foundations as key partners for the advancement of the Mission's Development Objectives. Business associations in El Salvador such as the American Chamber of Commerce (AMCHAM), the Industrialist Association (ASI) and the Chamber of Commerce (CAMARASAL) membership have traditionally partnered with USAID/El Salvador in activities ranging from crime and violence prevention, basic education, workforce development and SME strengthening. Regional business associations such as the Central American Integration for Corporate Social Responsibility (RED INTEGRARSE), have previously engaged with USAID to participate in regional forums that promote security, prosperity, and good governance.

Private sector philanthropic foundations play a very important role in El Salvador and regionally (El Salvador, Guatemala, and Honduras) and they have been the implementing or resource partners in multimillion dollar Global Development Alliances. Since private sector philanthropic foundations' objectives frequently align with those of USAID's, coordination with them will be essential. Further, El Salvador and the region (El Salvador, Guatemala, and Honduras) have a vibrant ecosystem of local NGOs and foundations engaged in local development that will be targeted as potential implementing and resource partners.

A.7.2. Coordination with other USG Agencies

When applicable, activities under this Addendum are expected to implement their activities in close coordination with other USG Departments and Agencies that work with the private sector such as the Department of Commerce, the Economic Section of the US Embassy, and the US

Development Finance Corporation. In this way, synergies that strengthen the proposed activities are expected to occur and duplication of activities will be avoided.

A.7.3. Coordination with Other Donors

A solid relationship and frequent coordination with other key donors such as the Interamerican Development Bank and the European Union is critical to avoid duplication of efforts. Applicants will proactively seek to leverage funding and resources to better align priorities and achieve desired development impacts. When applicable, USAID highly encourages proposals to demonstrate a solid understanding of key donors whose existing relationships and initiatives with private sector counterparts are aligned with the objectives of proposed activities.

A.7.4. Coordination with other USAID/El Salvador Activities

Current awards managed by EGE and DGS offices, USAID/El Salvador. Examples include, but are not limited to:

- *Nuevas Oportunidades*: This activity contributes to the prosperity of Salvadoran youth by increasing access to quality education directly related to local employment opportunities for those who have academic potential and desire, but lack financial resources. This alliance will provide a path to greater school engagement, enhanced life skills, employment, and non-violent conflict resolution. These skills promote a stronger sense of community, thus reducing violence and mitigating the drivers of irregular migration.

- *High Impact and Sustainable Communities Project in Soyapango*: This activity contributes to the improvement of the quality of life of families in Soyapango, through the articulation of the key sectors to increase the opportunities of economic and social development of the municipality.

- *Imagina - El País que queremos*: This activity seeks to empower and catalyze citizens to actively participate in the creation, revitalization, and maintenance of public spaces, as well as to provide a dynamic platform to collect and analyze data regarding citizens' perceived quality of life.

- *New Path for Social Reintegration Project*: This activity focuses on social insertion of young and adolescents by strengthening public policy.

Future awards managed by EGE and DGS offices at USAID/El Salvador.

Current awards managed regionally, USAID/CAM. Examples include, but are not limited to:

- *Integrated Responses on Migration (IRM) from Central America:* This activity contributes to lowering both the number of irregular migrants to the United States and the number of apprehensions at the U.S. southern border, which are key U.S. Government priorities.

- *Trade Facilitation and Border Management Project:* The goal of the Activity is to contribute to the Central American countries' broad-based economic growth by enhancing regional integration and improving trade facilitation.

Future awards managed by USAID/CAM.

A.8. Guiding Principles

A.8.1. Gender Equality and Female Empowerment

Central American countries are societies with strong social norms that dictate gender roles and cultural practices that often result in gender inequality. Using a measure of gender equality developed by the UN for the 2016 Human Development Report, El Salvador, Guatemala, and Honduras currently rank toward the high end (indicating high gender inequality) at 117, 125, and 130, respectively, out of 188 countries.

Low levels of literacy and lack of information and knowledge about job opportunities and civil rights are more prevalent among women than men. This means that women are not able to fully benefit from the opportunities and efficiencies that workforce development or violence prevention programs offer. Gender-based violence is also considered a constraint that women experience in the region (El Salvador, Guatemala, and Honduras). Typically, working conditions are geared towards the needs of the male workers and thus women are afforded poor amenities and opportunities.

The Mission seeks partnerships with the private sector that systematically consider the gender aspects and implications of specific interventions. Therefore, gender must be considered in the work plan in accordance with USAID requirements. This includes examining:

1. How the different roles and status of women and men in the region will affect the activities to be undertaken; and
2. How the anticipated results of the activity might affect women and men differently.
3. A coordinated, place-based approach to improve the underlying causes that push Central Americans to migrate, taking into account, as appropriate, the views of bilateral, multilateral, and private sector partners, as well as civil society.

The Mission seeks partnerships with the private sector where stakeholder engagement is gender-sensitive and that both women and men are represented throughout the activity cycle including: (1) taking into account the particular constraints that women face, (2) engaging women and ensuring they are willing and able to participate in activities, and (3) ensuring that a wide range of women's perspectives are represented within the activity.

The Mission seeks partnerships with the private sector where training activities address the gender dynamics that ensure equal participation from male and female participants to ensure as much gender parity as possible.

Progress in all related activities will be measured and verified using indicators that are disaggregated by sex. Monitoring and evaluation tools should include questions to elicit information that allows differentiation of impacts based on gender.

A.8.2. Sustainability

Sustainability is integral to the design of proposed activities. Interventions must be strategically justifiable and demonstrate why and how, if any or all development outcomes will be sustained beyond the period of performance of the award with USAID. Innovative approaches supported by the activity must be sufficiently robust, and command a sufficiently broad constituency, to hold up through political elections and changes in administration. The Applicant's approach to implementation should also be sufficiently flexible to adapt to changes in priorities or leadership within key institutions and counterparts. At all times, the applicant will ensure to include facilitation and local accountability in the proposal.

A.8.3. Local Solutions

Local Solutions are defined as using, strengthening, and partnering with local actors and local systems strategically, purposefully, and cost-effectively to achieve sustainable development. Involving local partners - those based in the region (El Salvador, Guatemala, and Honduras) - will help to ensure ongoing development impact and sustainability. As part of the USAID's New Partners Initiative, proposed activities will focus on building capacity of local partners to promote innovation, develop local technical capacities, deepen accountability and improve development results.

A.8.4 People with Disabilities

USAID is committed to the inclusion of people who have physical and cognitive disabilities and those who advocate and offer services on behalf of people with disabilities to promote a climate of nondiscrimination against and equal opportunity for people with disabilities; and to promote the inclusion of people with disabilities both within USAID programs.

A.8.5. Social Inclusion

USAID's social inclusion policies aim to avoid discrimination against vulnerable populations such as youth, returned migrants, men and women in the process of or in need of reinsertion to society, indigenous peoples, and members of the LGBTQI+ community in programs which USAID funds. This commitment extends from the design and implementation of USAID programming to advocacy for, and outreach to, people from vulnerable populations, and the activity should integrate these guidelines throughout.

A.8.6. Monitoring and Evaluation (M&E), Collaborating, Learning and Adapting (CLA)

Monitoring and evaluation (M&E), and collaborating, learning and adapting (CLA) for activities should emphasize the systematic process of collecting and analyzing performance data and other information to track progress toward planned results. It also involves collaborating with and across implementing partners to manage the relationship among activities, or between activities and a project, to achieve higher-level outcomes. Activity M&E and CLA focuses on whether an activity is achieving programmatic results and generating learning to inform the adaptation of activities based on evidence.

The Mission seeks partnerships with the private sector that contribute to the Mission's commitment to a multifaceted CLA approach to development. The CLA approach is based on the understanding that development efforts yield more effective results if they are coordinated and collaborative; test promising, new approaches in a continuous yet also rapid, targeted search for generating improvements and efficiencies; and build on what works and eliminate what does not. It is also understood that CLA takes into account programmatic learning and shifts generated by the activity (outward-generating) as well as those adopted by the activity from external learning sources. USAID also anticipates that a strong focus on adaptive management techniques as expressed through staffing skills, structure and culture, business processes, and stakeholder engagement will be particularly important in the implementation of each resulting activity, in order to track and adjust to the opportunities to operationally integrate with other activities working in related efforts. Thus, USAID anticipates a CLA approach that tailors CLA to the needs and opportunities of each resulting activity, while leaving open options for future evolution in its interpretation and application.

A.8.7. Communication Strategy

Communications and public perception are critical to the achievement of USAID/El Salvador's development objectives to improve security, increase prosperity and strengthen democratic governance. Together with our partners, GOES and the communities in which we work, USAID promotes an increased level of hope for Salvadorans living a good life at home, measured by improvements in educational and economic opportunities, security and government. Each activity will contribute to this shared objective. Each activity will provide a communications strategy demonstrating how the partner and activity will utilize communications to achieve results and how the activity contributes to higher level objectives of increased hope and improved public perceptions. USAID El Salvador/DOC will coordinate with communications leads of all partners regularly to align efforts, refine local hub messaging and national campaigns, and encourage partners' continued understanding and development of communications products that prioritize CDCS communication goals.

A.8.8. Environmental Considerations

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.

No activity funded under this award will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for the activity, as documented in a Request for Categorical Exclusion (RCE), Initial Environmental Examination (IEE), or Environmental Assessment (EA) approved by the Mission Director and duly signed by the Bureau Environmental Officer (BEO). (Hereinafter, such documents are described as "approved Regulation 216 environmental documentation.") The Mission has three existing IEEs completed for current and future programming (LAC-IEE-21-71, LAC-IEE-15-07, LAC-IEE-15-30), and two forthcoming IEEs will eventually replace LAC-IEE-15-07 and LAC-IEE-15-30.

A.8.9. Climate Risk Management (CRM)

USAID regulation ADS 201 mandates to assess and manage climate risks of all USAID-funded activities, with limited exceptions. Climate risk is the potential for negative consequences on activity objectives and/or outcomes due to changing climatic conditions. The CRM process seeks to identify climate risks and propose actions to manage the risks. It may also identify potential development opportunities associated with current and expected climatic and meteorological changes, including chances to achieve additional development objectives (including increasing climate resilience and reducing greenhouse gas emissions). Concept papers should identify and address potential climate risks. Selected concept papers will have a CRM assessment.

The Mission's CRM assessment determined that extreme climate events are quite likely to be experienced during the CDCS period with varying degrees of risk associated with the expected CDCS results. In addition, all of the potential climate risks could be major drivers of internal displacement and out-migration, depending on their severity, length and the Government of El Salvador's capacity to respond. In addition, the assessment underscored the importance of analyzing the impact of climate risk on vulnerable populations, as a driver of irregular migration and as a deterrent to the country's development.

[END OF SECTION A]

SECTION B: FEDERAL AWARD INFORMATION

Issuance of this Private Sector Engagement Addendum does not constitute an award commitment on the part of the U.S. Government, nor do those commit the U.S. Government to pay for any costs incurred in the preparation or submission of questions, comments, suggestions, Concept Papers, and/or Full Application. Applicants submit Concept Papers/Applications at their own risk, and all preparation and submission costs are at their expense.

B.1. Estimate of Funds Available and Number of Awards Contemplated

Subject to funding availability, the Mission intends to provide approximately $50,000,000 in total USAID funding to support activities focused on Private Sector Engagement programmatic areas described in this Addendum.

The Mission anticipates awarding one or more award(s) under this Addendum. The actual number of awards, if any, under this Addendum is subject to the availability of funds and the interests and requirements of USAID/El Salvador, as well as, the viability of eventual Applications received. Actual funding amounts and length of awards are subject to availability of funds, award type, and activity proposed.

<u>Evergreen</u>:

If USAID identifies opportunities to strengthen or fund a concept paper or application submitted in response to the Addendum by connecting it with other USAID mechanisms, other potential funders, and/or external partners, USAID may make that concept paper or application available, internally or externally, for appropriate consideration. Therefore, applicants must be willing to:

(a) Co-create the activity by sharing their proposed approach to the project with other organizations,
(b) Enter into sub-award arrangements, and/or
(c) Collaborate with other organizations to coordinate and optimize technical and administrative contributions, as may be necessary.
(d) If a regional concept is presented, this concept should be for El Salvador, Guatemala, or Honduras.

B.2. Nature of the Relationship between USAID and the Successful Recipient

The principal purpose of the relationship with the Recipient is to transfer funds to accomplish a public purpose of support or stimulation of the activity 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.

B.2.2. Areas of Substantial Involvement

If a cooperative agreement is awarded, Mission will be substantially involved in the implementation of this activity based on the programmatic requirements of the award, as further determined in ADS 303.3.11. Some examples of areas of substantial involvement are as follows:

1. Approval of the recipient's implementation plans,

2. Approval of specified key personnel,

3. Agency and recipient collaboration or joint participation, such as when the recipient's successful accomplishment of program objectives would benefit from USAID's technical knowledge, etc.

4. Agency's ability to immediately halt an activity if the recipient does not meet detailed performance specifications,

5. Agency's ability to review and approve of one stage of work, before work can begin on a subsequent stage during the period covered by the cooperative agreement, and

6. Approval of subawards (see definition in 2 CFR 200).

B.3. Start Date and Period of Performance for Federal Award

The period of performance for individual awards may vary between one year up to five years.

<u>Renewals</u>:

Awards made under this Addendum may be eligible for annual renewals providing a possibility of a subsequent award to receive additional support for the project for succeeding periods, activities, or milestones if so determined by USAID. The overall period of the cooperative agreement, including all renewals, will not exceed the five year period of performance of the award under this Addendum. USAID will inform the awardee no later than four months before the end of the period of performance of the initial award if the said awardee is eligible to apply for a renewal award. The recipient will submit a renewal request no less than three months prior to the end date.

Funding of any renewal period or expansion of activities is contingent on the following:
• Availability of funds;
• Satisfactory progress towards meeting the award objectives;
• Submittal of required reports; and
• Compliance with the terms and conditions of the award, including the conditions for renewal.

If informed by USAID, a Recipient will submit a detailed annual work plan for the renewal period along with a detailed budget to be considered for the renewal opportunity.

Any renewals are at the sole discretion of USAID.

B.4. Type of Instrument

USAID has a number of assistance award types to choose from when providing funds to successful Applicants. The type of award and terms and conditions included therein is based upon recipient organization type, programmatic factors, and other due-diligence matters (including responsibility determinations). Awards pursuant to this addendum may result in a variety of assistance instruments outlined in ADS 303.3.24 and ADS 303.3.25 such as:

a) Grants and Cooperative Agreements, including renewal awards which allow to adapt within the five-year maximum period of performance to changing contexts, lessons learned during implementation and allowing scalability of pilot activities;

b) Simplified grants for small awards on a cost reimbursement basis may be appropriate for new local organizations that propose innovative solutions;

c) Fixed Amount Awards which allows payments upon the successful completion of milestones and may represent a less administrative burden to new partners.

The types of awards are defined in Section F of the CDCS APS.

[END OF SECTION B]

SECTION C: ELIGIBILITY INFORMATION

C.1. Eligible Applicants

Eligibility is unrestricted. This Addendum is open to all entities that meet the eligibility criteria set forth in Section C of the CDCS APS.

Important Notes:

- All eligible interested organizations are restricted to submitting only one Concept Paper as the prime applicant. If more than one Concept Paper is received with the same prime applicant, USAID will seek written clarification from the relevant entity regarding which Concept Paper should be considered for review. If clarification is not resolved within five (5) business days, all Concept Papers submitted by the applicant will be deemed ineligible.

- Applicants may serve as sub-awardees or supporting partners on multiple Concept Papers.

- Prime applicants must not require exclusivity agreements with proposed alliance members, sub-partners, or key individuals.

C.2. New Partnerships Initiative (NPI)

The Mission highly supports NPI and welcomes partners that would comply with this Initiative. NPI defines "Implementing Partners" as U.S. and non-U.S. non-governmental organizations that can design and implement assistance activities outside the United States. New Partnerships Initiative Key Definitions | U.S. Agency for International Development (usaid.gov).

The Mission strongly encourages a partnership approach that leverages the required technical expertise of a variety of diverse partners needed to achieve the activity objectives. If any qualified organization is unable to technically respond to the entire activity, then we encourage these organizations to submit a concept paper to achieve an objective of the activity or pursue an alliance with another organization.

What is a "New" Partnership?

A "new" or "underutilized" partner is an organization that has received less than $25 million cumulatively in direct or indirect awards from USAID over the past five years.

What are the basic requirements of an NPI partnership?

In addition to aligning with the specific development objectives and requirements in this Addendum, NPI partnership proposals must reflect one of the following four forms:

a. Direct awards to new and underutilized organizations that are local entities in El Salvador or countries for which the Applicant is applying (if and when regional activities are solicited);

b. Direct awards to new and underutilized organizations that are LEPs in El Salvador or countries (if regional activities are authorized) for which the Applicant is applying;

c. Sub-awards to new or underutilized partners via prime awardees that serve in a limited mentorship role; or

d. Direct awards to partners underutilized with respect to opportunities to leverage private/ non-U.S. Government funding.

Please refer to Section C.2 of the CDCS APS for further information on NPI's forms of engagement and Transition Awards.

C.3. Compliance

C.3.1. Local Laws and Regulations

All Implementing Partners must be legally registered entities under applicable local law, including taxation, and eligible under the relevant laws to receive funding from a foreign source. Individuals, unregistered, or informal organizations are not eligible to be Implementing Partners. USAID advises prospective applicants to consult local counsel on these issues in the Concept Paper phase.

C.3.2. DUNS and SAM Registrations

USAID may not make an award to an Applicant until the Applicant has complied with all applicable DUNS and SAM registrations as detailed in Section H of the CDCS APS and, if an Applicant has not fully complied with the requirements by the time USAID is ready to make an award, USAID may determine that the Applicant is not qualified to receive an award and may use that determination as a basis for making an award to another Applicant. USAID reserves the right to make no award under this Addendum at any stage of the process. The registration process may take many weeks to complete. ***Therefore, applicants are encouraged to begin registration early in the process.***

C.4. Responsibility Determination

The successful applicant(s) will be subject to a responsibility determination assessment and potentially a Pre-award Survey. The Recipient must be a responsible entity. The AO may determine a pre-award survey is required to conduct an examination that will determine whether the prospective recipient has the necessary organization, experience, accounting and operational controls, and technical skills – or ability to obtain them – in order to achieve the objectives of the program and comply with the terms and conditions of the award. Depending on the result of the risk assessment, the AO will decide to execute the award, not execute the award, or award with "specific conditions" (2 CFR 200.208).

Please refer to Section C of the CDCS APS for additional information on eligibility requirements that apply to this Addendum, which includes guidance on Concept Notes/Applications with Proprietary Data.

C.5. How to Work with USAID

More information on how to work with USAID may be found at https://www.usaid.gov/work-usaid/get-grant-or-contract/trainings-how-work-usaid. Information is also available in Spanish.

[END OF SECTION C]

SECTION D: APPLICATION AND SUBMISSION INFORMATION

D.1. Agency Point of Contact

If private sector organizations should want to learn more about the addendum and potential engagement with USAID, they may submit an email to the following mailbox esalliancebuilding@usaid.gov, which will be directed to the Mission's Alliance Builder[4] and a representative from the Regional Office of Acquisition and Assistance.

USAID encourages robust and expansive discussions between prospective partners throughout the entire PSE APS Addendum process. If a private sector organization is not interested in being the awardee but has not yet identified an awardee partner, they should contact the Mission using the esalliancebuilding@usaid.gov email address. The Mission may be able to provide ideas and guidance with regard to identifying and determining potential partners.

For any other questions regarding this Private Sector Engagement Addendum they must be submitted to Ms. Ileana Párraga, at iparraga@usaid.gov, no later than the closing date for questions specified in the cover page of this Addendum.

If an award is made, the AO will appoint an AOR at that time to provide technical and administrative oversight of the specific award during implementation.

D.2. Co-Creation, Collaboration and Communication under the PSE Addendum

To maximize substantive input into the design of activities that foster concrete development results, the co-creation process is characterized by extensive and broad communication among USAID, the private sector entities, and potential implementing partners. USAID anticipates it will have robust discussions with relevant partners throughout the process to refine and continue development of submitted concepts.

Before submitting a concept paper in response to this Addendum, and subject to the parameters set forth below, private sector partners should consider reaching out to the Mission through the esalliancebuilding@usaid.gov mailbox to begin engaging in extensive and robust discussions to explore whether USAID has an interest in collaborating and moving forward under the Addendum.[5] Such discussions, which may also include prospective partners other than the private sector, as well as other key stakeholders, should include detailed design discussions regarding specific activities or projects; clarification of prospective roles and responsibilities; and consideration of the financial and other resources that might be needed to implement activities under the partnership. Such discussions can be held throughout the entire process, from the initial communication with USAID (prior to the development or submission of concept) and all the way through the process, e.g. up to and through any award that might be issued under this Addendum.

---

[4] The use of the term "alliance building" is not a reference to Global Development Alliances, but a reference to the Mission's internal alliance building activities as part of private sector engagement.

[5] USAID and the private sector partners may elect to include other prospective partners in these discussions.

As noted above, USAID technical and program officers can have extensive and robust communication with all prospective partners throughout the entire process. The communication may include non-public information pertinent to the co-creation, and the technical and substantive issues the partners are seeking to address. However, if a partner receives any non-public information from USAID that may provide a competitive advantage in a subsequent procurement issued by the USAID operating unit exploring the Addendum, the partner may be prohibited from obtaining a contract as a result of the subsequent procurement action.[6] ***Receipt of such non-public information does not affect eligibility under this Addendum, as this information is pertinent to the co-creation context.*** Unless USAID identifies specific matters that cannot be communicated, the partners are free to communicate with other entities about the particulars of their discussions with USAID. Note that USAID cannot share classified information.

Any communication not specifically prohibited above is allowed.

In addition, if USAID personnel hold co-creation discussions with a partner or set of partners, USAID personnel are under no obligation to share the substance of those discussions with other prospective partners or applicants under this Addendum. However, if prospective partners have similar recurring questions, or if any given discussion or combination of discussions indicates that the content of this Addendum is unclear in a manner that limits USAID's ability to achieve its objectives under this Addendum, USAID may elect to issue an amendment, FAQ, or other document aimed at addressing such recurring questions/areas of confusion. Partners should mark trade secret or other confidential information they submit to USAID that they wish to protect.

Note: None of USAID's communication during the co-creation process provided by Addendum should be interpreted as a commitment to making an award of USAID funding. A commitment to an award of USAID funding is only made when an award agreement is signed.

D.3. Application Process

Under the PSE Addendum, the requisite engagement, communication, exploration of interests and subsequent problem-solving collaboration is conducted through a multi-stage process. Whereas the CDCS APS defines three main stages for the co-creation process, *the PSE addendum includes four stages* to allow for the robust engagement with the private sector prior to submission of a concept paper. The four main stages are:

1. Engage and Explore
2. Submit a Concept Paper
3. Continued Co-Creation

[6] Procurement refers to contract/acquisition actions, not assistance. A competitive advantage may exist if the nonpublic information includes procurement sensitive information, which is information prepared by USAID to evaluate contract proposals, if that information has not been previously made public. This includes cost/price estimates, technical evaluation documents, the composition of the technical evaluation team, the number/identity of offerors, and information otherwise marked as "Source Selection Information." If procurement sensitive information is shared that could cause an unfair competitive advantage on an existing or subsequent procurement, the unfair competitive advantage would be removed if USAID made the information public.

4. Full Application

D.3.1. Engage and Explore

To encourage private sector engagement, USAID will engage with partners and explore possibilities broadly. Prior to submission of a concept paper, the private sector, USAID, and other organizations may engage one another to understand their respective interests and objectives; identify and define issues and opportunities that might warrant collaboration; explore how their respective expertise, resources, and capabilities might provide opportunities to effectively address those issues and opportunities through market-based approaches; and, based on those discussions, begin formulating potential activities and approaches. Based on these collaborative discussions, prospective partners may decide whether or not to continue in the development and submission of a concept paper under the Addendum.

D.3.2. Submit a Concept Paper

In response to the PSE Addendum, prospective partners will develop and submit a concept paper per the instructions provided in Section D.4 of this Addendum. The concept paper should frame and describe the proposed partnership with USAID, including partner roles and responsibilities and anticipated activities to be implemented.

During review of the concept paper, USAID technical officers may reach out (via phone, email, virtual meeting platforms or in person) to the partners with clarifying questions or requests for additional information. Once USAID completes the review of the concept, the Mission will notify applicants as to whether USAID wishes to continue the co-creation process and further develop the proposed partnership.[7]

Should a private sector organization or other prospective partner choose to submit a concept paper, the application process detailed in Section D below (Application And Submission Information) must be followed. Potential applicants seeking an award of USAID funding shall direct all questions via email to iparraga@usaid.gov by the closing date specified in the cover page of the resulting addendum.

D.3.3. Continued Co-Creation

As noted above, concept papers will be reviewed by the pertinent technical officer(s) at the Mission. If the Mission determines the proposed concept meets the requirements of this APS and its PSE Addendum, and warrants further consideration, discussion, and development, the Mission will continue the co-creation process and work with the private sector and the other proposed partners to further develop, build, and refine the prospective partnership.

---

[7] This is an informal review process. It does not involve a Technical Evaluation Committee (TEC) nor does it entail a decision memorandum, such as a TEC Memorandum. The outcome of the review will be communicated to the applicants via a brief (one- or two-page paragraph) email by the Mission. That email also serves as the internal USAID documentation of the decision; no additional internal or external documentation of the decision is provided or required at this stage of the process.

A determination to continue with co-creation is not a commitment to make an award, but simply the next step in jointly determining whether and how the partners can effectively work together to advance their respective interests and objectives through market-based approaches. Within USAID, the pertinent technical officer(s) will continue to have the lead on the co-creation effort, while coordinating closely with other offices at the Mission.

During the Co-Creation stage, the partners will engage in much more detailed and thorough design discussions aimed at jointly determining and delineating the specific activities to be conducted under the proposed partnership as well as the partner roles and responsibilities needed to ensure successful implementation of the concept and resulting activity. During this stage, it is imperative that the partners develop shared understandings of expected outcomes, results, and impact as well as an approach to monitoring and evaluating the progress and success of the development activity.

Note: During this stage of the highly collaborative co-creation process under the PSE addendum, it is not unusual for the ideas offered in the original concept paper to evolve quite significantly as the partners determine the best ways to achieve the greatest outcomes and results. Roles, responsibilities, resource commitments, and various other matters will develop and be determined through the co-creation discussions. In addition, the partners may jointly determine that other entities need to be included in the proposed partnership and the co-creation discussions taking place during this stage. The key is to focus on building a shared understanding of the challenges, problems, or opportunities to be addressed and determining the best ways to do so.

D.3.4. Full Application

If the discussions and reviews conducted during the Co-Creation stage result in a determination to enter into a partnership and also fund and support activity implementation that advances the objectives of the partnership, USAID will seek to negotiate and finalize appropriate agreements.

USAID/El Salvador will notify potential Applicants of changes to the requirements or in the review-process timeline, etc. through a written amendment to this Addendum via grants.gov.

Please refer to Section D of the CDCS APS for further instructions on Critical Requirements Prior to Award, Funding Restrictions and Conflict of Interest that apply to this Addendum.

D.4. Concept Paper Instructions

Applicants are required to submit Concept Papers using the Concept Paper Template in Attachment 1 of this Addendum. The Eligibility Certification Form in Attachment 2 must also be completed and submitted if applicable.

D.4.1. Content and Format of Concept Paper Submission

Applicants should submit only the information and materials requested, and in the format specified in Attachment 1 of this Addendum. Concept Papers MUST be written in the English language and submitted electronically via e-mail in Word 2000 or Word 2003 text-accessible.

- Concept Papers shall not exceed five (5) pages, using 1" page margins with 12-point font.

- Clarity and specificity are important, as is ensuring that the narrative in the Concept Paper addresses the points outlined in this Addendum used to review the Concept Paper. During the merit-review process, USAID may reject funding for those Concept Papers that are vague or merely restate language found in this Addendum.

USAID will not accept Concept Papers that are more than five (5) pages in length.

The Concept Paper (including any Supporting Information) must be submitted to: iparraga@usaid.gov. Concept Papers must be submitted by the deadline in order to be considered. Please indicate in the e-mail subject line "Concept Paper Submission/Private Sector Engagement Addendum" when submitting the Concept Paper.

Note: Any concept papers that do not follow the instructions may be disqualified and not be reviewed.

[END OF SECTION D]

SECTION E: APPLICATION REVIEW INFORMATION

E.1. Review Process

The purpose of the merit review process is to provide a rational basis for reviewing and selecting applicant(s) for an award. Each concept will be reviewed against the concept paper review criteria stated in this Addendum by a USAID Selection Committee. If an applicant is requested to submit a full application, the application will be reviewed against full application criteria in this Addendum by a USAID Selection Committee.

E.1.2. Concept Paper Review Process

When a concept is received under this Addendum, the Selection Committee will review the concept based on the concept review criteria outlined in the *PSE Concept Paper Review Determination Form* provided below in Section E.1.3 of this Addendum.

The initial review will address the Concept Eligibility criterion to determine the eligibility of the applicant, which conform with mandatory compliance with the three critical requirements specified under Section C.1 of the CDCS APS, using a pass/fail (i.e., "yes" or "no") determination. This initial review will result in one of two outcomes.

1. The concept is eligible for review and will proceed to review under the Concept Review criterion.

2. The concept is not eligible and will no longer be considered. If a concept paper does not comply with *all three critical requirements*, the concept paper will not be considered eligible for award. As this initial review is an eligibility check, the Mission will not provide a formal debrief.

The secondary review will address the Concept Review criterion, which will result in one of four outcomes:

1. The concept meets the concept review criterion and will no longer be considered.

2. The concept meets the concept review criterion but will be considered for "evergreening" purposes (e.g., held for when adequate resources or time are available at the Mission to pursue co-creation).

3. The concept meets the concept review criterion and the applicant is requested to submit a full technical application.

4. The concept meets the concept review criterion and the applicant is invited to engage in-depth and specific co-creation discussions aimed at building a high impact partnership. The subsequent partnership development discussions between USAID and the prospective partner(s) will result in one of two determinations:

a. The proposed partnership does not warrant further pursuit (if the in-depth and specific partnership development discussions do not result in the identification and development of a partnership and/or specific partnership activities worthy of further pursuit).

b. The applicant is requested to submit a full technical application (if partnership development discussions are successful).

E.1.3. Concept Review Criteria and Considerations

The Mission will use the concept review criteria set forth in the *PSE Concept Paper Review Determination Form*, below, to evaluate a concept in response to this Addendum. Any concept submitted in response to this Addendum should propose an approach that satisfies these criteria and exhibits the characteristics set forth below.

PSE CONCEPT PAPER REVIEW DETERMINATION FORM		
CONCEPT ELIGIBILITY		
CRITERION	**CRITERION NAME**	**Yes/No**
Eligibility Criterion 1	1.a. Does the activity address the objectives and intended results of the USAID/El Salvador CDCS? Or the RCS in El Salvador, Guatemala, and Honduras?	Yes ☐ No ☐
Eligibility Criterion 2	1.b. Does the activity describe how it will be sustainable, demonstrating a long term impact?	Yes ☐ No ☐
Eligibility Criterion 3	1.c. Does the activity demonstrate how it expands and diversifies USAID's partner base so that it helps to equip and fund more local champions and locally established partners to support the country level progress?	Yes ☐ No ☐
Eligibility Determination	Are all eligibility criteria responses "yes". If so, proceed to concept review.	Yes ☐ No ☐
CONCEPT REVIEW		
CRITERION	**CRITERION NAME**	**Yes/No**
Review Criterion 1	**Aligned with Mission's strategic objectives and programming priorities**	Yes ☐ No ☐

<u>Instructions to Applicant</u>	The proposed alliance's main goal and objectives must demonstrate to be aligned with at least one of USAID/El Salvador's development objectives: ● Security Increased for likely migrants ● Jobs and income potential increased for likely migrants ● Government responsiveness, accountability and transparency improved	
Review Criterion 2	**"Market-based" approaches and solutions that offer promising potential for transformational and sustainable development impact**	Yes ☐ No ☐
<u>Instructions to Applicant</u>	The proposed alliance should yield sustainable market-based and enterprise-led solutions to the development challenges being addressed. The alliance should generate valuable development outcomes and results to a situation in which valuable development results continue to be generated in an ongoing manner over the short, medium and long term.	
Review Criterion 3	**One or more private sector entities, as defined in the CDCS APS PSE Addendum, involved in partnership.**	Yes ☐ No ☐
<u>Instructions to Applicant</u>	Private sector partner of the alliance defined in CDCS APS PSE Addendum are: private for-profit entities such as a business, corporation, or private firm; private equity or private financial institutions, including private investment firms, mutual funds, or insurance companies; private investors (individuals or groups); entrepreneurs; private business or industry associations, including but not limited to chambers of commerce and related types of entities; and private grant-making foundations or philanthropic entities.	
Review Criterion 4	**Concept paper presents resources mobilized and contributed by the private sector to significantly advance the proposed impact or progress against outcomes in a development activity. Leverage and Private Sector as defined in the CDCS APS PSE Addendum.**	Yes ☐ No ☐
<u>Instructions to Applicant</u>	In practice, leverage is typically a combination of cash and in-kind contributions of non-US Government funding or resources that advance proposed impact and progress against outcomes. Examples of in-kind contributions that USAID might count toward the private sector leverage requirement include equipment; use of training or other purpose-specific facilities necessary to a program's implementation; value of time donated by technical consultants, industry and business	

	association members and staff, business owners, and/or company employees whose work, expertise, and experience positions them to be valuable partners in the partnership; value of salaries for staff dedicated to the partnership Technology, communications and capital assets; intellectual property rights; licenses; cash; crypto assets and/or cryptocurrencies such as Bitcoin (BTC) and Ether (ETH). .	

E.1.4. Full Application Review Process and Criteria

Once the Selection Committee has determined a concept to meet the concept review criterion and/or successful co-creation discussion have concluded, the Agreement Officer will issue a Request for a Full Application (RFA) to the applicant. Typically, the applicant will be provided at least 30 days to respond. When the full application is submitted, the Selection Committee will assess the full application on the extent to which the applicant meets the considerations and criteria set forth in the RFA.

The Mission will use the following full application review criteria set forth below, to evaluate a full technical application in response to this Addendum (in order of weight of importance).

<u>Criterion 1 - Technical Approach</u>

- The extent to which the Applicant's Technical Approach is clear, logical and reasonably likely to achieve its intended results; fully integrate principles of localization, gender and social inclusion; and promote sustainable change described in the addendum.

<u>Criterion 2 - Management and Staffing Plan</u>

- The extent to which the Applicant's Management and Staffing Plan demonstrates the capability to successfully implement the proposed Technical Approach.

<u>Criterion 3 - Part Performance</u>

- Past performance relative to demonstrated relevant technical experience and quality of performance in activities of similar technical content and scope in developing countries, preferably in Latin America. (**Note**: Organizations with no applicable past performance will not be negatively impacted by the lack of past performance and will receive a "neutral" rating.)

The review criterion will have an assigned rating system, such as a pass or fail (yes/no) rating scheme or an adjectival (excellent/good/inadequate) rating scheme. The definition for an adjectival rating scheme will be provided to applicants who proceed to full application through the request for full application.

[END OF SECTION E]

SECTION F: FEDERAL AWARD AND ADMINISTRATION INFORMATION

F.1. Federal Award Notices

The USAID AO is the only individual who may legally commit the U.S, Government to the expenditure of public funds. Applicants are prohibited from charging or incurring costs to the proposed award prior to receipt of either a fully executed award or a specific, written authorization from the AO. USAID will administer awards in accordance with Parts 700 and 200 of Title 2 of the CFR, and Standard Provisions for U.S./non-U.S. organizations.

F.2. Reporting Requirements

Resulting awards under this Addendum will incorporate specific reporting requirements, including Financial and Performance Reporting, and the frequency required.

F.3. Additional Information

- ADS Chapter 205 - Integrating Gender Equality and Female Empowerment in USAID's Program Cycle: https://www.usaid.gov/sites/default/files/documents/205.pdf
- ADS Chapter 303 Standard Provisions for Non-U.S. Non-governmental Organizations:
  - https://www.usaid.gov/sites/default/files/documents/303mab.pdf
- ADS Chapter 303 Standard Provisions for U.S. organizations: https://www.usaid.gov/sites/default/files/documents/303maa.pdf
- ADS Chapter 318 Intellectual Property Rights: https://www.usaid.gov/sites/default/files/documents/1876/318.pdf
- Grant and Contract Process: https://www.usaid.gov/work-usaid/get-grant-or-contract/grant-and-contract-process
- El Salvador CDCS public version in English:
  - https://www.usaid.gov/sites/default/files/documents/CDCS-El_Salvador-external_version-April30.pdf
- El Salvador CDCS public version in Spanish:
  - https://www.usaid.gov/sites/default/files/documents/CDCS-El_Salvador-Espanol-Actualizado_Abril_23_1_1.pdf

[END OF SECTION F]

SECTION G: FEDERAL AWARDING AGENCY CONTACT(S)

Points of contact (POC) for questions while the funding opportunity is open.

USAID/El Salvador
Ms. Ileana Párraga
Acquisition and Assistance Specialist

Email: iparraga@usaid.gov

[END OF SECTION G]

SECTION H: OTHER INFORMATION

H.1. Value Added Tax (VAT)

The VAT charged in El Salvador is to be excluded from the price of the Award and is generally not an allowable cost under the Award. The Awardee is responsible for working with the GOES to obtain the VAT exemption. USAID will provide the Awardee with the documentation to initiate this process. Please refer to Section H of the CDCS APS for further information that applies to this Addendum.

[END OF SECTION H]

[END OF ADDENDUM No. 4]

ATTACHMENT 1 - Mandatory Concept Paper Template

1. Proposed Activity Name/Title: ____

2. Certification, with Explanation, of Eligibility Under USAID Priority/ Programmatic Focus Area *(from Section C.1. of the CDCS APS)*:

____

3. Proposed Period of Performance *(i.e., start date and end date)*: ____________________

4. Total Program Amount *(in USDs)*: ____

5. Total Amount of Funding Requested from USAID and total amount of cost-share proposed (if applicable), including from what source(s): ____

6. Applicant Organization Name: ____

7. Applicant Contact Person *(name, phone, e-mail):* _________________________________

8. Full Address for Applicant Organization: ___________________________________

9. Type of Organization *(e.g., U.S., non-U.S., multilateral, private, for-profit, non-profit) date of incorporation, etc.)*: ____

10. **(If Applicable) Name(s) of Partner(s) Organization(s)** *Applicants that are applying as Mentors/Primes will name local Subpartners here:* ____________

B. Concept Introduction *(approximately ½ page)*: *Identify the problem you will address, link it to one or more of the focus areas of the Addendum and briefly describe your work for tackling this problem. Describe why there is a need for your concept, how it differs from alternatives, and any relevant partner-specific considerations for the problem or solution. Explain how the program advances sustainable development for the country.*

C. Beneficiaries *(approximately ½ page): Describe the types of benefits your work will produce and the types and range of people (i.e types of vulnerable populations) who will benefit from this work, including beneficiary organisations from the government or civil society. Was the concept designed with input from these beneficiaries? Has it been, or can it be, adapted to reach target beneficiaries, in accordance with the CDCS geographic focus, i.e urban hubs?*

D. Geographic Location *(approximately ½ page)*: *In what location(s) are you proposing to operate? Describe key elements of, and actors in, the geographic location(s) in which you propose to work. What are the biggest challenges and opportunities? Please provide a brief description of previous work experience in the urban hubs, per CDCS geographic focus.*

E. Intervention approach *(approximately one [1] page)*: *Describe how this intervention will produce the desired impact in the focus area(s) identified. Briefly describe critical barrier(s) or problem(s) related to your focus area(s) that your concept addresses. Be sure to include information to describe why the approach is creative or innovative and feasible, how it is potentially scalable, and evidence to support it as a tested solution or as an intervention likely to have a significant development impact, and how it will be sustained. Include discussion of how the activity can adapt to changed circumstances throughout implementation.. Given that substantial partnerships are anticipated between implementing organization(s) at every stage of the proposed activities, describe your organization's strategy for equitably engaging with these partners in implementation. Also indicate how you plan to build the capacity of these partners.*

F. Intervention Results (*approximately one [1] page)***:** *Describe the anticipated results and/or impact of your activity. What are the key, quantifiable metrics related to your project's performance or expected performance? Describe how your proposed approach will result in (or contribute to) sustainable outcomes beyond the lifetime of the award, including how your organization's approach will leverage new or existing resources, capacities, and investments.*

G. (If applicable) Roles of Partners (*approximately ½ page)*: *Describe and define the role of other entities in the partnership. A brief synopsis of how each partner will engage within a partnership should be included. This must include a description of the leveraged funding, if necessary, or sub-partners if submitting a mentorship program proposal. If your organization is not proposing any partners, this section can be empty.*

H. Capacity of the Applicant(s)(*approximately ½ page).***:** *Describe your organization's technical, financial, and managerial capacity and expertise to carry out the proposed work and that of any partners. Describe if you have previously done similar work, or worked in the same location(s).*

[Signature of individual with authority to legally bind the organization]

[END OF ATTACHMENT 1]

ATTACHMENT 2 - Eligibility Certification Form

(Applicants should identify the NPI modality, if applicable. The list below provides a summary of the potential scenarios, per Section C.2. of the CDCS APS)

- ❑ We certify that we meet the criteria at Section C. 2.a. **Direct awards to new and underutilized organizations that are local entities in the host country or countries for which the Applicant is applying**. New and underutilized partners may apply for direct funding via specific Addenda issued under this APS. Applicants are eligible if they have received less than $25 million cumulatively in direct or indirect awards from USAID over the past five (5) years.

- ❑ We certify that we meet the criteria at Section C. 2.b. **Direct awards to new and underutilized organizations that are locally established partners (LEPs) in the host country or countries for which the Applicant is applying**.
LEPs are organizations that generate significant private development assistance and support effective program models through locally-led operations that strengthen partner country capacity and commitment for sustainable development. U.S.-based or international partners are eligible if they have (1) received less than $25 million cumulatively in USAID funding over the previous five (5) years; and (2) currently have additional, non-U.S. Government funding streams that exceed total funding received worldwide from USAID. (*e.g*., if an applicant has implemented $5 million in USAID funding, it must demonstrate at least $5 million in funds worldwide from sources other than the U.S. Government).

- ❑ We certify that we meet the criteria at Section C. 2.c. **Sub-awards to new or underutilized partners via prime awardees that serve in a limited mentorship role.** NPI recognizes the important role and capacity that "established partners" (defined as those that already have a financial relationship with USAID above the NPI thresholds established in the CDCS APS) bring to local organizations around the world. NPI acknowledges that many local partners lack the capacity, or desire, to comply with the stringent requirements associated with awards from the U.S. Government. This modality will allow established partners to build the capacity of local partners to meet the requirements to become a USAID direct awardee or provide them the support they need to implement programs on behalf of USAID that have measurable impact. Established partners will play a support role to build the capacity of new and underutilized partners (*e.g*., through technical oversight, compliance support, and mentoring). The prime will not directly assist project beneficiaries. NPI envisions two modalities of support under this approach:

❑ We certify that we meet the criteria at Section C. 2.○ **Modality 3a: Local Entity Sub-Awardees That Move to Direct Awards**: Prime awardees must pass a minimum of 50 percent of the total funding of their awards to local sub-awardees, with a goal of moving them to qualify for direct awards. In appropriate cases, USAID might pursue prime / mentor awards with a provision for transition awards to some local entities during the life of the award.

❑ We certify that we meet the criteria at Section C. 2.○ **Modality 3b: Local and Locally Established Partner Sub-Awardees**: Prime awardees must pass a minimum of 75 percent of the total funding of their awards to sub-awardee local partners or LEPs. An award could also have a structure in which the prime partner receives a declining percentage of the value of the award year-on-year (e.g. from 25 percent in Year 1 to 20 percent in Year 5).

❑ We certify that we meet the criteria at Section C. 2.**d. Direct Awards to Partners to Leverage Private/Non-U.S. Government Funding:** NPI also seeks to support partnerships with organizations that can leverage their own private (or non-U.S. Government) funding, in recognition of the important dual-role that many established partners have as both implementers and fundraisers. Organizations of all types (non-profit, private-sector, host governments, *etc*.) can apply. Awardees must propose additional leveraged funds worth a minimum of 50 percent of the total value of the award they seek from USAID; this cannot include in-kind contributions but can include non-Federal grants and external awards.

USAID may consider a leverage ratio lower than 1:2 (“1” represents the applicant’s leverage, “2” represents USAID’s funding) if the applicant proposes a compelling partnership that will appreciably contribute to the CDCS strategy and the lower ratio is due to Covid-19 and the resulting economy. In this case, the applicant will need to propose how it will attempt to increase its leverage amount throughout implementation and as the economy improves. Lower ratios may be considered, depending on the activity proposed.

[END OF ATTACHMENT 2]