

ANNOUNCEMENT

CALL FOR CONCEPTS ON SUPPORTING LOCALLY LED DEVELOPMENT THROUGH MARKET-BASED SOLUTIONS IN THE PHILIPPINES

ADDENDUM #6 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/Philippines is making a special call to local actors for the submission of concepts focused on supporting market-based solutions to development challenges, especially in USAID/Philippines' priority sectors. Concept submissions will be accepted in three cycles as discussed in Section 5 of this addendum.

This addendum seeks to contribute to USAID's [Journey to Self-Reliance](#), in which the Agency seeks to "empower host country governments and our partners to achieve locally-sustained results, helping countries mobilize public and private revenues, strengthening local capacities, and accelerating enterprise-driven development." This addendum implements the U.S. Congressionally directed Local Works program, which works with local actors to advance locally led approaches to development issues. It also operationalizes the Agency's [Private Sector Engagement Policy](#), which emphasizes enterprise-driven development by using market-based solutions to address development challenges.

Subject to funding availability, USAID/Philippines intends to provide a maximum of \$4 million in total USAID funding over a two-to-three-year period. USAID anticipates awarding multiple Cooperative Agreements, Fixed Amount Awards, or Simplified Grants pursuant to this addendum, with each award having a ceiling of \$1 million and a maximum activity duration of two (2) years. USAID reserves the right to fund any or none of the applications submitted.

Local private sector organizations and other local actors who intend to work with the private sector are welcome to apply. This addendum adopts the definition of "private sector" found in the USAID Private Sector Engagement Policy: 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; for-profit approaches that generate sustainable income (e.g., a venture fund run by a non-governmental organization (NGO) or a social enterprise). Eligibility is limited to local actors in the Philippines. A detailed discussion on award eligibility is found in Section 3 of this addendum.

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

Section 1: Background

USAID's current emphasis is on working to end the need for its existence, and the need for foreign assistance in general. The Agency acknowledges the various local assets and resources that can be leveraged by partner countries and seeks to enhance these by working more intensively with local actors to strengthen local systems and resources. In 2015, the U.S. Congress enacted the Small Grants Program, thereafter designated as Local Works, to emphasize the importance of supporting local initiatives, resources, and action in countries where USAID operates. In 2017, the Philippines was selected as one of the countries where Local Works would be implemented. USAID/Philippines is building on its rich history of engagement and work in strengthening the capacity of local organizations to operationalize Local Works. What sets Local Works apart from previous initiatives that prioritized working with local actors is its emphasis on enabling local actors to take the lead from the start, including setting the agenda and scoping the issues to be resolved.

Of particular interest to USAID is the private sector, which is a powerful resource that countries can leverage to address development challenges. Market-based approaches can enable sustainable and durable solutions at scale and contribute to a country's self-reliance. In 2018, the Agency issued a comprehensive [Private Sector Engagement \(PSE\) Policy](#) that defines its vision for "enterprise-driven development," recognizing the value of engaging the private sector in development and humanitarian assistance to help shape solutions that achieve sustained impact and can carry forward long after USAID's support has ended. In response, USAID/Philippines formulated its own PSE plan. Part of the plan involves providing opportunities for challenge grants to leverage private sector-led development work in specific sectors and pilot private sector-led innovations.

Section 2: Objectives

By engaging with the private sector, USAID can harness unique expertise and capabilities, develop and grow targeted sectors and value chains, catalyze investment and mobilize financing, promote more inclusive and sustainable business practices, and drive innovation. USAID/Philippines is seeking applications from local private sector organizations and local NGOs and other local actors that intend to work with the private sector for the following initiatives:

- a) Ideate, develop, and test innovative market-based solutions¹ to development challenges, particularly in the sectors that USAID/Philippines focuses on, including basic and higher education; innovation; workforce development; trade; investment climate and investment generation; infrastructure; digital economy and connectivity; energy; public financial management and public expenditure management; agribusiness; urban management and urban-led development; water and sanitation; marine biodiversity; wildlife protection; municipal waste; disaster management (disaster risk reduction, response and recovery); media freedom; human rights; good national and sub-national governance and public administration; democratic governance; tuberculosis; health systems; universal health care implementation; family planning; and HIV/AIDS;
- b) Develop and deploy emerging market-oriented tools, such as development impact bonds and non-traditional forms of private capital (e.g. impact equity investment) in the priority sectors indicated above;
- c) Identify opportunities for private sector engagement in current USAID/Philippines programs across the energy; environment and community resilience; education and innovation; economic growth; urban-led development; democracy, rights, and governance; and health sectors, and facilitate their implementation.² For example, the applicant may serve as a broker to facilitate partnerships between USAID/Philippines projects and private sector entities to integrate market-based solutions into development interventions to boost sustainability and impact. Information on ongoing USAID projects can be found on the [USAID/Philippines website](#).
- d) Facilitate the coalescence of selected fragmented and/or fledgling sectors of the private sector and support the formation of partnerships to address development challenges, whether within the context of or outside ongoing USAID/Philippines projects. For example, alliances and networks within the impact investment community could be facilitated or strengthened and matched with sectors such as agribusiness and natural resource management.
- e) Identify other impact investment opportunities such as mixed corporate-government-private funds or real asset investors to finance the roll out of new technologies, establishment of more efficient value-chains, and other interventions that address emerging issues and population demands.

¹ Market-based solutions cover a wide array of private sector interventions, including, but not limited to the following: distribution channels and other networks; policy influence; innovation; technology; entrepreneurship; industry expertise; investment capacity; and managerial and operational expertise, including risk-management and optimized systems, processes, and logistics expertise.

² Page 19 of the USAID [Private Sector Engagement Policy](#) provides a comprehensive typology and examples of different kinds of USAID-private sector engagement.

Local actors are not required to propose a fully designed activity for this addendum -- a concept that suggests a process to identify and then act on solutions from the local context is fully within the intent of the Locally Led Development APS.

Section 3: Minimum Requirements for Concept Submissions

Applicant Eligibility

Eligible applicants:

1. Must be local actors in **the Philippines**. When determining if an entity is a “local actor” for the purposes of this APS, USAID will consider:
 - a. Whether the entity is legally organized under the laws of **the Philippines**;
 - b. Whether the entity has its principal place of business or operations in **the Philippines**;
 - c. Whether the entity is majority owned and controlled by individuals who are citizens or lawful permanent residents of **the Philippines**;
 - d. Whether the entity is managed by a governing body, the majority of whom are citizens or lawful permanent residents of **the Philippines**; and
 - e. Whether the entity has projects, offices, and/or registration in other countries, and whether key management decisions are taken by the office located in **the Philippines** or elsewhere.
2. Cannot have received more than \$5 million in direct funding from USAID in the past five years.
3. Cannot be a U.S.-based organization. U.S.-based organizations are not eligible as prime awardees under this APS.

Learning Priorities

Concepts must incorporate **at least one** of the following learning priorities:

1. **Feedback Mechanisms** to ensure that information flows in various directions among local actors, partners, and USAID to improve program effectiveness and sustainability.
2. **Systems-and-Networks-Based Analytical Approaches**, which may allow us to better understand the complex environments in which we operate.
3. **Participatory Decision-Making**, which includes locally led priority-setting, collaborative design, and other means of devolving control and ensuring inclusive local leadership.
4. **Strengthening Local Networks** to connect local needs with local resources.
5. **Local Ownership Approaches to Design, Monitoring, Evaluation, and Learning** that prioritize local definitions of success.
6. **Supporting Strategic Transitions**, which includes strengthening the role of local institutions and actors to sustain outcomes without foreign assistance.

Local Resources

This Activity will require a minimum cost share of two (2) percent of the total award (e.g. \$10,000 for a \$500,000 award). USAID/Philippines encourages that the Activity leverage resources amounting to at least the same level of USAID funds received (e.g. at least \$500,000 in leveraged resources for a \$500,000 award).

Cost share may include cash or in-kind resources or any combination of the two. In-kind resources include, but are not limited to, services, property, goods, staff time, and intellectual property. For more information on eligible cost share sources, please refer to the requirements of [2 CFR 200.306](#).

Leverage represents all of the non-USAID resources (excluding cost share) that are expected to be applied to a program, resulting from public-private partnerships. These include resources that third parties bring to the program without necessarily providing them to the recipient of the USAID assistance award. For more information on leverage, please refer to Section 303.3.27 (Public-Private Partnerships) of the [USAID Automated Directives System 303](#).

For more information on the difference between cost share and leverage, please visit <https://www.usaid.gov/india/partner-resources/infographic-cost-share-program-income-leverage>.

Award Amount Considerations for Self-Reliance

As part of their concept submissions, Applicants must propose a budget that reasonably reflects their existing resources and capacity to grow and provide justification of this. It is not USAID's intention to temporarily flood a local organization with funding that artificially expands its size beyond what can reasonably be sustained through local resources after an award ends.

Section 4: Merit Review Criteria

Concepts meeting the minimum requirements will be evaluated based on the criteria below:

Merit Review Criteria

A. Local Ownership, Leadership, and Relevance to Local Priorities

The Applicant demonstrates a strong understanding of the local context and is transparent, accountable, and responsive to the people they serve. The proposed approach substantively responds to local priorities or demonstrates a way to determine local priorities before beginning implementation. The proposed approach and any teaming arrangements effectively shift the locus of development priority setting and response to local actors.

B. Development Impact

The proposed approach aligns with objectives set forth in the USAID/Philippines-issued addendum and demonstrates a clear theory of change leading to anticipated outputs, outcomes, results, and impacts. The proposed approach integrates issues of gender equality and female empowerment through program design, implementation, and staffing in accordance with USAID's Gender Equality and Female Empowerment Policy.

C. Learning

E3/LS and USAID/Philippines are very committed to enabling and sharing learning that advances the practice of locally led development for USAID, local partners, and the development community. The Applicant demonstrates an understanding of the proposed learning priority(ies) and how utilizing learning related to the priority(ies) will advance the overall

goals of their approach. The Applicant demonstrates a commitment to flexibility, learning, and adaptive management in response to shifting realities as they carry out the proposed approach.

D. Strengthening Local Systems

USAID's investment in this work is expected to contribute to local resources strengthening and greater country self-reliance. The approach itself strengthens a local system within a country or region to sustain a development result over time. The outcomes, results, and impacts, as well as any activities that need to continue beyond the duration of a USAID award, will be sustainable without continued USAID funding or involvement after the award ends.

Proposed concepts must be consistent with USAID legal and policy restrictions, including those set forth in USAID's Automated Directives System and in the Foreign Assistance Act of 1961.

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 5: Concept Format and Submission Instructions

Concepts are to be sent to USAID/Philippines at manila-roaa-rfa@usaid.gov. Concepts must be submitted by the following deadlines to be considered:

- First Round: concepts to be submitted by June 30, 2020
- Second Round: concepts to be submitted by October 31, 2020
- Third Round: concepts to be submitted by February 28, 2021

Receipt of concepts for the second and third rounds are subject to the availability of funds. If the ceiling of the addendum is reached, USAID/Philippines reserves the right to discontinue the concept submission process for the second and third rounds, or amend the addendum to reflect a higher ceiling, as funds become available.

Concepts must be submitted as a concept paper not exceeding five pages in total length on 8 1/2" x 11" paper, single spaced and page-numbered. Applicants must use Arial 11-point font or a similar typeset.

The concept paper should be specific, concisely written and responsive to the objectives of this addendum. It must present the following: a) overall technical approach that provides a brief description of the conceptual approach and general strategy (i.e. methodology and techniques) and how the approach is expected to achieve the objectives; b) indicative listing of key staff, their proposed general functions and summary qualifications; c) organizational expertise and past experience in managing similar programs; and d) notional budget. Please weave in a discussion of how the approach addresses the critical elements found in Section 5.B. (Narrative Description) (i.e. local ownership, leadership, and relevance to local priorities; development impact; learning; and strengthening local systems) throughout the concept paper.

The concept paper's 5-page limit does not include the following: cover page, which should include the summary information listed in Section 5.A. (Summary Information); table of contents (optional), executive summary (optional), diagrams and drawings (as necessary); and annexes. The only allowed annexes are: CVs of proposed key project personnel; (ii) proposed organizational chart; and (iii) relevant past performance information of the organization/ consortium.

Concepts may be submitted in English.

Applicants must provide the following information in concept submissions:

A. SUMMARY INFORMATION

A. Name and contact information of Applicant

B. Organization type and country of legal registration

C. Certification that the Applicant has not received more than \$5 million from USAID in the past five years

D. Title of proposed activity

E. Location of proposed activity

F. Name, contact information, and country of legal registration for other partner organizations collaborating on concept (if any)

G. Name of the USAID OU to which this application is submitted

H. Overall objective of activity (1-2 sentences)

I. Brief description of the learning priority(ies) included in the proposed activity (1-2 sentences)

J. Brief description of the approach to local resources included in the proposed activity (1-2 sentences)

K. Amount of funding requested from USAID \$ _____

L. Explanation of how the requested funding amount reasonably reflects the organization's existing resources and capacity to grow

B. NARRATIVE DESCRIPTION

Successful narrative descriptions will include a discussion of the components below. Please note that each component aligns with a specific merit review criterion.

Local Ownership, Leadership, and Relevance to Local Priorities:

- What is the development challenge the concept addresses?
- How do local people experience the challenge, and what is important to them? How do you know?
- What is the proposed approach?
- How will local actors lead priority setting and response?
- How will any partners be involved in the approach?

Development Impact:

- How does the approach align with the addendum objectives?
- What is the theory of change?
- How does the approach integrate gender equality and female empowerment?

Learning:

- How will the approach enable and share learning to advance the practice of locally led development? What are the specific learning priority(ies)?
- How will focusing on the priority(ies) advance the overall goals of the approach?
- When realities shift in the local context, how will the approach adapt?

Strengthening Local Systems

- How does the approach contribute to local resources strengthening and greater country self-reliance?
- How does the approach strengthen a local system within a country or region to sustain a development result over time?
- How will the outcomes, results, and impacts, as well as any activities that need to continue beyond the duration of a USAID award, be sustainable without continued USAID funding or involvement after the award ends?

Section 6: Concept Review Process and Co-Creation

USAID/Philippines is responsible for the review process and management of any awards issued under this addendum.

USAID/Philippines will confirm receipt of the concept within one week of submission.

USAID/Philippines will convene a committee after the end of each cycle (e.g. after June 30, 2020 for Round 1 submissions) to review and select concepts that can be further considered for funding based on the merit review criteria in Section 4 of this addendum. This process will take up to one month after the cycle's due date (e.g. July 30, 2020 for Round 1 submissions).

Selected Applicants will subsequently be requested to co-create full applications with USAID/Philippines. Applicants not selected to advance will also be notified.

Prior to submission of a full application, USAID/Philippines and the Applicant must have significant interaction in-person, via phone, and/or electronically to co-create the full

application's programmatic approach.

If selected to co-create a full application with USAID/Philippines, the Applicant will be contacted by an Agreement Officer (AO) from USAID/Philippines and given a due date and template/instructions for the full application. A co-creation process, including an intensive in-person and/or virtual real-time collaboration process, which may include drafting several iterations of the full application, can take up to two (2) months after the AO notifies an Applicant that they have been selected to advance to the full application process (e.g. September 30, 2020 for Round 1 submissions).

USAID/Philippines may also review all concept papers and decide to invite selected Applicants to enter a period of multi-stakeholder co-creation, in which they will collaborate on and refine approach(es) with one another. Individual Applicants and/or groupings of two or more Applicants will then submit full applications for consideration by USAID/Philippines. The full multi-stakeholder co-creation process may extend to a maximum of three (3) months after the AO notifies Applicants that they have been selected to advance to the full application process (e.g. October 30, 2020 for Round 1 submissions).

All first-time Applicants for USAID funding that are deemed apparently successful are subject to a pre-award survey to verify that the Applicant has proper procedures in place to receive USAID funding. Please see ADS [303.3.8](#) and ADS [303.3.9](#) for details.³ This process can take anywhere from one (1) to three (3) months.

The subsequent steps in the full application process and the award process can be found in Section 8: Concept Submission Instructions and Next Steps for Applicants of the Locally Led Development APS.

Section 7: 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 appropriate consideration.

Section 8: Questions and Further Assistance

Questions regarding the substance and objectives of this addendum may be directed to manila-roaa-rfa@usaid.gov.

USAID/Philippines anticipates conducting a virtual industry day sometime in May or June 2020 to expand outreach for this opportunity and other forthcoming solicitations. An industry day is an

³ USAID Automated Directives System (303) requires that a Pre-Award Risk Assessment Survey be undertaken to applicants have: uncertain capacity to perform financially or programmatically; not received a USAID grant, cooperative agreement, or contract in the past; not received an award from any U.S. Federal agency within the last five years; or known deficiencies in the applicant's annual audit. These criteria will not apply to applicants who will potentially receive Fixed Amount Awards. Other than these factors, a Pre-Award Survey can be done if the Agreement Officer determines it to be in the best interest of the U.S. Government.

event held by a USAID Mission to exchange information with industry and other stakeholders, especially interested applicants, about current or future procurements. Specific dates and other details will be announced through the [USAID/Philippines website](#), social media accounts, an amendment to this addendum, and other channels.

Questions regarding the substance and terms of the Locally Led Development APS may be directed to LLD-APS@usaid.gov.

For additional information regarding guidelines and procedures to submit a concept, 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?oppld=314757>