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USAID BROAD AGENCY ANNOUNCEMENT (BAA)
SUPPORTING HIGH POTENTIAL
MICRO, SMALL, AND MEDIUM ENTERPRISES (MSME)

BAA-521-EGAD-2019-05-03

Call for Solutions

I. OVERVIEW

- A. The United States Agency for International Development (USAID) is issuing this Broad Agency Announcement (BAA) to seek participants to co-create, co-design, co-invest, and collaborate on research and development interventions to address key challenges preventing the expansion of the Micro, Small, and Medium Enterprises (MSME) in Haiti. USAID invites organizations and companies to submit an Expression of Interest, as provided below. More than one Expression of Interest may be submitted.

The intent of the BAA 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. USAID will invite selected for-profit and non-profit, public and private organizations, as detailed below, to co-create research and development (R&D) solutions to the Problem and Challenge Statements stated in this BAA, including those organizations that have ideas, expertise, resources, and/or funding to add to potential solutions.

Co-Investing: USAID wants to align goals with the partners under this BAA, to facilitate shared responsibility, shared risk, and shared resourcing. Shared resourcing requires that cash and 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, are directed towards reaching the solution to the Problem/Challenge. Co-investing does not require equal shared resources (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.

- B. Federal Agency Name: The United States Agency for International Development (USAID).
- C. Opportunity Title: Supporting High-Potential Micro, Small and Medium Enterprises (MSMEs).

D. Opportunity Number: BAA-521-EGAD-2019-0503.

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. PROBLEM AND CHALLENGE STATEMENT

Background: USAID/Haiti has had success supporting high-potential MSMEs with advisory services and matching grants, as well as in strengthening high-potential value chains, most recently with its Leveraging Effective Applications of Direct investment (LEAD) and the Local Enterprise Value chain Enhancement (LEVE) programs. But the Mission is interested in exploring existing and new market-led and cost-effective ways of supporting these enterprises, and to gather data to help determine which of these is most efficient and cost-effective.

Problem Statement: Haitian Micro, Small and Medium Enterprises (MSME) are critical to Haiti's economy. Not only do Haitian MSMEs account for over 80% of current Haitian employment. But more importantly, it is from within the MSME community that Haiti's future success stories will emerge – the enterprises which generate growth, create jobs and lead Haiti to a modern, more prosperous economy.

But Haiti remains a challenging environment. The public and private resources available in the US to identify and support high-potential MSMEs are not available at the same level in Haiti. Access to venture capital is rare and mentoring and business advisory services are limited. As a result, many high-potential MSMEs in Haiti lack the modern business systems and skills needed to grow and expand – with significant opportunity cost to the Haitian economy.

New solutions are needed which can cost-effectively identify and strengthen support high-potential MSMEs to access capital and markets, which could include, **but are not limited to:**

- Support in identifying and addressing systemic challenges constraining MSME growth and financing in Haiti including enabling environment challenges around contract enforcement, loan collateral, licenses, tax administration and property rights.
- Establishing a network of performance -based business advisory services providers and specialized industry expertise
- Formation of or support to angel or venture funds or facilities to nurture and finance high-potential MSMEs
- Formation or support of an incubator or accelerator
- Establishment of an e-learning platform and/or Fintech strategies and instruments
- Support for the Center for Investment Facilitation and/or engagement with the diaspora to leverage skills and funding
- Support to develop and expand competent advisory services capacity within Haiti (potentially through a university or technical school)

- Incentives and risk mitigation strategies to encourage Haitian finance providers to extend MSME financing
- Fintech and other web-based matchmaking and crowdsourcing platforms to raise capital.

Other solutions/approaches have been used as well to best identify and promote high-potential MSMEs around the world. The purpose of this BAA is to test and pilot these solutions (or combinations thereof) and to gather data to determine which will be most effective and efficient in accomplishing this.

III. THE BAA PROCESS

The amount of resources made available under this BAA will depend on the concepts received and the availability of funds from USAID and other resource partners. Some award types may not include any funding. The award process under this BAA has the following steps:

STAGE 1 - SUBMISSION OF EXPRESSIONS OF INTEREST (EOIs)

Please submit an Expression of Interest addressing the criteria below, in the format required in Section VII. More than one Expression of Interest may be submitted.

USAID will review the Expressions of Interest to determine the extent to which each Expression of Interest addresses the criteria/eligibility stated below. Not all organizations that submit an Expression of Interest will be invited to proceed to Stage 2. Due to the number of Expressions of Interest received, USAID is unable to provide details on why Expressions of Interest were not selected.

Criteria for Expressions of Interest:

1. Expressions of Interest must indicate the research or development idea which will work towards discovering potential solutions to the Problem and Challenge Statements, by increasing knowledge and understanding of potential solutions, exploiting scientific discoveries or improvements in technology, materials, processes, methods, devices, or techniques, advancing the state of the art, or using scientific and technical knowledge in the design, development, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service).

Any awards issued under this solicitation will be for Applied Research or Development, as those terms are defined in 48 USC 35.001, as follows:

“Applied research” means the effort that:

- (a) normally follows basic research¹, but may not be severable from the related basic research;

¹ The primary aim of basic research is a fuller knowledge or understanding of the subject under study, rather than any practical application of that knowledge. (FAR 2.101)

(b) attempts to determine and exploit the potential of scientific discoveries or improvements in technology, materials, processes, methods, devices, or techniques; and

(c) attempts to advance the state of the art. When being used by contractors in cost principle applications, this term does not include efforts whose principal aim is the design, development, or testing of specific items or services to be considered for sale; these efforts are within the definition of “development,” given below.

“Development” means the systematic use of scientific and technical knowledge in the design, development, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service) to meet specific performance requirements or objectives. It includes the functions of design engineering, prototyping, and engineering testing; it excludes subcontracted technical effort that is for the sole purpose of developing an additional source for an existing product.

2. Expressions of Interest must demonstrate the potential to have a significant impact (e.g. breakthroughs, not incremental improvements), that ultimately could achieve that even greater impact at scale.
3. Expressions of Interest must indicate the background and expertise of the organization, and the managerial and technical staff or team engaged in the endeavor.
4. Expressions of Interest must indicate what co-investment resources are available to bear on the solution, including those from the submitting organization and those from other third party businesses, donors, foundations, or other organizations. Such resources include cash and 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.
5. USAID will also consider the reputation of an organization and its past performance in assessing the ability of the organization to contribute to the co-creation.

STAGE 2 - CO-CREATION AND CO-DEVELOPMENT OF THE CONCEPT PAPER

During Stage 2, key stakeholders will Co-Create potential solutions to the Problem/Challenge by brainstorming and innovating solutions and resources, potentially leading to concept papers that USAID or other resource partners will consider for funding.

Co-Creation

USAID will review the Expressions of Interest and will select those organizations that USAID determines have addressed the criteria/eligibility stated within the BAA to an extent that the organization will make a significant contribution to the Co-Creation. The Co-Creation will also include USAID and other co-investment organizations that may be able to contribute cash and

other resources, both tangible and intangible, such as in-kind contributions, expertise, intellectual property, brand value, high-value coordination, and/or access to key people, places, and information.

Co-Creations may take the form of a workshop, conference, meeting, or other method at the discretion of the USAID. For this BAA, the Co-Creation is expected to identify with other partners innovative ways to address constraints that impede MSME growth in Haiti and to explore potential solutions that can help them expand and create jobs. . For more information on co-creation and its design approaches, see <https://usaidlearninglab.org/library/co-creation-discussion-note-ads-201>.

Unless provided otherwise, organizations are responsible for all costs incurred by the organization to participate in the Co-Creation.

Co-Development of Concept Papers

Working together, USAID and the potential partner(s) will collaborate on Concept Paper(s), taking a holistic approach to addressing the Problem/Challenge based on learnings from the Co-Creation, and identifying creative approaches to resourcing projects. Such Concept Papers will consider and include additional implementing and co-investment partners to complement the project, including reasonable cost sharing, leverage, or other exchange of resource arrangements.

Not all organizations that participate in the Co-Creation may be invited to submit a Concept Paper for review by the Peer and Scientific Review Board (Stage 3).

The Concept Paper, generally 5-10 pages, will further detail and explain the project.

STAGE 3 - REVIEW BY THE PEER AND SCIENTIFIC REVIEW BOARD

USAID and the organizations connected with each Concept Papers will present the Concept Paper to the Peer and Scientific Review Board, comprised of experts from USAID, 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.

Not all organizations that present a Concept Paper to the Peer and Scientific Review Board will be invited to move to Stage 4.

STAGE 4 - AWARD DETERMINATION

USAID will review the Peer and Scientific Review Board's recommendations and consider other information, such as resource availability and Agency priorities, and will make a determination whether to move forward with the Concept Paper. For Concept Papers that demonstrate a valid innovation to address the Problem/Challenge Statement, the Contracting/Agreement Officer will

assess the partner's responsibility and identify 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 Contract/ Agreement Officer will engage in final review, negotiation, responsibility, cost reasonableness, etc., and will co-develop/craft an award instrument with the Apparently Successful Partner. If the Apparently Successful Applicant and USAID cannot arrive at a mutually agreeable arrangement, USAID may cancel the project at no cost to the Government.

Award. Awards under this BAA will be made to the Apparently Successful Partners on the basis of their ability to achieve solutions to the Problems/Challenges, as provided herein. 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 Apparently Successful Applicant when the award type is identified

IV. ADDITIONAL CONSIDERATIONS

- A.** Expressions of Interest are not evaluated against other Expressions of Interest, but solely whether USAID believes that the submitter will be a valuable contributor to the co-creation process. USAID may limit the number of initial submissions selected to move forward based on efficiencies.
- B.** Concept Papers are not evaluated against other Concept Papers, but solely based on USAID's determination that the Concept Paper will successfully address the Problem and Challenges set forth herein. USAID may limit the number of Concept Papers selected to move forward based on efficiencies.
- C.** Decisions regarding USAID's pursuit of a particular project, technology or relationship are based on all available information, evidence, data, and resulting analysis.
- D.** Eligibility Information. Public, private, for-profit, and nonprofit organizations, as well as institutions of higher education, public international organizations, non-governmental organizations, U.S. and non-U.S. governmental organizations, multilateral and international donor organizations are eligible under this BAA. All organizations must be determined to be responsive to the BAA and sufficiently responsible to perform or participate in the final award type.

V. SPECIFIC RIGHTS RESERVED FOR THE GOVERNMENT UNDER THIS BAA

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

1. The right to award multiple awards, a single award, or no awards.
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, public-private partnerships, 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 proposers under the 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 instruments under this BAA that does not commit or exchange monetary resources.
9. The right to remove organizations from the BAA process if USAID determines it is no longer in the best interests of the Government to proceed with the organization.

VI. INFORMATION PROTECTION

USAID's goal is to facilitate 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 will be shared with USAID partners as part of the selection

process. However, once submitters have been invited to advance beyond co-creation, submitters can work with USAID to identify proprietary information that requires protection.

Therefore, organizations making submissions under this BAA 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 the BAA. If USAID further 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 submissions under this BAA are free of any third party proprietary data rights that would impact the license granted to USAID herein.

VII. EXPRESSION OF INTEREST INFORMATION FORMATTING

The Expression of Interest should be submitted using the following format:

1. Be in English, no more than 2 pages in length, and no smaller than 11 point font;
2. Be submitted electronically to Heather Wirick at usaidhaitioaa@usaid.gov;
3. Contain a header with the following information (included in the page count):
 - i) Respondent Name/Group and Contact Information;
 - ii) Response Title;
 - iii) BAA Addendum Name/Number;
 - iv) Optional graphic that fits on an 8.5"x11" or A4 piece of paper (not included in the page limit); and
4. Be in .pdf, .docx, or .pdf format.

This BAA will be open for 30 days after its issuance only. No EOIs will be accepted after the deadline.

VIII. GENERAL CRITERIA FOR CONSIDERATION

- A.** Submissions are not evaluated against other submissions, but solely against the evaluation criteria from the BAA.
- 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.** Criteria to be applied to all Expressions of Interest:

1. Expressions of Interest must indicate the research or development idea which will work towards discovering potential solutions to the Problem and Challenge Statements, by increasing knowledge and understanding of potential solutions, exploiting scientific discoveries or improvements in technology, materials, processes, methods, devices, or techniques, advancing the state of the art, or using scientific and technical knowledge in the design, development, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service).
2. Expressions of Interest must demonstrate the potential to have a significant impact (e.g. breakthroughs, not incremental improvements), that ultimately could achieve that even greater impact at scale.
3. Expressions of Interest must indicate the background and expertise of the organization, and the managerial and technical staff or team engaged in the endeavor.
4. Expressions of Interest must indicate what co-investment resources are available to bear on the solution, including those from the submitting organization and those from other third party businesses, donors, foundations, or other organizations. Such resources include cash and 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.
5. USAID will also consider the reputation of an organization and its past performance in assessing the ability of the organization to contribute to the co-creation.

IX. AWARD INFORMATION

- A. Number of awards could vary and may not mirror the number of expressions of interest or invitees to co-creation.
- B. Awards under this BAA will be made to Apparently Successful Partners on the basis of their ability to further USAID's goals of advancing financial inclusion in Haiti. 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 these goals.
- C. Proposals identified for negotiation may result in a contract, grant, cooperative agreement, Global Development Alliance agreement, Development Innovation Agreement, Inter-Agency Agreement, Donor to Donor Agreement, 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 determine instrument terms and conditions with selectees. USAID will select the award instruments it deems appropriate.

**USAID Broad Agency Announcement for
SUPPORTING HIGH POTENTIAL MSMEs
BAA-521-EGAD-2019-05-03**

- D. Eligibility Information.** Public, private, for-profit, and nonprofit organizations, as well as institutions of higher education, public international organizations, non-governmental organizations, U.S. and non-U.S. governmental organizations, multilateral and international donor organizations are eligible under this BAA. All organizations must be determined to be responsive to the BAA and sufficiently responsible to perform or participate in the final award type.
- E. 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.
- F. Organizations are encouraged to consider providing reasonable cost sharing, leverage, or other exchange of resource arrangements, and are encouraged to suggest creative approaches to resourcing projects.**