

## ANNOUNCEMENT

### CALL FOR LOCALLY LED DEVELOPMENT CONCEPTS ON Local Capacity Strengthening (LCS) for Paraguayan Organizations Working in Development

#### ADDENDUM #22 TO

#### LOCALLY LED DEVELOPMENT ANNUAL PROGRAM STATEMENT

APS No.: 7200AA19APS00007

**APPLICANTS - PLEASE NOTE:** This is an addendum to an existing announcement. All interested organizations must carefully review both this addendum AND the full announcement, which can be found here:  
<https://www.grants.gov/web/grants/view-opportunity.html?oppld=314757>  
Important information contained in the full worldwide announcement is not repeated in this specific addendum.

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

Through this Addendum to the Locally Led Development Annual Program Statement (APS) No. 7200AA19APS00007 USAID/Paraguay is making a special call to local actors for the submission of concepts focused on **Local Capacity Strengthening (LCS) for Paraguayan Organizations Working in Development**. The deadline for concept submissions is **February 16, 2024 at 5:00pm Paraguay time**.

The objective of this Addendum is to strengthen the capacity of Paraguayan organizations to be more equipped to lead and respond to development issues, while leveraging local resources, capacity, and assets in a collaborative manner among local stakeholders. This will be accomplished through the provision of technical assistance, training, and resource mobilization support to existing networks. These networks may include development organizations, academia, and public and private sector stakeholders. The technical assistance will promote sustainability and local leadership by engaging broad networks to respond to development issues through local solutions, using local resources, and sustaining results that matter to local organizations.

The APS Addendum No. 22 opportunity is restricted to local organizations in Paraguay per the eligibility requirements in Section 3 of this addendum, with priority on supporting and strengthening the capacity of local development organizations serving the needs of indigenous people, women, rural communities, and youth. The maximum amount of funding for an award is

\$2 million United States Dollars (USD). The type of projects accepted under this APS Addendum No. 22 include funding for one or a consortium of local organizations to strengthen the capacity of local development organizations, key academia, and public and private sector stakeholders, to advance their organizational goals and be more equipped to lead and respond to development issues, while leveraging local resources, capacity, and assets in a collaborative manner among local stakeholders.

Subject to funding availability, USAID/Paraguay may make multiple awards. Various award types are possible. USAID will discuss award types with Apparently Successful Applicants, and the award type or engagement will depend upon the most appropriate mechanism or approach for the intended results. This addendum supports all types of assistance awards allowed by USAID's Automated Directives System (ADS) and the Federal Acquisition Regulations, including grants, cooperative agreements and renewal awards. Should USAID pursue a renewal award, it will conduct a programmatic review in the final year of the initial period of award performance. Following the programmatic review, USAID will request a renewal application including a technical and cost application. The total period of performance covered by both the initial award period and the renewal award period may be up to five years.

During the life of the potential award or awards under this Addendum, USAID/Paraguay anticipates conducting a joint evaluation, assessment or other study with the grantee to capture key learning, and support potential stakeholder(s) to adapt the award or awards under this APS Addendum. Any apparently successful Applicant(s) should anticipate sharing programmatic and monitoring documents, participating in interviews, validating and providing feedback on the findings, conclusions and recommendations of the evaluation or study. An ex-post evaluation after the activity ends may also be conducted. USAID will cover external evaluation expenses.

The Locally Led Development APS and this addendum will be translated into Spanish, which can be found in **RELATED DOCUMENTS**. If there are discrepancies between the English language version and the local language version(s) of either document, the English language version will control.

Unless otherwise stated herein, all terms and conditions of the Locally Led Development APS apply (<https://www.grants.gov/web/grants/view-opportunity.html?oppld=314757>).

## **Section 1: Background**

### **A. USAID/Paraguay Strategy**

USAID/Paraguay's [Project Appraisal Document \(PAD\) Culture of Lawfulness](#) 2020-2025, its highest-level strategy document that guides USAID work in Paraguay. The focus is to strengthen the

rule of law, advance formal economic opportunities, and improve civil society oversight of corruption. The PAD also includes a complementary and cross-cutting Local Works Program to empower communities to assess their needs and lead their own development journey at the grassroots level. USAID/Paraguay believes that empowering communities to lead their own development should be an integral part of any development project. The ability of local organizations that represent the community and its individuals, to self-identify the hurdles to their development and to draft and execute a plan to overcome them is at the cornerstone of USAID's [Localization](#) approach.

#### B. USAID/Paraguay - Local Works Program

This annual program statement addendum is associated with USAID/Paraguay's Local Works program. Under the [Local Works Program](#), USAID/Paraguay seeks to work with local development organizations to identify their own needs and priorities, come up with their own solutions, and then convene and facilitate their engagement with resources partners through a multi-sectoral network and market-based approach. Empowering local systems to lead their own development is at the cornerstone of building accountability, with oneself, within the system, and at the national level. Accountability leads to a stronger culture of lawfulness, as citizens become responsible and accountable to one another. USAID/Paraguay believes that for a culture of lawfulness to reign in Paraguay, the local system must become accountable and empowered to lead their own development.

#### C. Problem and Opportunities

USAID/Paraguay conducted listening workshops with local development organizations, private sector associations and businesses, academia, and donors in March and June of 2023. Participants identified problems related to capacity strengthening for local organizations and possible results and actions of USAID assistance in this sector. Stakeholders also provided critical input on how actions can be sustainable over time.

Stakeholders noted that while the potential demand for capacity strengthening services is high among local development organizations and there are a number of existing capacity strengthening providers in the system, a gap remains between the demand and supply of capacity strengthening services. Some factors included, but were not limited to an inability among smaller not for profit organizations to pay for existing capacity strengthening services and to devote time to training courses. As a result, these organizations expressed a hesitance to invest limited resources (financial and time) into existing trainings that were perceived as more relevant to management, administration and finance strategies in the private and public sector, rather than for the realities they face. On the other side, existing capacity strengthening service providers in the private sector

and academia expressed an interest in tailoring capacity strengthening services to development organizations needs, but to date had not seen sufficient interest for these services, and as a result expressed hesitance to invest resources in tailoring content to such needs. Stakeholders also noted the overall development system in Paraguay is not well connected between development organizations, the government, the private sector, academia, and donors.

As a result, stakeholders stressed the need for collaboration across said sectors and organization types through networks meant to share information about resources as well as capacity strengthening models. The workshops surfaced that networks and convening of organizations should be locally led, with USAID in a supportive, rather than leading role. In addition, stakeholders reiterated the need for a longer-term and tailored approach to donor-supported capacity strengthening - not solely tied to a distinct project or sectoral outcome, but a more holistic approach promoting organizational sustainability and a stronger local development system. Rather than one-off trainings and consultancies, mentoring, coaching and university certification programs were mentioned as models for providing long-term capacity strengthening services.

Areas identified as in most need of support included: networking capabilities, administrative and financial skills, resource mobilization and diversification; and strategic communications. Participants also stressed the importance of building trust amongst development organizations, the government, and the private sector.

USAID/Paraguay has a long history of supporting the strengthening of civil society organizations, with several examples of incipient organizations that have become strong leading actors of development thanks to its support. However, although they are stronger organizations at an individual level, the system in which they operate still lacks support to become self-reliant and sustainable.

In 2022, USAID launched its [Local Capacity Strengthening \(LCS\) Policy](#), which aims at strengthening the capacity of local organizations in light of the principles of locally led development. One of the 14 principles calls for focusing on supporting local actors to better perform their functions in a way that will achieve sustainable change in the local system. Understanding the roles, relationships, rules, and resources they have to achieve results is key in this local system approach.

Building on its past work, USAID/Paraguay aims at supporting new projects that are in line with the LCS Policy, not only focusing on individual organizational strengthening, but on the system itself. USAID is looking to support projects with a market-based approach that ensures sustainability of the strengthening model after donor funding is complete.

## **Section 2: Objectives**

Based on the above, USAID/Paraguay's theory of change for this program is:

**If** local development organizations have improved access to tailored capacity strengthening services, and networks between organizations are strengthened,

**Then**, local development organizations will have improved capacity to advance their objectives.

**Intended Overall Result:** The objective of this Addendum is to strengthen the capacity of Paraguayan organizations to lead and respond to development issues, while leveraging local resources, capacity, and assets in a collaborative manner among local stakeholders. The Applicant should address the following two approaches in the concept paper.

### **Result 1- Improve local organizations' access to tailored capacity strengthening.**

The local industry of capacity strengthening services for development organizations is believed to be underdeveloped, mainly due to financial limitations to pay for such services. For the same reason, local organizational development service providers do not usually serve this type of clients, making the supply sector not fully responsive to their needs.

In order to break this cycle, USAID/Paraguay wants to connect local capacity strengthening service providers with resources to provide development organizations with access to tailored, on demand organizational strengthening services. Potential awards under this Addendum should address the gap between organizations seeking capacity strengthening services, and those providing those services, which could be scaled - resulting in a capacity strengthening marketplace. These services, which must adapt over time based on the needs of development partners, should be focused on long term mentoring and coaching in areas customized to the needs of each organization, like resource generation and mobilization, which in turn would allow the organizations to be better placed to invest in themselves.

### **Result 2 - Strengthen networks between organizations.**

Strengthened networks could increase trust between development organizations and other local stakeholders of the system like the government, the private sector, and civil society writ large. Additionally, a stronger network can help local organizations develop and/or promote convening and advocacy skills, and help strengthen the capacity of its own members. USAID does not envision the applicant supporting the creation of new networks, but to strengthen those already existing in the local system.

## **Section 3: Eligibility Criteria**

USAID welcomes concepts from a wide variety of local actors who bring an understanding of the development challenges facing their communities, countries, or regions or who demonstrate a way to determine local priorities in their approach. Eligible applicants:

1. Must be local entities in Paraguay. When determining if an entity is a “local entity” for the purposes of this APS, USAID will consider:
  - a. Whether the entity is legally organized under the laws of Paraguay;
  - b. Whether the entity has its principal place of business or operations in Paraguay;
  - c. Whether the entity is majority owned and controlled by individuals who are citizens or lawful permanent residents of Paraguay; and
  - d. Whether the entity is managed by a governing body, the majority of whom are citizens or lawful permanent residents of Paraguay.
2. Cannot have received more than \$5 million in direct funding (as a prime awardee) from USAID (Paraguay or globally) in the previous five fiscal years.
3. Cannot be a U.S.-based organization. U.S.-based organizations are not eligible as prime awardees under this APS.

Note: For purposes of this definition, “majority-owned” and “managed by” include, without limitation, beneficiary interests and the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the organization's managers or a majority of the organization's governing body by any means.

#### **Section 4: Locally Led Development Approaches**

In addition to those mentioned in Section 2, applicants are encouraged to incorporate one or more of the following approaches in submissions, or propose a different approach(es) that reflects the Applicant’s own locally led development learning goals.

1. **Mechanisms** that improve the flow of information among the applicant and its own constituents, partners, and USAID to strengthen accountability to local constituents for achieving and sustaining results.
2. **Participatory analytical approaches**, which may provide a better understanding of the complex environments in which the program will operate.
3. **Participatory decision-making**, which includes locally led priority-setting, collaborative design, and other means of shifting decision-making power and control to local actors, including people who have traditionally been marginalized, such as women, youth, religious and ethnic minorities, LGBTQI+, and gender diverse people, ensuring inclusive local leadership.
4. **Mobilizing local resources**, which includes local philanthropy; partnerships that leverage resources from the local private sector, faith-based organizations, government, civil society, and academia; and other sources of local skills and finances to replace those of international donors.

5. **Strengthening local networks**, which may include understanding and supporting existing and emerging networks of local actors, supporting the work of local organizations, market facilitation, collective action, collective impact, and other demand-driven approaches to connecting local needs with local resources.
6. **Locally/community-led approaches to design, monitoring, evaluation, and learning** that prioritize local/community definitions of success and enhance local actors' role in managing and using data and learning related to development solutions, the development process, and the sustainability of results achieved.
7. **Strengthening local capacity**, which includes strengthening the role of local institutions and actors to sustain development outcomes with an eye toward ending the need for foreign assistance.
8. **Adapting and problem solving in non-permissive environments**, where uncertainty, instability, inaccessibility, or insecurity constrain the ability to operate safely and effectively. This may include environments such as those affected by natural disasters, inaccessible physical geographies, active conflict, corruption, closing political spaces, criminality, and pandemics, where local approaches are essential for long-term resilience and sustainability.

For further information on USAID's Locally Led Development Initiatives and locally led approaches, please visit the [Local, Faith, and Transformative Partnerships Hub website](#).

Finalization of key approaches will be determined through a co-creation (co-design) process between USAID and the applicant. Building on the approaches suggested above, applicants are encouraged to suggest others believed to be necessary to ensure the achievement of the overall expected result.

Local actors are not required to propose a fully designed activity for this addendum -- a concept note that suggests an approach and key actions to address key challenges based on the local context is fully within the intent of this Addendum.

### **Section 5: Budget Considerations**

As stated in its [Local Capacity Strengthening Policy](#), USAID must consider the potentially disruptive role that foreign assistance plays in local systems and support these systems to eventually move beyond the need for international donor funding. It is not USAID's intention to temporarily flood a local organization with funding, artificially expanding its size beyond what can reasonably be supported through local resources after an award ends. As part of concept submissions, Applicants must propose a budget that reasonably reflects their existing resources and capacity to grow in a sustainable way (sometimes referred to as "absorptive capacity").

### **Section 6: Merit Review Criteria**

Concepts meeting the eligibility criteria (see Section 3, Eligibility Criteria) will be evaluated based on the merit review criteria below:

### **Locally Led Development**

The Applicant demonstrates a strong understanding of the local context and priorities and is transparent, accountable, and responsive to the people they serve. The proposed approach and any teaming arrangements effectively shift priority-setting and decision-making power to diverse local actors, including people who have traditionally been marginalized, such as rural communities, women, youth, religious and ethnic minorities, LGBTQI+, and gender diverse people. The Applicant demonstrates a strong commitment to learning that advances the practice of locally led development for themselves, their constituents, and the wider development community. USAID's investment in this work is expected to strengthen the capacity of local organizations, networks, and/or communities to deliver results beyond the end of the funded activities.

As part of Locally Led Development the Applicant must also demonstrate that the concept note results from engagement with key stakeholders of the local system.

While the Locally Led Development Criteria above is the most important criterion, USAID/Paraguay will also use the following merit review elements: Sustainability, Demand-Driven Capacity Strengthening, and Multi-Stakeholder Engagement. Of these, Sustainability is of prime importance while the other two are critical but not as important.

### **Sustainability**

The Applicant will demonstrate how activities proposed will be self-sustaining after USAID funding ends.

### **Demand-Driven Capacity Strengthening**

The Applicant will demonstrate that capacity strengthening needs are grounded in the aspirations, goals, and needs that have been communicated by and mutually agreed upon with assisted organizations or networks.

### **Multi-Stakeholder Engagement**

The Applicant will demonstrate multi-sectoral partnerships that leverage resources as a critical part of the concept paper. Leverage includes resources that the awardee brings to the partnership after the award is made, which otherwise would not have been accessible. For example, this could include access to resources from academia, the private sector and/or the public sector. Leverage can include anything of value that is measurable, including financial contributions, third party contributions, donated services or property, or intellectual property. Leverage is not cost share, and cost share is not required. Additionally, coordination with other capacity strengthening programs funded by other donors will be desirable.

While merit criteria are paramount, cost considerations may also be a factor for award. The U.S. Government is not obligated to make an award on the basis of lowest proposed cost or to the Applicant with the highest merit evaluation score.

### **Section 7: Submission Instructions**

Concepts are to be sent to USAID/Paraguay at [paraguayaaa@usaid.gov](mailto:paraguayaaa@usaid.gov). Concepts must be submitted by February 16, 2024 at 5:00 pm Paraguay time to be considered.

Concepts may be developed and submitted in Spanish, but an English version of concept notes must be submitted. For concept notes submitted in Spanish, please translate into an English version and then submit both Spanish and English versions together. A professional translation from Spanish to English is not required, and a free non-professional service like Google Translate or ChatGPT is acceptable. For prospective applicants that opt to submit a Spanish version to supplement the English version, the Spanish version will be considered as supporting information. Concept notes must be submitted as a three-page maximum and must include:

#### **A. SUMMARY INFORMATION**

- A. Name and contact information of the Applicant.
- B. Organization type and country of legal registration.
- C. Statement that the Applicant is a “local entity” per the definition in Section 3, Eligibility Criteria.
- D. Statement that the Applicant has not received more than \$5 million in funding from USAID in the previous five fiscal years as a prime recipient.
- E. Title of proposed activity.
- F. Location of proposed activity.
- G. Name, contact information, and country of legal registration for other partner organizations collaborating on concept (if any).
- H. Overall objective, specific objectives, and locally led development approach(es) of the activity (2-3 sentences).
- I. Brief description of the approach to local resources included in the proposed activity, if applicable (1-2 sentences).
- J. Amount of funding requested from USAID \$ \_\_\_\_\_
- K. Explanation of how the requested funding amount reasonably reflects the organization’s existing resources and capacity to grow in a sustainable way. (Consider: your organizations’ current budget, existing human resources, whether/how you’d like your organization to grow over the next several years, and what local resources are available to support your growth after USAID funding ends). (2-3 sentences)
- L. Explanation of how activities proposed will be sustained after USAID funding ends.

## **B. NARRATIVE DESCRIPTION**

Successful narrative descriptions will include a clear and logical overview of the applicant's proposed technical approach. They will include discussion of the components below. Please note that each component aligns with a specific merit review criteria in Section 6, Merit Review Criteria.

### **A. Locally Led Development:**

- What are the local challenge(s) that this concept addresses? How do local organizations experience the challenge(s), and what is important to them? How do you know?
- How will you enable diverse local actors, including marginalized people and any partners, to lead priority-setting and decision-making?
- What is your approach to learning? How will you share what you learn? With whom?
- How will you strengthen the capacity of local organizations, networks, and/or communities to deliver results beyond the end of the funded activities?

### **B. Sustainability:**

- What is the proposed sustainability strategy to be implemented for long-term impact of the intervention after USAID funding ends?
- What specific information can the Applicant provide that demonstrates how the proposed approach will continue to strengthen the capacity of local organizations and networks beyond the end of the funded activities?

### **C. Demand-Driven Capacity Strengthening Approaches:**

- How is your approach to capacity strengthening driven by demand? A demand-driven capacity strengthening approach is one whereby decisions about a) which capacities to strengthen, b) which methods can be most effective, and c) what performance improvement targets will be set are grounded in the aspirations, goals, and needs that have been communicated by and mutually agreed upon with assisted organizations or networks.

### **D. Multi-Stakeholder Engagement:**

- Mobilizing local resources- What partnerships are included that leverage resources from any or all of the following: the local private sector, faith-based organizations, government, civil society, and academia; and other sources of local skills and finances to ensure the intervention is self-sustainable without funds from USAID or other international donors?

## **Section 8: Selection Process and Co-Creation**

USAID/Paraguay is responsible for the selection process and management of any awards issued under this Addendum. USAID/Paraguay will confirm receipt of the concept paper within one week of submission.

USAID/Paraguay will use a multi-tiered selection process in accordance with ADS 303.3.6.1(c). Selection under this APS Addendum No. 22 will be based on a two-step process:

### **PHASE 1 - CONCEPT PAPER**

Concept papers must be submitted before the deadline indicated in the cover letter of this APS Addendum No. 22. After a concept paper is received, USAID/Paraguay reserves the right to request supplementary information or pose clarifying questions to any Applicant. Requesting supplementary information or posing clarifying questions to one Applicant does not obligate USAID/Paraguay to do so with all Applicants, nor does it guarantee invitation to submit a full application. Once the submitted concept papers have been fully reviewed, the selected Applicant(s) will be notified by the Agreement Officer of the results of the initial Phase 1 - concept paper evaluation and the following steps to initiate co-creation with USAID/Paraguay.

Concept papers will be reviewed after the closing date of this Addendum. USAID/Paraguay will review concept papers against the merit review criteria (Section 6).

USAID/Paraguay anticipates two possible results from the concept paper merit review process:

1. **Conditional Acceptance whereby competition requirements have been met - Invitation for Co-Creation:** If the concept paper meets the objectives and receives sufficient ratings, USAID/Paraguay will invite the Applicant to engage in Co-Creation to address any uncertainties identified by USAID/Paraguay in its review. Applicants will receive an Invitation to Co-Creation letter. More detailed instructions on how to proceed will be provided in the letter.
2. **Concept paper receives a low rating or does not meet the Paraguay Local Works Initiative objectives:** If it is determined that an Applicant does not meet USAID/Paraguay's objectives or if an Applicant receives a low rating against the merit review criteria, the Applicant will receive a Decision to Not Proceed letter and the process will end.

### **PHASE 2 - CO-CREATION**

Applicants that have successful concept papers may be invited for co-creation, and will engage with USAID/Paraguay and/or possibly other successful concept paper Applicants. During this phase, Applicants will work with USAID/Paraguay technical teams to address issues and discuss the management approach.

After concept papers have been submitted, USAID/Paraguay personnel can have highly specific, detailed activity design discussions with the Applicants throughout the remainder of the process, up to and through any award that might be issued under this APS Addendum No. 22.

The goals of co-creation would be to explore and validate key challenges and problems, and then

jointly develop promising methodological solutions or adapt and expand upon existing solutions. Ideas described within the concept papers may be discussed and further developed including potential partnerships to support objectives proposed.

NOTE: A decision to engage in more in-depth and/or specific co-creation discussions is not a commitment to funding, nor is it a commitment that USAID/Paraguay will request a Full Application. If an Applicant is invited to engage in co-creation and further discussions, additional guidance with respect to expectations during the co-creation process will be provided to the Applicant. There is no guarantee that participation in the co-creation phase will lead to an award from USAID/Paraguay.

If selected to co-create an activity with USAID/Paraguay, the Applicant will be contacted by an Agreement Officer (AO) from USAID/Paraguay and given instructions for the co-creation period and pre-award requirements. Applicants not selected to advance will also be notified. Prior to award, USAID/Paraguay and the Applicant must have significant interaction in-person, via phone, and/or electronically to co-create the activity. USAID/Paraguay anticipates that the co-creation process will last 2 to 4 months. However this process can last longer.

Section 9, Federal Award Information of the [Locally Led Development APS](#) includes the requirements that an applicant must meet if they are requested to co-create an activity and receive an award from USAID. Please note that **these requirements do not have to be met in order to submit a concept paper under the APS.**

### **Section 9: Sharing of Concepts**

If USAID identifies opportunities to strengthen or fund a concept or application by connecting it with other USAID mechanisms, other potential funders, and/or external partners, USAID may make that concept or application available internally or externally for up to one year from receipt of the concept for appropriate consideration.

### **Section 10 Questions and Further Assistance**

Questions regarding this addendum may be directed to [paraguayaaa@usaid.gov](mailto:paraguayaaa@usaid.gov).

Before submitting a concept paper, applicants are encouraged to read through USAID's resources for organizations seeking funding and partnership opportunities, including [How to Work with USAID](#) and [workwithusaid.org](http://workwithusaid.org).

For additional information on the Locally Led Development APS objectives and requirements, please refer to the Locally Led Development APS, which can be found at the following website: <https://www.grants.gov/web/grants/view-opportunity.html?oppId=314757>