



Issuance Date: November 24, 2015

Open Period: November 24, 2015 to November 23, 2017

**United States Agency for International Development's Office of Private Capital and
Microenterprise (PCM) Broad Agency Announcement (BAA) for
Catalyzing Private Investment**

I. Overview

A. This Broad Agency Announcement (BAA) seeks opportunities to co-create, co-design, co-invest, and collaborate in the research, development, piloting, testing, and scaling of innovative, practical and cost-effective interventions to catalyze private investment in developing countries. The United States Agency for International Development (USAID), in conjunction with the Swedish International Development Corporation (SIDA), invites organizations, companies, and investors to participate in bolstering investment through innovative approaches that both satisfy the return objectives of the private sector while also supporting sustainable development outcomes. The opportunity to do so will be provided through Addendums issued under this BAA.

B. Federal Agency Name:

The United States Agency for International Development (USAID)

C. Opportunity Title:

The USAID BAA for Catalyzing Private Investment

D. Opportunity Number: BAA-OAA-PCM-2015

E. Authority:

This BAA is issued under Federal Acquisition Regulations (FAR) Part 35.016 (c). This is not a FAR Part 15 Procurement.

F. Catalog of Federal Domestic Assistance (CFDA) Number:

98.001 USAID Foreign Assistance Programs for Overseas

II. Collaboration

The intent of the BAA and subsequent Addendums is to allow co-creation and co-design to the maximum extent to create high quality, effective partnerships with great efficiency in time and resources. The types of collaboration include:

1. Co-creation. Co-creation occurs after an Expression of Interest is approved, but before the concept is developed. The potential partner, the Government, represented by the Activity Manager, SIDA and potentially others work together to write and/or revise the Concept Paper, and jointly

present the Concept Paper to USAID’s Peer and Scientific Review Board.

2. Co-design. Co-design occurs after the Peer and Scientific Review Board recommends the project for further development, and the Contracting Officer or Agreement Officer has determined the proposer to be an Apparently Successful Partner. At this point, the Contracting Officer or Agreement Officer may determine the general nature of the award type or the specific award type, depending on the nature of the project, to facilitate project design. During co-design, the Apparently Successful Partner and the Activity Manager will design the technical approach, general resource requirements, and management control of the project under the guidance of the Contracting Officer/Agreement Officer.

3. Co-invest. Co-invest refers to the Government’s strategic aim that the partnerships resulting from Addendum awards issued under this BAA represent opportunities to achieve mutual or complementary development goals of the Partner, USAID, SIDA, and potentially other resource partners, and therefore embrace shared responsibility, shared risk, and shared resourcing. Shared resourcing may be accomplished through funding by both parties, either through cash resources or the exchange of other resources, both tangible and intangible, such as in-kind contributions, expertise, intellectual property, brand value, high-value coordination, and access to key people, places, and information. Co-investing does not require equally shared resourcing (such as 1:1 leverage), but rather resource contributions that are appropriate to the specific project’s objectives, considering the comparative advantages brought by the participation of each party and the award type.

III. Specific Rights Reserved for the Government under this BAA

The Government reserves specific rights for the Government, in addition to rights described elsewhere in this document or by law or regulation, including:

1. The right to select for negotiation and award all, some, one, or none of the proposals developed in response to Addendums issued under this BAA.
2. The right to make award without discussions, or to conduct discussions and/or negotiations, whichever is determined to be in the Government’s interest.
3. The right to accept proposals in their entirety or to select only portions of proposals for award or co-investment.
4. The right to select for award an instrument type that is appropriate to the specific development context, partner relationship, and proposal selected for award. Instruments types include but are not limited to contracts, grants, cooperative agreements, Global Development Alliance agreements, Development Innovation Agreements, Inter-Agency Agreements, Government to Government Agreements, Donor to Donor Agreements, and Memorandums of Understanding. In addition, the Government may craft a new instrument type to meet the needs of a specific relationship.

5. The right to co-create projects with one or more potential partners under the Addendums issued under this BAA, when it is in the best interest of the Government.
6. The right to request any additional, necessary documentation upon initial review. Such additional information may include, but is not limited to, a further detailed proposal, budget, and representations and certifications.
7. The right to fund or co-invest in proposals in phases, with options for continued work at the end of one or more of the phases.
8. The right to award only portions of a proposal.
9. The right to award instruments under Addendums issued under this BAA that do not commit or exchange monetary resources.
10. The right to remove proposers from award consideration should the parties fail to reach agreement on award terms, conditions, and cost/price within a reasonable time, the proposer fails to provide, on a timely basis, requested additional information, or the Government believes it is in its best interest.

IV. Problem and Challenge Statements

PROBLEM:

USAID created the Office of Private Capital and Microenterprise (PCM) to design, promote, and structure innovative transactions, strengthen local finance systems, and leverage private capital in emerging economies. With 82% of international capital flows already coming from private sources, the importance of private capital in achieving development impacts is elevated. Currently, there is a gap between the amount of investment needed in the countries where USAID works, and the public sector's ability to finance these projects.

CHALLENGE:

This BAA is intended to address the challenge of how to most effectively increase private investment, in a developing country where private funds currently only flow to traditional asset classes (e.g. debt and equity in sovereign and investment grade borrowers) in order to address the gap between the amount of investment needed in the countries where USAID works, and the public sector's ability to finance these projects. Increasing private investment will require addressing problems with supply (those with funds to invest), demand (those seeking to receive finance), and intermediation (those who match supply with demand), as well as improving the overall enabling environment.

V. General Criteria for Consideration

- A. Submissions are not evaluated against other submissions, but solely against the evaluation criteria established in an Addendum.
- B. Decisions regarding USAID's pursuit of a particular project, technology or relationship are based on the available evidence, data, and resulting analysis. USAID seeks solutions that have a significant impact (i.e. breakthroughs, not incremental improvements), and can achieve that impact at scale.
- C. The reputations of an organization, its past performance, the managerial and technical ability of the person or team of people engaged in the endeavor are always significant considerations in assessing the potential and the risks associated with each award.

VI. Award Stages

This section outlines the process that will be followed under each Addendum issued under this BAA. The amount of resources made available under each Addendum will depend on the concepts received and the availability of funds. Some award types may not include any funding. The award process under each Addendum has the following steps:

Stage 1.

Expression of Interest: Please submit an Expression of Interest in accordance with each Addendum issued under this BAA. Expressions of Interest are to be issued against an Addendum. **No Expressions of Interest are to be submitted against this BAA.**

Expressions of Interest must indicate the development idea which will work towards discovering potential solutions to the need under an Addendum, by increasing knowledge and understanding of potential solutions, exploiting financial innovation or improvements in technology, materials, processes, methods, devices, or techniques, advancing the state of the art, or using investment and technical financial expertise in the design, development, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service).

Stage 2.

Development of the Concept Paper. For Expressions of Interest which are deemed to have merit by USAID and pass criteria/eligibility stated within the specific addenda, USAID will issue an invitation to collaborate to the potential partner.*

Note that due to the large number of Expressions of Interest, USAID is unable to provide detailed information to those EOIs that are not selected to move forward.

Working together, USAID and the potential partner will collaborate on a Concept Paper. It is during this phase of co-creation and co-design that the parties will begin to determine additional partners and resources to complement the project. The Concept Paper, generally 5-10 pages, will further detail and explain the project as initially provided in the Expression of Interest.

Additional Partners/Resources. During the project co-creation and co-design, both the Partner and USAID will identify additional partners and resources, and whether additional mechanisms are necessary to implement the project.

*An invitation is sent to a potential partner to participate in a co-creation workshop, conference, meeting, or the method designated by USAID to work together with all invitees to further develop the idea presented in the expression of interest. All potential partners may not move forward to Stage 3.

Stage 3.

Review by the Peer and Scientific Review Board. Concept Papers developed during Stage 2 will be reviewed by the Peer and Scientific Review Board, comprised of experts from USAID, other partners, and/or outside parties. The Peer and Scientific Review Board will review Concept Papers and recommend which applicants should be considered Apparently Successful Partners. Using its technical expertise, the Peer and Scientific Review Board will recommend whether to move forward with the project including revisions/additions to the project, and potential partners and resources.

All potential partners may not move forward to Stage 4.

Stage 4.

Contracting/Agreement Officer Determination. USAID will review the Peer and Scientific Review Board's recommendations and consider other information, such as resource availability, preliminary partner

responsibility assessment, and Agency priorities, and will make a determination that the respondent is an Apparently Successful Partner. The Contracting/Agreement Officer may also make or narrow down the anticipated instrument type to facilitate project design.

Request for Additional Information. USAID will work with partners identified by the Peer and Scientific Review Board, and co-design the project and assist the partner to provide additional information with respect to the proposer's technical approach, capacity, management and organization, past performance, and budget, as well as representations and certifications, as needed.

Final Review and Negotiation. The USAID Contracting/Agreement Officer will engage in final review, negotiation, and determinations of instrument type, responsibility cost reasonableness, etc., and will craft an award instrument with the Apparently Successful Partner. If the Apparently Successful Applicant and USAID cannot arrive at a mutually agreeable arrangement, the Contracting/Agreement Officer will cancel the project at no cost to the Government.

Award. Where USAID determines that the award of an instrument is appropriate, the USAID Contracting/Agreement Officer will award the instrument.

VII. Award Information

Number of awards could vary and may not mirror the number of expressions of interests or invitees to co-creation under an Addendum.

A. Awards under an Addendum will be made to Apparently Successful Partners on the basis of their ability to further USAID's goals of catalyzing private investment into developing countries. USAID is seeking new applications of science, innovations, and partnerships that provide the best value to the Government and have the potential to substantially contribute to this goal.

B. Proposals identified for negotiation may result in a contract, grant, cooperative agreement, Global Development Alliance agreement, Development Innovation Agreement, Inter-Agency Agreement, Government to Government Agreement, Donor to Donor Agreement, Memorandum of Understanding or alternative agreement type, depending upon the nature of the work proposed, the required degree of Government involvement, and other factors. The Government Contracting/Agreement Officer will determine award instrument type and negotiate instrument terms and conditions with selectees. USAID may select the award instruments it deems appropriate.

C. Eligibility Information. USAID is looking to include all types of organizations in this process – including additional donors, resource partners, and funded partners. These different roles may be filled by any organization that brings something of value to bear on the process, including public, private, for-profit, and nonprofit organizations, as well as institutions of higher education, public international organizations, non-governmental organizations, multi-lateral and international donor organizations are eligible under this BAA/Addendum. All organizations must be determined to be responsive to Addendum's issued under this BAA and sufficiently responsible to perform or participate in the final award type.

D. Standard Clauses and Provisions of Award. The standard clauses or provisions for awards are generally prescribed by law and regulation and will vary considerably by award type. Information regarding clauses and provisions will be offered to the proposer when the award type is identified.

E. Organizations are encouraged to consider providing reasonable cost sharing, leveraging, or other exchange of resource arrangements, and are encouraged to suggest creative approaches to resourcing projects.

VIII. Information Protection:

USAID’s goal is to facilitate the research and development that will lead to innovative, and potentially commercially viable, solutions. Understanding the sensitive nature of submitters’ information, USAID will work with organizations to protect intellectual property.

Expressions of interest should be free of any intellectual property that submitter wishes to protect, as the expressions of interest may be shared with USAID partners as part of the selection process. However, once submitters have been invited to engage in further discussions, submitters will work with USAID to identify proprietary information that requires protection.

Therefore, organizations making submissions under each Addendum grant to USAID a royalty-free, nonexclusive, and irrevocable right to use, disclose, reproduce, and prepare derivative works, and to have or permit others to do so to any information contained in the expressions of interest submitted under each Addendum. If USAID engages with the organization regarding its submission, the parties can negotiate further intellectual property protection for the organization’s intellectual property.

Organizations must ensure that any submission under any Addendum is free of any third party proprietary data rights that would impact the license granted to USAID herein.

Note that this BAA provides an overview of the BAA process and a general idea of what USAID is seeking. Specific collaboration ideas will be issued under Addendums to this BAA. It is the Addendums that potential partners should refer to for specific instructions on submitting Expressions of Interest.

[END OF BAA]