

**U.S. Global Development Lab
Second Call for Partnership Proposals:
Partnering to Accelerate Entrepreneurship (PACE) Initiative
APS Addendum FAQ's**

- 1. When does the Call for Concept Papers end?** Please send all concept papers to Alicia Clark (aclark@usaid.gov) by 12:00 Noon Eastern Standard Time on 27 February 2015.
- 2. When will applicants hear back from USAID/Global Partnerships on the status of their concept paper?** Applicants will be contacted regarding the initial status of their concept paper via email by May 1, 2015.
- 3. What is the process for building a Global Development Alliance (GDA) with USAID under the PACE Initiative?** After familiarizing oneself with the [2014/2014 GDA Annual Program Statement](#), prospective applicants should contact Rob Schneider (roschneider@usaid.gov) to determine whether their initial ideas are consistent with the objectives of the PACE Initiative. Including the prospective private sector partners in this discussion is especially valuable. Once a concept paper is submitted, USAID will conduct an initial review and may contact the applicant and the applicant's partners for additional information. This review may include requests for revised concept papers. For prospective alliances that warrant further consideration, USAID will open a robust dialogue with the prospective partners to explore whether and how USAID and the partners can jointly develop and build a partnership. If these discussions are productive, USAID may ask for a full application to be submitted.
- 4. How does this call for Concept Papers relate to the PACE grants that were made in 2014?** The first set of awards under the PACE initiative were made in 2014 based on Concept Papers received under an Addendum to the 2013 GDA APS. USAID received over 100 Concept Papers and made six awards (see <http://www.usaid.gov/pace> for summaries of these awards) under that Addendum. The current Addendum continues the PACE Initiative and therefore maintains the same overall objectives and fundamental goals. However, as a result of the first PACE Addendum evaluation process, USAID has modified the evaluation criteria slightly, including asking organizations to explicitly identify the particular innovation they are proposing, and clearly demonstrate how using USAID's funds will catalyze private investment that would not occur otherwise. Organizations that submitted Concept Papers to the previous Addendum are free to submit a new Concept Paper; however, some of the specific submission requirements have changed, so please make sure to read the new Addendum and the [2014/2015 GDA APS](#) before submitting, even if your organization submitted a Concept Paper previously.
- 5. Do organizations need to submit a Concept Paper in a particular format?** Yes. See Appendix A of the Addendum for the Concept Paper Template, which is also available at <http://www.usaid.gov/work-usaid/get-grant-or-contract/opportunities-funding/global-development-alliance-annual-program-0>
- 6. How is this entrepreneurship program different from DIV and Grand Challenges for Development?** While programs like DIV and Grand Challenges for Development fund individual enterprises and entrepreneurs, PACE aims to work at the intermediary level by engaging incubators, accelerators, investors, and others with incubation models that identify, mentor, grow, or fund early stage enterprises.
- 7. Does PACE target only social enterprises?** No; PACE is focused on entrepreneurship broadly and seeks to work with a wide array of early stage enterprises, including social enterprises.

- 8. What kinds of Early Stage Enterprises does PACE target?** PACE is focused on incubation models that support early stage enterprises that are post idea, post revenue, but not yet profitable, and are in the process of developing or refining a business model that will lead to high growth and financial sustainability.
- 9. How many partnerships are being targeted for this initiative?** It is expected that USAID will fund about 3-6 proposals from this call for concept papers, with a typical grant size from USAID between \$500,000 and \$2,000,000.
- 10. What is the timeframe for projects?** Projects/organizations may be funded over the course of one to five years, but the organization itself may exist indefinitely, as a major goal of PACE is to support sustainable incubation methods and organizations. Partnerships typically tend to last 3-4 years.
- 11. What does Financial Sustainability look like for PACE?** USAID is interested in supporting organizations and models that can clearly articulate how they anticipate becoming financially sustainable, and intend to be on the path towards financial sustainability by the time the partnership with USAID has ended.
- 12. Can the concept paper cover a single country or should it include multiple countries?** A concept paper may cover a single country or multiple countries in which USAID works. It is important that USAID's funds be focused on USAID presence countries (<http://www.usaid.gov/where-we-work>), but non-presence countries can be part of the overall proposal. Stronger concept papers will demonstrate the scalability of the proposed solution, so that even if the original concept is implemented in a single country, it can be adapted to other countries.
- 13. Can we team up with other organizations to propose a concept note?** We encourage coalitions of organizations to develop concepts that draw on different strengths and core capabilities of each organization.
 - a) Is it preferred that the concept paper is submitted by an alliance of several partners or one lead organization?** While USAID does not definitively prefer either option, the process will likely be more streamlined if there is one lead organization, preferably one who is familiar with USAID contracting procedures. However, USAID is open to suggestions regarding the governance structure of the proposed partnership.
 - b) Is there a limit to the number of coalitions that organizations can join and submit with?** No.
- 14. Is there a preference towards markets where incubation support for early stage enterprises is already established and needs to be strengthened or markets where such support is still very limited or non-existent?** There is no preference between concept papers from geographies where support for early stage enterprise incubation support is already present vs. those geographies where such support is limited. USAID will focus on the development impact that will result from implementing the concept note, keeping in mind the core evaluation requirements set forth in the PACE Addendum - Innovation, Impact, Replicability/Scalability, Leverage, Monitoring/Evaluation/Learning.
- 15. Are coalitions with public funding allowed to apply?** Yes, although the public funding does not count towards meeting the 1:1 private sector resource mobilization requirement (or 5:1 ratio as discussed below) which is required as part of the GDA framework. See page 24 of the [2014/2015 GDA Annual Program Statement](#) (specifically footnote #45).
- 16. Would an organization be eligible for funding if they have received some funding previously from private equity funds?** Yes. Previous funding is not a problem, but would not count as leverage towards USAID funding. Leverage should be mobilized for the explicit purpose of supporting and advancing the specific alliance being proposed as part of PACE.

- 17. If our proposal envisions involving a bank or investor, would that loan capital or investment capital after the commencement of the GDA count as leverage?** Equity and debt invested may count as leverage, but requires a 5:1 ratio of private capital: USAID funding. For guidance on the timing of private sector resource contributions, and the use of funding for loans or equity, please see page 25 of the [2014/2015 GDA Annual Program Statement](#).
- 18. What type of funding will USAID provide?** It is anticipated that USAID will provide grant funding to organizations, although USAID is open to utilizing its grant funding to help defray the costs to the organization in obtaining a credit guarantee from USAID if applicable.
- 19. What types of metrics does USAID expect to track impact?** USAID expects that organizations submitting concept papers will have a well defined theory of change, and will propose metrics that will allow the organization to track and communicate its impact. Each organization will likely have different metrics, and USAID will work with successful applicants to identify some common metrics across PACE grantees as applicable.
- 20. It says in the 2014/2015 GDA APS that prospective applicants should contact the relevant mission, bureau, or independent office with whom the applicant would like to partner. However, in the PACE Addendum it says to contact the Lab/Global Partnerships staff. So if we want to work in India, who should we contact?** All inquiries regarding PACE should be directed to Rob Schneider (roschneider@usaid.gov) and Alicia Clark (aclark@usaid.gov) in the U.S. Global Development Lab based in Washington. However, it is also recommended that prospective applicants be familiar with USAID work in the country in which they intend to work. Please see USAID's website for a list of countries where USAID operates, and descriptions of programs - <http://www.usaid.gov/where-we-work>
- 21. May concept papers be written in languages other than English?** All concept papers must be written in English.