

BAA Number: Indonesia-BAA-DIA-IWD-Addendum 01-00

Issuance Date: June 24, 2015

Closing Receipt Questions: September 01, 2015

Closing Date: September 30, 2015

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**USAID/Indonesia Development Innovation Accelerator
For Indonesia's Development Challenges
Addendum #01-00: Inclusive Workforce Development (IWD)**

1. Purpose

This is an Addendum to the USAID/Indonesia Development Innovation Accelerator issued on June 24, 2015, number Indonesia-BAA-DIA. The purpose of this Addendum is to request Expressions of Interest for research, innovation and collaboration in support of USAID/Indonesia's Inclusive Workforce Development (IWD) project. The goal of the IWD project is to promote more inclusive economic growth and address rising income inequality by improving workforce development for the poor and vulnerable (see inset). The Accelerator and this Addendum are a competitive approach to consider ideas that advance the state-of-the-art to promote equal access to quality training opportunities for our target population, allowing USAID to:

- Reach out to potential partners with recognized expertise in relevant areas, and
- Co-create, co-design, co-invest, and collaborate with partners.

2. Area of Interest: Inclusive Workforce Development in Indonesia

Indonesia is at a development crossroads. An emerging regional and global economic power with great promise, Indonesia has ambitious plans to accelerate economic growth and achieve high-income country status. As the Government of Indonesia (GOI) starts its new five-year national development plan (RPJM 2015-2019), it faces a range of challenges to promote more inclusive economic growth and address rising income inequality. Among Indonesia's priority development tasks is the need to improve the skills and productivity of the labor force and meet the demands of a private sector-driven economy that faces increasing regional and global competition.

USAID/Indonesia's target population: the poorest and most vulnerable.

- The poor are defined as the bottom 40% of the population, earning less than \$2/day. We are targeting poor persons ages 18-34.
- The vulnerable are those who are at high risk of falling below this line, with a key focus on women, youth, and persons with disabilities.

Through the IWD project, USAID intends to leverage inter-dependent parts of the workforce development system that affect one another to foster collective impact and lead to transformational change. The five-year project will achieve three purposes: (i) improved access for the poor and vulnerable to quality, relevant workforce development programs; (ii) increased private sector training opportunities for the poor and vulnerable; and (iii) improved decision-making capacity at the regional and local government levels to develop training and employment opportunities for the poor and vulnerable. The IWD project has a geographic focus with activities planned in six provinces: Central Java, East Java, West Java, North Sumatra, South Sulawesi and Papua. It is anticipated that the project will benefit both urban and rural populations in these six provinces.

The IWD project design approach is guided by two overarching principles:

- **Partnerships and Innovation.** The IWD project is based on a flexible design model that will promote co-creation, co-design, and co-investment among a range of essential partners: the private sector, the GOI, civil society organizations, other development entities, and the poor and vulnerable. Ongoing collaboration is core to the model – from design to implementation. Such collaboration is critical to fostering continuous dialogue and the joint development and exploration of innovative ideas and approaches.
- **Limited Set of Scalable Activities and Leverage.** The project will identify and support a limited set of scalable activities, leveraging resources and utilizing committed champions from the private, public and civil society sectors to improve the quality of workforce development systems and training opportunities and to make them more inclusive to all Indonesians.

At the strategic level, the IWD project will contribute directly to the GOI’s RPJM 2015-2019 by helping to improve the quality of instruction and training, increase collaboration with the private sector and expand access to higher education. The project aims to create a better trained workforce, address the significant unmet needs for skilled and semi-skilled labor, reduce the number of bottleneck occupational areas, and position the country to become more productive and competitive. Under USAID/Indonesia’s 2014-2018 Country Development Cooperation Strategy (CDCS), the IWD project will support results for Development Objective 2, “Essential Services for the Poor and Most Vulnerable Improved.”

At the project level, it is expected that more effective private sector participation and linkages under IWD will result in poor and vulnerable beneficiaries having increased access to higher quality training opportunities and services. In the public and civil society sectors, the project is expected to strengthen the capacity of the key GOI agencies involved in workforce development and improve training services delivered by selected institutions in the six target provinces. The project has set an initial overall target of 200,000 poor and vulnerable beneficiaries better equipped for employment at the end of the project.

3. Solutions Sought

For the purposes of this Addendum, USAID/Indonesia seeks partners for potential co-creation, co-design, co-investment and collaboration with experience with the following:

- Development of tools to address specific educational or social barriers for the poor and vulnerable to gain access to workforce development (training or services) and/or employment opportunities
- Use of innovative approaches or technologies¹ to address skills needs
- Capacity building of public and/or private training institutions in the targeted provinces to deliver effective services and training to the poor and vulnerable, with a focus on strengthening linkages with the private sector
- Extensive engagement of the private sector to reach USAID/Indonesia’s goals for the IWD project
- Addressing a clear market or private sector demand in the agribusiness, manufacturing and/or services sectors

¹ Innovative approaches and technologies should not be limited to new ideas and solutions, but can be the innovative use or application of an existing program, system or solution to address the IWD challenge.

In addition, partners should propose solutions which:

- Advance the state-of-the-art in inclusive workforce development
- Have a geographic focus or be applicable to the USAID IWD project's six targeted provinces: Central Java, East Java, West Java, North Sumatra, South Sulawesi and Papua; and, are practical and applicable at the local level within these provinces
- May leverage funding and/or in-kind support from other sources
- Have the potential for replication or being taken to scale

4. Eligibility

Individuals, public, private, for-profit, and non-profit organizations, as well as institutions of higher education, public international organizations, non-governmental organizations, and international donor organizations are eligible to submit Expressions of Interest under this Addendum.

5. Submissions and Review Process

a. Selection Criteria

The following criteria will be applied to all expressions of interest:

1. **Idea/Approach:** Ideas/approaches should advance the state-of-the-art in inclusive workforce development. In evaluating the idea/approach, USAID will focus on how the potential partner contributes fresh, informed and realistic thinking about the problem. It will also evaluate how practical and implementable an idea is. The idea/approach will not be judged solely on its merit, but in addition to the qualities that the potential partner would bring to the discussion.

2. **Partnership Expectations and Value:** Strengths of your group as a partner, including the people your organization would bring to the discussion, and your ability, if any, to provide a financial, in-kind, or leveraged match at various stages of the process.

3. **Diversity of Perspectives and Capabilities:** USAID seeks to bring together a diverse set of co-creators in collaboration in order to enable broader thinking and innovation. The selection of potential partners will be with the goal of achieving this diversity.

b. Deadlines and Next Steps

Deadline for Submission: September 30, 2015

USAID/Indonesia aims to bring together a diverse group of individuals, organizations, and companies demonstrating an interest in IWD to discuss and co-create solutions to this problem. Individuals or organizations submit Expressions of Interest to USAID by **September 30, 2015**. USAID will review those Expressions of Interest and select those it would like to discuss at greater length. USAID may convene group discussions on workforce development challenges and solutions in order to encourage and support joint problem solving and collaborative action. USAID/Indonesia may invite experts, including from the private sector, to join the discussions, during which new, collaboratively-developed ideas may emerge. USAID may collaborate with participants to co-develop a concept paper (or several) that describes the development problem, solution, technical approach, areas of comparative advantage, and

ideas for further resourcing. A review panel will consider submitted concept papers to determine next steps or potential funding options. USAID is not obligated to issue a financial instrument or award as a result of this Addendum.

A more detailed explanation of the submission, review and co-creation process may be found in Section V, "Award Process," of the USAID/Indonesia Development Innovation Accelerator.

c. Potential USAID Funding

While specific ideas submitted in response to this Addendum may form the basis of future co-investment partnerships with USAID, USAID does not anticipate providing U.S. Government funding in response to any initial Expression of Interest submitted under this Addendum. Rather, this Addendum is intended to facilitate an exchange of ideas that could lead to the co-design of an intervention with USAID. USAID anticipates making only assistance awards under the Federal Grant and Cooperative Agreement Act of 1977 for interventions related to this Addendum. In addition, USAID/Indonesia may use the information gleaned from the discussions to form the basis for future USAID/Indonesia Addenda.

d. Questions and Submissions

Any questions about the process should be sent by email to iwd-indoaccelerator@usaid.gov no later than **September 01, 2015**. No questions will be accepted after this date. Any amendments to this BAA will be issued and posted on <http://fbo.gov> and <http://grants.gov>

Expressions of interest must be in English and submitted to iwd-indoaccelerator@usaid.gov by the deadline indicated at number 5(b) above for consideration.

e. Template

Responses must not exceed 4 pages (8.5"x11" paper, double spaced, 12-point font) and must include the following sections below. USAID/Indonesia reserves the right to disregard submissions that do not meet the criteria below:

Template for Expressions of Interest

- 1. Header.** Submitter's Name and BAA Addendum Name/Number
- 2. Title of the Idea or Solution.**
- 3. Submitter's Name and Contact Information.**
- 4. Problem Statement.** Explain the direct linkage to inclusive workforce development (Section 1 of the Addendum) and why the submitter is interested in working in partnership with USAID to address the problem.
- 5. Description of the Solution.**
- 6. Partnership Expectations and Value, and other relevant information.** Describe the organization or group of organizations which currently support the solution, the strengths they bring to a potential partnership, and any ability to provide matching resources. Describe any other relevant information, such as intellectual property rights associated with the proposed solution, etc.