

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

**FY2013 GLOBAL DEVELOPMENT ALLIANCE (GDA) ANNUAL PROGRAM  
STATEMENT (APS)**

**APS No: APS-OAA-13-000003**

**PUBLIC-PRIVATE ALLIANCES**

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

Key definitions and a list of acronyms used in this GDA APS can be found in [Appendix IV](#).

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### PUBLIC-PRIVATE ALLIANCES

“. . . there is a final ingredient that we have seen in every country that’s grown its way out of the poverty: the emergence of a strong and dynamic private sector. . . The sectors we most associate with development work—healthcare, agriculture, water—are dominated by private sector activity. . . . If we are going to encourage truly sustainable, broad-based economic growth in developing countries, we have to do a far better job of working with private firms—be they domestic or foreign, established or entrepreneurial.”

- USAID Administrator Rajiv Shah  
October 20, 2011

## I. INTRODUCTION

The U.S. Agency for International Development (USAID) is committed to increasing the sustainable impact of our development assistance programs through strategic alliances with the private sector. Such alliances enable the Agency to leverage private sector markets, expertise, interests, and assets in a manner that solves critical development problems and promotes effective market led development. They also enable the private sector to leverage USAID’s expertise, assets and working relationships in a manner that advances business success and fosters the broader economic growth and poverty reduction that is vital to sustaining such success. Through strategic and ongoing collaboration, the private sector and USAID are better able to increase the impact, reach, efficiency, and effectiveness of our respective investments in developing countries worldwide. This Global Development Alliance (GDA) Annual Program Statement (APS) is designed to catalyze, facilitate and support such collaboration.

**The APS is USAID’s invitation to the private sector.** The APS invites private businesses, financial institutions, chambers of commerce, industry associations, foundations, entrepreneurs, investors, philanthropists, and other private-sector organizations to identify and suggest ways we can work together to address key challenges in the developing world in ways that advance our respective interests and objectives. The APS provides the Agency a means of supporting or funding activities that are developed in collaboration with the private sector.

**In addition, the APS is USAID’s invitation to prospective implementing partners (e.g. NGOs, higher education institutions, private sector concerns, etc.) to engage and work with resource partners (e.g. corporations, local businesses, foundations, etc.)** USAID encourages prospective implementing partners, including local and international organizations (for-profit and not-for-profit), to reach out to the private sector and explore ways in which collaboration with

USAID might help each partner – e.g. private sector, NGO, and USAID – to more effectively solve key problems, advance our respective interests, and achieve far greater development results and impacts.

By inviting the private sector to identify ways we can work together, and by encouraging other organizations to work with the private sector to do the same, the Agency seeks to foster a diverse array of results-focused, high impact **Global Development Alliances** (GDAs) - across a variety of regions, countries and technical sectors.

GDAs are a particular type of public-private partnership whereby USAID works with the private sector to tackle important business challenges and development problems - in a replicable, sustainable and scalable manner. USAID pursues and supports Global Development Alliances as a means to increase the sustainable impact of our development assistance programs and more effectively address critical development challenges worldwide. GDAs typically employ market-based approaches and solutions. They are co-created and partners share risks and responsibilities.

When developed in a strategic and collaborative manner, *with a concerted focus on each partner's core interests, objectives and desired outcomes*, GDAs enable USAID, private sector partners, and related implementing partners to achieve a greater level of desired results and impacts than would be achieved without the alliance.<sup>1</sup>

Particular priority is given to alliances that foster or advance an approach and solution to a development challenge that is somehow market-based, market-driven, market-informed or market-oriented.<sup>2</sup> This would include but not be limited to approaches that foster:

- Market development and sustainability;
- Improved supply chains;
- Increased labor productivity and quality workforce development;
- Improved infrastructure;
- Robust social and economic resilience; and
- Systems and enabling environments conducive to innovation, entrepreneurship, business development, and private sector financing and investment.

In an effort to facilitate substantial alliance investments and market-informed approaches, broaden the level of partner engagement, and help enhance the prospects of sustainable, wide scale impact, **a GDA must mobilize private sector expertise, contributions and resources on at least a 1:1 basis**. For example, if USAID (and/or other US Government (USG) agencies or entities) invests \$1 million in an alliance, the array of contributions and resources provided by

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<sup>1</sup> Examples of global development alliances can be found at <http://www.usaid.gov/gda/alliances-action>.

<sup>2</sup> Note: The priority placed on market-based approaches and solutions does not completely preclude consideration and adoption of other types of approaches and solutions, provided such approaches reflect core private sector / business interests and significantly increase the reach, efficiency, effectiveness and sustainable impact of USAID's development investments. However, priority will be given to approaches and solutions that are market-based, market-driven, market-informed or market-oriented. This would be consistent with USAID's commitment to facilitate market-led development.

the private sector partners **must have a value equal to \$1 million and will preferably have a value significantly greater than \$1 million.** The private sector resource contribution must equal and, in general, should significantly exceed the level of resources provided by the USG. In fact, the level of resources mobilized by and from the private sector has historically been three to four times the level of resources contributed by the USG. **USAID refers to this private sector resource mobilization as leverage.** While an alliance may mobilize a variety of other resources from a range of other sources, **the 1:1 leverage requirement must be met through the mobilization of private sector expertise, contributions and resources.** (See [Appendix I: The Leverage Requirement](#) for additional information and requirements regarding leverage. All prospective alliance partners should review Appendix I in its entirety.)

## II. VALUE TO THE PRIVATE SECTOR

Global Development Alliances provide businesses with a number of opportunities to achieve core business interests.<sup>3</sup> By participating in a GDA, businesses have been able to improve supply chain quality and reliability; increase sales; expand their customer base and access to new markets; develop new products and services; reduce operating costs; increase productivity; improve distribution systems; increase access to sufficiently qualified and skilled talent; improve relationships with key stakeholders; increase brand awareness; and mitigate key business risks.

Furthermore, businesses have been able to leverage USAID capabilities and assets to drive results. For example:

- USAID supported technical assistance to small scale distributors in the mobile telecoms sector has helped our private sector partners grow sales to new markets and previously underserved customer groups;
- USAID-supported technical assistance to small-scale farmers and cooperatives has increased the reliability and quality of key agricultural commodity value chains;
- USAID's support for workforce development and education programs in the ICT sector has provided businesses with the mix of human capital needed to improve productivity, reduce investment risk, and expand business operations;
- USAID's support for HIV/AIDS, health and nutrition programs in the manufacturing, textiles, agricultural and extractive sectors has reduced absenteeism among employees or supply chain producers, thereby reducing costs and increasing labor productivity.
- USAID's collaboration with private equity firms and financial intermediaries has fostered increased investment in clean energy technologies and enhanced business opportunities and job creation in the sector, while also enabling the private sector to contribute to the reduction of greenhouse gas emissions and address shareholder concerns.
- USAID-supported policy reforms may help reduce risk, limit regulatory uncertainty and promote a broader enabling environment supportive of business investment and success;
- USAID's convening power, credibility and extensive networks and working relationships with national and local governments, local, regional, and global NGOs, civil society groups, and foundations may help companies expand their license to operate, enhance community relations, and strengthen stakeholder relationships.

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<sup>3</sup> See also <http://www.usaid.gov/gda/gda-tools-resources> for Partnering with USAID: A Guide for Companies

This APS announces opportunities for the private sector to work with USAID to pursue such core business interests and objectives while simultaneously addressing critical development challenges.

### **III. HOW CAN WE WORK TOGETHER TO BUILD A GDA?**

Developing an alliance is a collaborative endeavor founded on robust engagement and ongoing communication. Under the GDA APS, this engagement and communication is conducted through a four step alliance development process:

1. Consult and Clarify with Relevant USAID Personnel
2. Submit a Promising Idea to a USAID Mission, Bureau or Independent Office
3. Formulate Prospective Alliance Activities, Roles and Responsibilities with USAID
4. Finalize an Appropriate Alliance Agreement with USAID

Each of those steps is described in greater detail in Section V below. If your organization is interested in working with USAID, we encourage you to read this GDA APS in its entirety. If you have questions, please contact Ken Lee at [kenlee@usaid.gov](mailto:kenlee@usaid.gov).

### **IV. APPLICANT ELIGIBILITY AND AWARD CONSIDERATIONS**

#### **A. Eligible Applicants**

The following list of potential applicants is not exhaustive and is provided for illustrative purposes only. USAID welcomes applications from many types of organizations including U.S. and non-U.S. private businesses, business and trade associations, foundations, U.S. and non-U.S. Non-Governmental Organizations (NGOs), faith-based organizations, international organizations, U.S. and non-U.S. colleges and universities, civic groups, regional organizations, etc. All applicants must be legally recognized organizational entities under applicable law. An individual cannot apply as an applicant.

In addition, for the following groups the criteria below also apply:

**U.S. and Non-U.S. Non-Profit Organizations:** Qualified U.S. and non-U.S. private non-profit organizations may apply for USAID funding under this APS.

**U.S. and Non-U.S. For-Profit Organizations:** In accordance with 22 CFR 226.81 potential for-profit applicants should note that USAID policy prohibits the payment of fee/profit to the prime recipient under assistance instruments, and as 22 CFR 226.5 states that, unless specifically excluded, all requirements applying to recipients also apply to sub recipients if they meet the definition of “recipients”; therefore, fee/profit under assistance type awards is also prohibited for sub-recipients. Forgone profit does not qualify as cost-sharing or leveraging. If a prime recipient has a (sub)-contract with a for-profit organization for the acquisition of goods or services (i.e., if a buyer-seller relationship is created), fee/profit for the (sub)-contractor is authorized. A for-profit local organization may still want to apply for grant funding under this APS even though it is foregoing profit on the alliance activities. As

determined by the needs of the alliance and development objectives, grant funds may be used to build the capacity of the local organization, whether it is for-profit or non-profit.

**U.S. and Non-U.S. Colleges and Universities:** Qualified U.S. and non-U.S. colleges and universities may apply for funding under this APS. USG and USAID regulations generally treat colleges and universities as NGOs, rather than governmental organizations. Hence, both public and private colleges and universities are eligible. Non-U.S. colleges and universities in countries that are ineligible for assistance under the FAA or related appropriations acts are ineligible.

## **B. Considerations Regarding the Pursuit and Award of USAID Funding**

*Issuance of this GDA APS does not constitute an award or commitment on the part of the U.S. Government, nor does it commit the U.S. Government to pay for costs incurred in the preparation and submission of an application. Prospective applicants should be aware of the following considerations:*

- **Issuance Period: The 2013 GDA APS seeks Global Development Alliance concept papers, letters of interest, and applications (if applicable) for funding through January 31, 2014, although the activities of the alliance can continue beyond this period.** Concept papers, letters of interest and/or proposals received during the stated period, but unable to be negotiated and awarded prior to September 30, 2014 may be considered for award within FY2015. It is expected that the programs supported by a proposed alliance will have a period of performance from 12 to 60 months.
- **Award Discretion: USAID reserves the right to make or not to make awards through this APS.** The actual number of assistance awards, if any, under this APS is subject to the availability of funds and the interests and requirements of Missions and Bureaus/Independent Offices (B/IOs) as well as the viability of proposals received. There is no pre-defined minimum or maximum number of partners or partnerships USAID Missions and B/IOs will support through this APS. However, *USAID will not provide funds under this APS for products and services that would be purchased through a contract.*
- **USAID Funding Sources: The GDA APS is not supported by specific funds.** The GDA APS provides a vehicle for soliciting and receiving letters of interest, concept papers and, if requested, full applications from potential resource and/or implementing partners. Funding and other resources for any alliance must be provided by the relevant USAID Mission or B/IO and the non-USAID partners that are party to a proposal. Consultation with a Mission or B/IO prior to submission of a concept paper or letter of interest under this APS helps determine whether there is potential substantive and resource support for the proposed alliance from USAID before the prospective applicants and their partners invest significant time and resources in the development of an alliance. Note that potential substantive and resource support DOES NOT constitute any sort of commitment to fund a subsequently proposed alliance.

- **Addenda:** While this APS serves as a general solicitation for Global Development Alliance proposals, **Missions and B/IOs may issue addenda to solicit GDA proposals related to their specific priorities, objectives, and programs.** These addenda can be found at [Mission and B/IO Addenda to the GDA APS](#).
- **Award Amounts:** There is no minimum or maximum financial contribution that may be requested by prospective applicants from USAID under this APS.
- **Optional Participation:** Missions and B/IOs may opt to not participate in this worldwide APS or seek alliance proposals/applications by issuing their own solicitations, which can be found at [www.grants.gov](http://www.grants.gov) and [www.fbo.gov](http://www.fbo.gov).

**If the applicant organization is a non-traditional partner,**<sup>4</sup> and the Agency and non-traditional partner are considering the use of a **collaboration agreement**, the Mission/B/IO agreement officer will provide additional guidance during the course of developing the collaboration agreement.

**If the applicant organization is a traditional implementing partner,** such as an NGO, higher education institution, contractor or other organization that has received or is considered appropriate to receive federal funding under grants, fixed obligation grants, cooperative agreements, and/or leader with associate awards, that organization needs to be aware of the following requirements:

1. For U.S. organizations, 22 CFR 226, OMB Circulars and USAID Standard Provisions are applicable to any award that may result from this APS. **Please refer to [www.usaid.gov/policy/ads/300/303.pdf](http://www.usaid.gov/policy/ads/300/303.pdf) for governing regulations, standard provisions, and required certifications that will need to be submitted by applicants at the time of award.** For non-U.S. organizations, Mandatory Standard Provisions mentioned in USAID's Automated Directive System (ADS) 303 are applicable.

2. In order to be eligible to receive US government funding, organizations must meet certain requirements. **While these requirements do not have to be met in order to submit a concept paper or letter of interest under the APS, they will need to be met if the applicant is requested to submit a full application.** The requirements are:

a) Registration Matters

- All first-time applicants for USAID funding are subject to a pre-award survey to verify that the applicant has proper procedures in place to receive USAID funding (ADS 303.3.8)

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<sup>4</sup> A non-traditional partner is defined as a private organization offering resources at a leveraged ratio in excess of one to one, whose principal business purpose is other than foreign development assistance or whose development assistance purpose was recently established, and who has not routinely received federal funding under traditional grants and cooperative agreements. **Note:** For purposes of this APS, new NGOs, HEIs, or development contractors should submit alliance ideas via a concept paper.



- In accordance with 2 CFR Part 25, all organizations (unless exempt) are required to have a Data Universal Numbering System (DUNS) number and register with Central Contractor Registration (CCR). To obtain information regarding the preceding, see the respective links: <http://www.dnb.com> and <https://www.sam.gov/portal/public/SAM/>. Note: the DUNS number must be submitted with the application (it is required on the SF-424).
  - Please allow several weeks for processing through CCR.
  - Some domestic organizations may also need to register as a U.S. Private Voluntary Organization (PVO). Applicants may determine if they meet the definition for a PVO and find registration instructions here (<http://www.usaid.gov/pvo>). Registration is not required before application submission but, if required, must be completed before funding can be disbursed.

#### b) Applications for Federal Assistance

- SF-424, Application for Federal Assistance
- SF-424A, Cost application Information – Non-Construction Programs
- SF-424B, Assurances – Non-Construction Programs
- SF-425, Federal Financial Form
- Certifications, Assurances, Other Statements of the Recipient

Note: The family of SF-424 standard forms can be found at:  
<http://apply07.grants.gov/apply/FormLinks?family=15>.

The SF-425 can be found at:  
[http://www.whitehouse.gov/sites/default/files/omb/assets/grants\\_forms/SF-425.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/grants_forms/SF-425.pdf)  
 and [http://www.whitehouse.gov/sites/default/files/omb/grants/standard\\_forms/SF-425\\_instructions.pdf](http://www.whitehouse.gov/sites/default/files/omb/grants/standard_forms/SF-425_instructions.pdf).

Certifications, Assurances, Other Statements of the Recipient form can be found at:  
<http://transition.usaid.gov/policy/ads/300/303mav.pdf>

Note to All Prospective Applicants: **USAID may also amend this APS from time to time, as necessary or appropriate. Any such amendments can be found at [www.grants.gov](http://www.grants.gov).**

## **V. PURPOSE OF APS AND OVERVIEW OF THE ALLIANCE DEVELOPMENT PROCESS**

This APS is an announcement of USAID’s desire to partner with the private sector. The GDA APS provides a pathway for potential partners to submit Letters of Interest or Concept Papers and, when requested, full applications or other materials needed to finalize a GDA and enter in to an alliance agreement with USAID.

USAID intends that this APS will be used by Missions and B/IOs to provide for full and open competition for any proposed alliance that is responsive to the terms herein. Alliance awards under this APS may take the form of grants, fixed obligation grants, cooperative agreements,

leader with associate awards, or collaboration agreements.<sup>5</sup> *Note: this APS does not satisfy the requirements for competition for procurement of goods and services through acquisition instruments.*

USAID Missions and B/IOs are responsible for the application review process and management of the award process. A diagram of the application process can be found in [Appendix II](#). Questions regarding the application process can be directed to Ken Lee at [kenlee@usaid.gov](mailto:kenlee@usaid.gov).

Developing an alliance is a collaborative endeavor founded on robust engagement and ongoing communication. Under the GDA APS, this engagement and communication is conducted through a four step process.

### **A. Step 1 - Consult and Clarify**

Building an effective GDA requires a mutual understanding of our respective interests and priorities. Past experience demonstrates that the most successful GDAs are grounded at the intersection between core business interests (rather than a purely philanthropic focus) and one or more of USAID's development objectives.

**Alliances developed under this APS must support one or more of USAID's core development initiatives and advance the development objectives and priorities that guide USAID's development assistance programs and investments.** These include the Agency's USAID Forward initiative and the related Implementation and Procurement Reform (IPR). A thorough overview of the Agency's core initiatives, objectives and priorities – at the global and individual country level – can be found at <http://www.usaid.gov/what-we-do> and <http://www.usaid.gov/where-we-work>.

In order to most effectively consider whether and how business and USAID interests might intersect, **USAID seeks extensive communication with prospective private sector partners so we can jointly define key challenges and problems, and then jointly develop promising solutions to those issues.** In addition, organizations seeking to act as implementing partners (e.g. NGOs) are strongly encouraged to consult and communicate with USAID and to include their prospective private sector partners in those discussions.

Early consultation and communication helps prospective partners determine whether their alliance ideas might be aligned with the Mission/B/IO's goals and whether the Mission/B/IO has the resources needed to even entertain or consider alliance ideas. **However, such discussions do not constitute any sort of Agency commitment to developing or supporting an alliance. Nor do they constitute any sort of commitment to fund a proposed alliance.**

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<sup>5</sup> For definitions and descriptions of these types of agreements, please see [http://www.usaid.gov/business/business\\_opportunities/cib/pdf/aapd04\\_16.pdf](http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd04_16.pdf) and ADS 303 at <http://www.usaid.gov/policy/ads/300/303.pdf>.

Past experience demonstrates that the consultation and communication efforts are more likely to foster promising alliance opportunities if prospective partners invest some initial time in the review of USAID initiatives, objectives and priorities.

If interested in working in a particular country, we invite prospective partners to review Mission-specific programs, activities and priorities and contact the USAID Mission in that country as early as possible. See [Mission Priorities & Contacts](#).

If interested in working with a USAID operating unit based in Washington, DC, such as a technical bureau or regional bureau, we encourage you to contact the relevant office. See [USAID/Washington Contacts](#).

Note: Some Missions, Bureaus or Independent Offices may opt not to participate in this APS.

Questions concerning the terms of this APS, the general definition and requirements of a GDA, and the application process under this APS should be submitted to the Global Partnerships Division within the Office of Innovation and Development Alliances. Such questions can be directed to Mr. Ken Lee at [kenlee@usaid.gov](mailto:kenlee@usaid.gov). For a list of frequently asked questions, please see [GDA APS Frequently Asked Questions](#).

## **B. Step 2 - Submit a Promising Idea for Consideration and Development**

If discussions with USAID Missions and/or operating units demonstrate a potentially promising alignment between USAID's interests and objectives and the interests and objectives of particular private sector partners, there are two ways to move forward, depending on whether or not a prospective partner seeks to receive and manage funding from USAID.

If an entity is not interested in receiving or managing any funding from USAID, a technical representative from the M/B/IO will continue collaborating with the entity to develop an appropriate strategy for building an alliance.

If an entity is interested in receiving and managing funding from USAID, the next step depends on the type of organization seeking to partner with USAID:

### **1. Non-Traditional Partners (e.g. businesses, corporations, grant-making foundations, philanthropists, private equity firms, for-profit financial institutions)**

If the prospective alliance partner is a **non-traditional partner**, the prospective partner should develop and submit a 1 to 2 page Letter of Interest (LOI) to the Mission or B/IO for review and consideration, with copy to [gda@usaid.gov](mailto:gda@usaid.gov). See Section VI for further information on what to include in the LOI. After receiving and reviewing the LOI, USAID will provide additional guidance regarding the appropriate next steps.

**NOTE: A non-traditional partner is defined as** “a private organization offering resources at a leveraged ratio in excess of one to one, whose principal business purpose is other than foreign development assistance or whose development assistance purpose was recently established, and who has not routinely received federal funding under traditional grants and cooperative agreements.”<sup>6</sup>

## **2. Traditional Implementing Partners (e.g. NGOs, development contractors, higher education institutions)**

If the prospective alliance partner(s) seeking to receive USAID funding is a **traditional implementing partner**, such as an NGO, higher education institution, contractor or other organization that has received or is considered appropriate to receive federal funding under grants, fixed obligation grants, cooperative agreements, and/or leader with associate awards, the prospective partner(s) need to develop and submit a five page concept paper to the Mission or B/IO for review and consideration, with copy to [gda@usaid.gov](mailto:gda@usaid.gov). See Section VII for further information on what to include in the Concept Paper. After receiving the Concept Paper, USAID has 45 days to review the paper and contact the applicant regarding the proposed alliance.

During the review and consideration of an LOI or Concept Paper, USAID technical and program officers may communicate extensively with the prospective partners. This communication is aimed at clarifying the ideas set forth in the LOI or Concept Paper and determining whether an alliance idea might warrant further development.<sup>7</sup>

### **C. Step 3 - Formulate Prospective Alliance Activities, Roles and Responsibilities with USAID**

If a Mission/B/IO determines that the proposed alliance warrants further discussion, consideration and possible pursuit, technical and program officers from the Mission/B/IO will work with the various partners to jointly develop and build the prospective alliance. Possible alliance activities will be specified; prospective roles and responsibilities of the alliance partners will be delineated; and shared understandings of expected outcomes, results and impact will be developed, including an approach to monitoring and evaluating the progress and success of the alliance.

If the alliance development efforts are productive, the Mission/B/IO will formally request whatever additional information or materials are needed for the Agency to be able to possibly make an award or otherwise provide resources and assistance aimed at supporting alliance implementation. Substantive discussions between USAID technical personnel and the prospective alliance partners will continue during this stage in the process.

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<sup>6</sup> See USAID’s Acquisition and Assistance Policy Directive 04-16 (AAPD 04-16).

<sup>7</sup> The review of concept papers does not entail the convening of a formal Technical Evaluation Committee or the submission of a traditional USAID Technical Evaluation Committee Memo. USAID personnel seeking further guidance on the concept paper review process may contact Ken Lee at [kenlee@usaid.gov](mailto:kenlee@usaid.gov) and reference <http://inside.usaid.gov/idea/gp/gda-aps-guidance>.

In the case of an alliance led by a traditional implementing partner, USAID will typically request a full application from that partner (See Section VIII). In the case of a non-traditional partner, the Agency will likely work with the partner to develop a collaboration agreement; except as otherwise noted in this APS, the requested materials or information will vary and be determined by the Mission/B/IO.

In both cases, the request is not yet a commitment to funding, but a necessary step aimed at making funding possible. USAID will review the requested materials, continue discussions with the prospective partners, and make a determination as to whether or not to provide funding and support to the alliance.

#### **D. Step 4 – Finalize an Appropriate Alliance Agreement with USAID**

If the discussions and reviews conducted during Step 3 result in a determination to fund and support the alliance, USAID will seek to negotiate and finalize an appropriate alliance agreement. Depending on the nature of the lead partner and the activities to be conducted under the alliance, agreements and/or awards may take the form of grants, fixed obligation grants, cooperative agreements, leader with associate awards, or collaboration agreements.<sup>8</sup>

**Note:** At any point during the alliance development process, USAID may seek to work with prospective partners (resource and/or implementing) to develop a Memorandum of Understanding (MOU) that sets forth the various roles and responsibilities envisioned for the various partners to the alliance. While not legally binding, the development of an MOU is often extremely valuable to clarifying the nature of the alliance, delineating mutual expectations, establishing governance and communication approaches, and fostering shared understandings of alliance activities, roles and responsibilities. Further information, including an MOU template, is available at [GDA MOUs](#). Note: The Mission or B/IO will determine whether or not an MOU needs to be in place prior to an award being issued by USAID. See also Section X of this APS.

## **VI. LETTER OF INTEREST INSTRUCTIONS AND EVALUATION FACTORS (Non-Traditional Partners Only)**

***All Letters of Interest (LOI) must be in English and submitted electronically via email. If the Mission or B/IO provides additional instructions, please be sure to follow those instructions.***

If the prospective alliance partner is a non-traditional partner,<sup>9</sup> the partner should submit a one to two page Letter of Interest to the GDA POC at the Mission/B/IO, or other USAID personnel identified by the Mission/B/IO, **with a copy to [gda@usaid.gov](mailto:gda@usaid.gov)**. The Letter of Interest (LOI)

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<sup>8</sup> For definitions and descriptions of these types of agreements, please see [http://www.usaid.gov/business/business\\_opportunities/cib/pdf/aapd04\\_16.pdf](http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd04_16.pdf) and ADS 303 at <http://www.usaid.gov/policy/ads/300/303.pdf>.

<sup>9</sup> A non-traditional partner is defined as a private organization offering resources at a leveraged ratio in excess of one to one, whose principal business purpose is other than foreign development assistance or whose development assistance purpose was recently established, and who has not routinely received federal funding under traditional grants and cooperative agreements.

may take the form of an email or an attachment to an email. The LOI must include the following information:

- a) Solicitation Number (APS No: APS-OAA-13-000003);
- b) Name and address of organization;
- c) Contact point (lead contact name; relevant telephone, and e-mail information).
- d) Brief description of the possible collaboration and alliance with USAID, including the business interest(s) and USAID development objectives to be addressed; the prospective approach and activities that might be implemented; the business expertise, resources and contributions the partner may apply to the proposed endeavors; the type of involvement or support that might be requested from USAID; and the potential results to be achieved.
- e) Signature of authorized representative of the applicant.

Letters of Interest may be submitted through January 31, 2014. Note that Letters of Interest, if received before January 31, 2014, may also be considered for funding in FY2015.

USAID will consider the following factors when evaluating the alliance opportunity proposed in a Letter of Interest:

- Alignment with Mission/B/IO's strategic objectives and programming priorities;
- Prospective development impact (feasibility, scalability, sustainability); and
- Potential value proposition, e.g. the extent to which the proposed collaboration may increase the impact, reach, efficiency and effectiveness of USAID's development assistance investments.

## VII. CONCEPT PAPER INSTRUCTIONS

*All concept papers must be in English and submitted electronically via email. If the Mission or B/IO provides additional instructions, please be sure to follow those instructions.*

**All Concept Papers must contain the items below (A, B, C) and must not exceed the page limits specified for each item. Concept Papers shall include:**

A. Completed Summary Form:

1. Please see [GDA APS Resources](#) for a copy of the Summary Form.
2. Concept papers will not be accepted unless the Summary Form is completed.
3. Do NOT use an alternative document to submit the information requested on the Summary Form.

B. Description of Alliance Activity, Roles, Resources and Experience (**5 pages in total**, standard margins, 12pt Times New Roman font):

1. Concise title and overall objective;

2. Description of the proposed activity and discussion of the objectives, approach, and how the work will help address a significant development challenge and accomplish a field Mission or B/IO's specific strategic objectives for that development challenge within a defined timeframe;
3. Anticipated outputs, outcomes, results and intended impact of the alliance;
4. Proposed duration of the GDA activity;
5. Interests, objectives, roles, level of effort, and responsibilities of the prospective partner organization(s);
6. Proposed cash and in-kind contributions and resources from prospective partner organizations, broken down as follows:
  - a. Leverage (defined as private sector contributions and resources eligible to be counted toward the 1:1 leverage requirement – See [Appendix I: The Leverage Requirement](#))
  - b. Cost-share – if applicable (contributions and resources from the prospective implementing partners/award recipients; exclusive of leverage)
  - c. Contributions and resources from other partners (e.g. PIOs, host-country governments, bilateral and multilateral donors, etc.)
  - d. Note: This information must be provided and discussed in the body of the paper; do not simply refer reader to budget attachment.
7. Description of how contributions and resources identified under #6 will support specific alliance activities and how such support will contribute to particular outputs, outcomes, results and intended impacts;
8. Brief discussion of how the key activity will be sustainable without continued USAID funding after the GDA program ends;
9. Type of support and amounts the applicant requests from USAID (e.g., funds, facilities, equipment, materials, personnel resources, etc.);
10. Brief description of each prospective partner's previous work and experience, including but not limited to experience working in public private partnerships. This includes the applicant's previous work and experience.
11. Brief description of the monitoring and evaluation approach to be used, including how success will be defined, the availability of baseline data, the use of control groups, or the definition and development of comparison groups and counterfactuals.<sup>10</sup>

C. Supporting Information (Attachments – **Must not exceed 4 pages in total**):

1. Proposed estimated cost and cost breakdown (including proposed budget and projections) – **1 page maximum**;
2. Letter(s) of support, intent or commitment from the main private sector resource partner(s). Each letter should demonstrate the applicant's collaboration with the private sector resource partner in developing the proposed alliance ideas, identify the interests the resource partner has in the alliance, and describe the resources and contributions the private sector resource partner intends to provide to the alliance. Applicants may submit up to 3 one-page letters.

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<sup>10</sup> For additional information on USAID Evaluation Policy, please see [www.usaid.gov/evaluation](http://www.usaid.gov/evaluation).

*If an applicant submits materials not specifically requested in the instructions above, or submits any material that exceeds the page limits specified above, USAID reserves the right, at its option, to reject the entire submission or to disregard any information beyond the specified page limits. USAID may also require the applicant to wait 60 days before submitting a new concept paper under this GDA APS.*

## VIII. CONCEPT PAPER EVALUATION CRITERIA AND CONSIDERATIONS

The following section outlines the criteria and considerations that will be used to review and evaluate concept papers submitted under this APS.

### **1. Alignment with Mission/B/IO's Strategic Objectives and Programming Priorities:**

The proposed activity must align with the targeted Mission/B/IO's strategic plan (including Country Development Cooperation Strategies) and programming priorities.

### **2. Development Impact: Feasibility, Sustainability and Scalability:** USAID will evaluate the prospective development impact of the proposed alliance, paying particular attention to:

a) **Feasibility:** The alliance should have well-defined and achievable objectives. The enabling environment and the proposed combination of partner assets, resources and expertise should be sufficient to yield significant impact on a specific and important development challenge. Financial and technical approaches must be viable. In addition, the involvement of local partners and/or beneficiaries in the development and implementation of the alliance should be clear and sufficient enough to indicate the alliance will be successful.

b) **Sustainability:** The alliance should demonstrate the potential to yield sustainable solutions to the development challenge being addressed. The private sector resource partner should express a business/philanthropic case that demonstrates their long-term vision and commitment to the targeted markets and communities. In addition, the proposed alliance should engage and strengthen the human and institutional capacity of local partners and local beneficiary organizations (private, non-profit, public).

c) **Scalability:** USAID will consider whether and how the proposed approaches can be scaled or replicated in a manner that would offer a broader set of impacts at the national, regional or global level.

**3. Alliance Value Proposition:** Quality alliances increase the impact, reach, efficiency and effectiveness of USAID's development assistance investments by mobilizing significant new resources, ideas, technologies and/or partners to address and solve critical development problems and related business challenges.<sup>11</sup> Successful alliances are characterized by and designed to achieve clear, measurable, and mutually understood objectives, outcomes and results.

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<sup>11</sup> See <http://www.usaid.gov/what-we-do> and <http://www.usaid.gov/where-we-work> for additional information on Agency and Mission priorities.



Alliances should offer USAID a compelling value proposition. They should offer a level of efficiency and impact, or “return on investment” that exceeds that which could be achieved by investing resources in non-alliance approaches. The Agency is particularly interested in GDAs that a) incorporate replicable and scalable approaches and b) leverage resources and working relationships in a manner that generates sustainable solutions and impacts. In addition, to be considered a Global Development Alliance, the proposed partnership should generally support and advance market-based, market-driven, market-informed or market-oriented approaches and solutions.<sup>12</sup>

**4. Partners:** The proposed partnership must involve at least one of the following types of private sector partners as a critical and core partner under the alliance:

- a) Private for-profit entities such as a business, corporation, or private firm;
- b) Private equity or private financial institutions, including private investment firms, mutual funds, or insurance companies;
- c) Private investors (individuals or groups);
- d) Private business or industry associations, including but not limited to chambers of commerce and related types of entities;<sup>13</sup>
- e) Private grant-making foundations or philanthropic entities;<sup>14</sup> or
- f) Private individuals and philanthropists.

In addition, as demonstrated by USAID’s Implementation and Procurement Reform, involving a wide array of local partners - private, non-profit, and public – is a key Agency priority. Alliance activities at the country level that incorporate local businesses and entrepreneurs as partners and/or beneficiaries in the design and implementation of an alliance are most likely to be successful and sustainable. Local ownership, leadership and beneficiary participation are keys to success. Alliances should engage local partners as core implementers and assets, while also strengthening the human and institutional capacity of local partner and beneficiary organizations. Whenever possible, the proposed alliance should bring new development actors into partnership with USAID and or expand USAID’s engagement with business, social entrepreneurs, foundations, private philanthropists and Diaspora communities. The partners should demonstrate a strong commitment to the proposed alliance, experience partnering with others, and, where applicable, a proven track record in their particular areas of expertise.

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<sup>12</sup> Note: The priority placed on market-based approaches and solutions does not completely preclude consideration and adoption of other types of approaches and solutions, provided such approaches reflect core private sector / business interests and significantly increase the reach, efficiency, effectiveness and sustainable impact of USAID’s development investments. However, priority will be given to approaches and solutions that are market-based, market-driven, market-informed or market-oriented. This would be consistent with USAID’s commitment to facilitate market-led development.

<sup>13</sup> Such associations and entities must be private; quasi-governmental associations would not satisfy the partner requirement.

<sup>14</sup> If an NGO receives awards and funding from external sources and then makes sub-grants to other organizations as part of implementing such awards, it does not thereby become defined as a grant making foundation or philanthropic entity. An organization must be formally constituted as such a foundation or entity; in fact, the vast majority of USAID’s NGO implementing partners do not fall within this category.

Prospective partners under any alliance must be organizations with a reputation for integrity and the highest standard of conduct.<sup>15</sup> They should demonstrate a respect for human rights, gender sensitivity, the inclusion of people with disabilities and other vulnerable groups, decent work conditions, environmental consciousness, and community involvement in their operational practices. Preference will be given to alliances that engage underserved populations (especially women and youth) and communities as primary beneficiaries.

**5. Leverage:** The proposed alliance should satisfy the leverage requirements set forth in [Appendix I: The Leverage Requirement](#). **All prospective alliance partners should carefully and thoroughly review Appendix I.** A GDA must mobilize private sector expertise, contributions and resources on at least a 1:1 basis – and preferably much greater.<sup>16</sup> The concept paper should demonstrate the commitment of the resource partners to provide resources and contributions consistent with the leverage requirements under this APS.<sup>17</sup> In addition, the concept paper must demonstrate how the proposed leverage will enhance results and increase the reach, efficiency, effectiveness and sustainable impact of the proposed alliance. USAID seeks to support programs that provide the best cost per development impact proposition.

The appropriate technical and/or program officer serving as the USAID Mission/B/IO’s point of contact for GDA concept papers, or his/her designee, will review the concept paper using the criteria above and notify the applicant within 45 calendar days after receipt of the concept paper as to whether or not USAID wishes to further discuss the proposed alliance. Such discussions will enable the Mission/B/IO to determine whether there is interest in requesting a full application. The Mission/B/IO may ask that one or more of the prospective alliance partners also participate in such discussions. The Mission/B/IO may also elect to independently communicate with one or more of the prospective alliance partners, such as companies identified as strategic resources partners, to discuss matters related to the alliance.<sup>18</sup>

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<sup>15</sup> USAID only enters into alliances with organizations and individuals who exhibit fiscal responsibility, character, and integrity. In order to make this determination regarding potential partners, USAID undertakes due diligence. The extent of and approach to the due diligence will vary depending on the context and the potential partners. For example, a prospective alliance with a locally-owned private company in a developing country is likely to be quite different from one with a major multinational corporation. Applicants under this APS should conduct their own due diligence on proposed partners and are welcome to provide to USAID any information regarding proposed partners deemed useful for USAID’s due diligence related deliberations. USAID may request any partners proposed for an alliance under this APS to respond to any issues/concerns that arise during USAID’s due diligence review. Failure to respond to or resolve serious concerns that arise during the due diligence process will be cause for non-award. For reference, USAID’s guidelines for conducting due diligence can be found at [Due Diligence Step by Step Guide](#).

<sup>16</sup> Alliance ideas capable of engaging the private sector in a manner that fosters significantly greater levels of development impact, extensive private sector commitment, and higher ratios of private sector resource mobilization relative to USG resource contributions, such as 5:1 or higher, will generally be more compelling.

<sup>17</sup> The concept paper should indicate which partner will be reporting and confirming the provision of the leverage and substantiating the value of that leverage. Valuations of leverage should be grounded in objective measures and meet a “reasonable person” standard, keeping in mind that USAID is a USG agency whose programs are subject to Congressional review and significant public attention and scrutiny. USAID has provided some illustrative guidance and a leverage tracking sheet for use if an applicant is asked to submit a full proposal and subsequently receives an award under this APS. While the tracking sheet is not required, many partners may find it of value. The sheet can be found at [GDA APS Resources](#) and is briefly discussed in Section XI.

<sup>18</sup> USAID personnel seeking more information on partner discussions and the concept paper and full application review process may visit <http://inside.usaid.gov/idea/gp/gda-aps-guidance> or contact Ken Lee at [kenlee@usaid.gov](mailto:kenlee@usaid.gov).

If as a result of these various discussions, the Mission/B/IO makes a positive determination regarding the concept paper and decides a full application is warranted, the technical and/or program officer serving as the USAID Mission/B/IO's point of contact for GDA concept papers, or his/her designee will inform the applicant of that determination and decision. At that point, an Agreement Officer for the specific Mission/B/IO will provide the necessary additional instructions, technical requirements and specific evaluation criteria for a full application. USAID technical or program personnel will continue to communicate with the applicant and prospective alliance partners regarding the substance of the alliance.

## **IX. FULL APPLICATION INSTRUCTIONS FOR ORGANIZATIONS WHICH SUBMITTED CONCEPT PAPERS UNDER THIS APS<sup>19</sup>**

**All applications must be in English and submitted electronically via email as instructed by the USAID Agreement Officer.**

If the Mission/B/IO favorably reviews the applicant's final concept paper, **the Agreement Officer for the Mission/B/IO will provide specific requirements and instructions for the full application.**<sup>20</sup> However, any full application submitted under this GDA APS must include all the information requested in a Concept Paper as well as the following:

1. A detailed monitoring and evaluation plan, including the gathering of baseline data, and the use of control groups and/or counterfactual approaches.
2. Letter(s) of intent or commitment from all partners to the alliance. Applicants may use the letters from the private sector partners that were submitted with the original concept paper provided the letters are revised to reflect the resource contributions, roles and responsibilities the private sector partners have agreed to during the alliance development discussions.
3. Detailed sustainability plan clearly demonstrating how activities will continue in the long term without USAID support when the GDA program ends.
4. Detailed budget and financial plan with major line items, identification of funding source (i.e., by partner) for each, and a narrative description of what the resources will be used for. Cost-share resources should be distinguished from leverage resources.
5. Statement outlining gender and disability integration issues and how the applicant proposes to address the issues.
6. Implementation Schedule
7. Branding and Marking plans

Additional requirements will be specified by the Mission/B/IO Agreement Officer.

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<sup>19</sup> These instructions apply to institutions that submitted a concept paper and were subsequently asked to submit a full application. As noted on pages 9 and 12 of this GDA APS, **non-traditional partners** entering in to a collaboration agreement with USAID will receive separate guidance consistent with the development of such an agreement.

<sup>20</sup> USAID personnel can contact Ken Lee at [kenlee@usaid.gov](mailto:kenlee@usaid.gov) for sample requests for full application. Such materials are not available to prospective applicants or their partners.

*Note: An invitation to submit a full application does not constitute an award; USAID may choose to not fund applications even after they have been requested. If that happens, a USAID Agreement Officer will communicate the reasons for such a decision.*

## **X. AWARDING OF ALLIANCES BASED ON THE FULL APPLICATION PROCESS**

Following the application review by the Mission or B/IO, applicants will be advised that USAID has the discretion to: award without discussion; award a portion of the award; or not to award at all. If USAID is interested in funding the application, the Mission or B/IO will complete its due diligence regarding the partner organizations and determine whether a Memorandum of Understanding (MOU) should be completed with any of the partners under the alliance.

Memoranda of Understanding are used to convey the objectives of the alliance, the core program activities, and the division of responsibilities and risks among the alliance partners. The allocation of responsibilities among alliance partners will reflect the interests of the partners, the best use of contributions from multiple partners, and the appropriate assignment of management and implementation responsibilities. Illustrative examples of USAID and partner roles and responsibilities can be found at [GDA APS Resources](#).

In addition, the requirements for reporting on the alliance and the underlying program activities will be determined in a collaborative manner among the alliance partners and should be outlined in the Memorandum of Understanding. An annual performance monitoring plan, using established baseline data and specific, measurable targets and indicators, will also be agreed to by the alliance partners and should be documented in the MOU. Requirements for evaluations and financial and other reporting may also be set forth in Assistance Agreements executed with USAID. For additional information on MOUs, please see [GDA MOUs](#).

Following favorable negotiations, USAID may award a grant, cooperative agreement, leader with associates, fixed obligation grant, or collaboration agreement to the institution proposing the alliance or to a third entity that was proposed to implement a jointly funded alliance. See USAID ADS 303 [www.usaid.gov/policy/ads/300/303.pdf](http://www.usaid.gov/policy/ads/300/303.pdf).

## **XI. ADDITIONAL RESOURCES: The Leverage Requirement, Process Diagram, Related Websites, Key Definitions and Acronyms, Frequently Asked Questions**

### **A. [The Leverage Requirement \(Appendix I\)](#)**

Given the critical importance of leverage and the leverage requirement, the GDA APS includes an appendix dedicated to explaining and clarifying that requirement. Please see [Appendix I: The Leverage Requirement](#). **All prospective alliance partners should carefully and thoroughly review Appendix I in its entirety.**

Valuations of leverage should be grounded in objective measures and meet a “reasonable person” standard, keeping in mind that USAID is a USG agency whose programs are subject to Congressional review and significant public attention and scrutiny. Various partners have sought assistance in valuing and tracking the resources they propose to leverage under an alliance. As a

result, USAID has provided some illustrative guidance and a leverage tracking sheet for use if an applicant is asked to submit a full proposal and subsequently receives an award under this APS. While use of the tracking sheet may or may not be required as part of an alliance award, it will undoubtedly be a valuable tool for many partners. The guidance and worksheet are available at [GDA APS Resources](#).

#### **B. Diagram of Application Process (Appendix II)**

A diagram of the application process is provided in [Appendix II](#).

#### **C. Key Websites, Applicable Regulations and References (Appendix III)**

For ease of reference, [Appendix III](#) provides an inventory of key websites, applicable regulations and references noted in this APS.

As noted throughout this APS, alliances developed by prospective partners must support one or more of USAID's core development initiatives and advance the development objectives and priorities that guide USAID's development assistance programs and investments. This includes the Agency's USAID Forward initiative and the related Implementation and Procurement Reform (IPR). A thorough overview of the Agency's core initiatives, objectives and priorities – at the global and individual country level - can be found at <http://www.usaid.gov/what-we-do> and <http://www.usaid.gov/where-we-work>. Prospective partners should carefully review those initiatives, objectives and priorities in order to determine whether and how business and USAID interests might intersect, as well as the types of collaboration and resources that will be most effective in achieving those interests.

#### **D. Key Definitions and Acronyms (Appendix IV)**

For ease of reference, Appendix IV provides a list of key definitions and acronyms used in this APS.

#### **E. Frequently Asked Questions**

Over the course of the past twelve years, USAID has supported more than 1500 global development alliances around the world. A number of frequently asked questions have arisen over the course of that experience. Responses to those questions are provided at [GDA APS Frequently Asked Questions](#).

**The GDA Leverage Requirement:  
Increased Impact via Private Sector Engagement and Resource Mobilization**

In an effort to facilitate substantial alliance investments, broaden the level of partner engagement, and help enhance the prospects of sustainable, wide scale impact, **a GDA must mobilize private sector expertise, contributions and resources on at least a 1:1 basis.** For example, if USAID (and/or other US Government (USG) agencies or entities) invests \$1 million in an alliance, the array of contributions and resources provided by the private sector partners **must have a value equal to \$1 million and will preferably have a value significantly greater than \$1 million.** The private sector resource contribution must equal and, in general, should significantly exceed the level of resources provided by the USG. In fact, the level of resources mobilized by and from the private sector has historically been three to four times the level of resources contributed by the USG.<sup>21</sup> **USAID refers to this private sector resource mobilization as leverage.**<sup>22</sup> While an alliance may mobilize a variety of other resources from a range of other sources, **the 1:1 leverage requirement must be met through the mobilization of private sector expertise, contributions and resources.**<sup>23</sup>

**A. Leverage as Means to Increased Impact**

USAID is seeking to maximize cost-efficient development impact. While private sector resources are programmatic inputs to an alliance, USAID and the alliance partners should identify, mobilize and apply private sector contributions and resources (both cash and in-kind) based on how those resources will expand the reach, efficiency, effectiveness and sustainable impact of the alliance. **While leverage is an input, the purpose of leverage is impact.**

The resources and contributions mobilized from the private sector should, in combination with the support requested from USAID, provide the alliance with a comparative advantage (over not using an alliance) in achieving significant and sustainable impact on the targeted development challenge. Partners need to articulate the unique contributions and value that the private sector resources and partners bring to the project and how such contributions and value will help produce significant development results better, faster, and/or more cost effectively, and with a greater chance of long-term sustainability.<sup>24</sup>

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<sup>21</sup> Alliance ideas capable of engaging the private sector in a manner that fosters significantly greater levels of development impact, extensive private sector commitment, and higher ratios of private sector resource mobilization relative to USG resource contributions, such as 5:1 or higher, will generally be more compelling.

<sup>22</sup> The Agency policy underlying the application of leverage in the 2013 GDA APS can be found in AAPD 04-16.

<sup>23</sup> USAID recognizes that in many instances, resources mobilized from other sources might be critical to the success of an alliance, its ability to foster and advance market based approaches and solutions, and its ability to increase the reach, efficiency, effectiveness and sustainable impact of USAID's investments. For example, contributions from host country governments and Public International Organizations (PIOs) such as the World Bank or UNDP could be vital to the scope or sustainability of alliance results. In such cases, these contributions can be counted toward the **overall resource mobilization** achieved by the alliance. **However, the mobilization of such additional resources does not count toward nor substitute for leverage. The 1:1 private sector resource mobilization requirement – the leverage requirement – must always be satisfied.**

<sup>24</sup> The Agency recognizes, expects and advocates that the private sector contributions and resources should advance the core interests of the private sector partner. Indeed, seeking the intersection between those core interests and USAID's development objectives is a core aspect of the GDA model (<http://www.usaid.gov/gda>). At the same time, USAID resource investments are not subsidies to the private sector or substitutes for private sector investments that

Meeting the leverage requirement is not a narrow accounting exercise. Rather, it is an effort to identify the programmatic inputs that will most effectively increase the impact of USAID's development assistance and the success of the alliance. While some prospective implementing partners sometimes express concerns or anxieties about meeting the requirement, past experience demonstrates that proactive collaboration with the private sector to determine the most effective way to address a critical development challenge typically reveals a variety of resources and assets that can be mobilized to advance the success of the alliance. Prospective implementing partners should focus on identifying the core interests of the private sector partners, the business challenge and development problem to be solved, and the array of expertise, assets, and working relationships the various partners can mobilize to develop and apply a high impact solution. The resulting leverage typically exceeds the 1:1 requirement.

Different sets of private sector resources and contributions may have the same dollar value, but may have very different implications for the quality and quantity of results and impact achieved via an alliance. When considering various types of private sector resources and contributions that might be used to meet the 1:1 leverage requirement, alliance partners should work together to determine the outcomes, results and impact that would likely result from applying those resources and contributions and which resources offer the greatest value proposition. If any given private sector resource or contribution doesn't significantly enhance the scale, efficiency, effectiveness and sustainable impact of USAID's development investments, the Agency will not count those resources toward the 1:1 leverage requirement.

In addition, the Agency will prioritize private sector resources and contributions based on which offer the greatest prospect and value with regard to increasing the scale, efficiency, effectiveness and sustainable impact of USAID's development investments. In general, and consistent with USAID's commitment to facilitate market-led development, the mobilized resources and contributions should support and advance market-based, market-driven, market-informed or market-oriented approaches and solutions.<sup>25</sup>

## **B. What Counts and Doesn't Count as Leverage**

In order to count toward the 1:1 private sector resource mobilization requirement and constitute leverage, the contributions and resources mobilized from the private sector must satisfy the criteria set forth in this section while also offering the sort of increased impact and value proposition discussed in Section A of this appendix.

### **1. What Counts?**

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would otherwise be made in the absence of USAID's resources. The Agency's resources work in combination with the private sector resources; this enables the partners to achieve a set of outcomes, results and impacts that advance each of the partner's respective interests, while also fostering a broader social and economic good, asset or situation that others can draw upon to advance social and economic development.

<sup>25</sup> Note: The priority placed on market-based approaches and solutions does not completely preclude consideration and adoption of other types of approaches and solutions, provided such approaches reflect core private sector / business interests and significantly increase the reach, efficiency, effectiveness and sustainable impact of USAID's development investments. However, priority will be given to approaches and solutions that are market-based, market-driven, market-informed or market-oriented. This would be consistent with USAID's commitment to facilitate market-led development.

**In practice, leverage is typically a combination of cash and in-kind contributions.** Examples of in-kind contributions that USAID might accept as leverage include:

- Commodities<sup>26</sup> such as drugs, foodstuffs or equipment
- Use of training or other purpose-specific facilities necessary to a program's implementation
- Value of time donated by technical consultants or company employees whose work and expertise is necessary to a project<sup>27</sup>
- Value of salaries for staff dedicated to a project
- Technology, communications and capital assets
- Intellectual property rights
- Licenses

When determining whether or not the private sector resources and contributions can count as leverage, USAID applies the following criteria:

**a) Nature and Origin:** The contributions and resources should originate and be mobilized for the explicit purpose of supporting and advancing the alliance. The resource mobilization should stem from the active engagement of the private sector partner in the design and development of the alliance in question.<sup>28</sup> As a result, the contributions and resources must be private in nature and origin;<sup>29</sup> they must come from a critical and core partner to the alliance; and they must come from one or more of the following sources:

- i. Private for-profit entities such as a business, corporation, or private firm;
- ii. Private equity or private financial institutions, including private investment firms, mutual funds, or insurance companies;
- iii. Private investors (individuals or groups);
- iv. Private business or industry associations, including but not limited to chambers of commerce and related types of entities;
- v. Private grant-making foundations or philanthropic entities;<sup>30</sup> or
- vi. Private individuals and philanthropists.<sup>31</sup>

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<sup>26</sup> Note that the GDA APS should not be used to solicit funds for transportation of donated commodities.

<sup>27</sup> While USAID recognizes that various types of volunteers can add value to the implementation of an alliance, the value of volunteer time typically does not count as leverage unless it is provided by employees or technical consultants who work for or with one of the private sector **institutions** listed in Section B.1 of this appendix. If an organization wishes to seek an exception to this practice, the organization would have to provide reliable objective data capable of supporting a clear and specific valuation of the services to be rendered by the volunteers, being sure to account for known or likely variations in the expertise, experience and performance of the various volunteers.

<sup>28</sup> For example, if one of the private sector entities listed in B.1 Nature and Origin made a contribution to an NGO or higher education institution (HEI) to support the NGO's or HEI's broad mission, the NGO or HEI might seek to draw on that contribution to meet the leverage requirement. Such a contribution would not count toward the leverage requirement because it was not originally provided to advance the alliance, nor did it stem from the engagement of the private sector entity in the design and development of the alliance in question.

<sup>29</sup> Funding from other USG agencies does not count toward leverage. On the contrary, alliances are generally expected to mobilize and leverage resources at a level that equals or exceeds the overall USG contribution to the alliance, not just USAID's contribution.

<sup>30</sup> If an NGO receives awards and funding from external sources and then makes sub-grants to other organizations as part of implementing such awards, it does not thereby become defined as a grant making foundation or philanthropic entity. An organization must be formally constituted as such a foundation or entity; in fact, the vast majority of USAID's NGO implementing partners do not fall within this category.

<sup>31</sup> Note: under this APS, traditional implementing partners, such as NGOs or HEIs, regardless of whether the HEI is private or public, do not satisfy the source criteria set forth here in B.1(a). As a result, resources contributed by such



**b) Value Proposition and Development Impact:** The resources and contributions mobilized from the private sector should, in combination with the support requested from USAID, provide the alliance with a comparative advantage (over not using an alliance) in achieving significant and sustainable impact on the targeted development challenge. Partners need to articulate the unique contributions and value that the private sector resources and partners bring to the project and how such contributions and value will help produce significant development results better, faster, and/or more cost effectively, and with a greater chance of long-term sustainability.<sup>32</sup> In general, the mobilized resources and contributions should support and advance market-based, market-driven, market-informed or market-oriented approaches and solutions as this would be consistent with USAID’s commitment to facilitating market-led development.<sup>33</sup>

**c) Measurable:** The resources and contributions must be something of value that can be measured in some form that permits evaluation of the contribution’s impact on achieving desired results.

**d) Composition:** Generally, a minimum of 25% of the private sector resources and contributions should be in the form of cash. Consistent with the impact objectives discussed in Section A of this Appendix, USAID may consider lower levels of cash if the alternative resources and contributions clearly offer greater results and impact. However, higher levels of cash tend to be preferred given the flexibility cash provides with regard to supporting alliance activities. In addition, and depending on the alliance ideas in question, the partners involved, and other circumstances and considerations, M/B/IOs may encourage or specifically request higher levels of cash contributions – either as part of an applicant’s concept paper or, if warranted, an applicant’s full application.

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traditional implementing partners would not satisfy the Nature and Origin criteria set forth in this section and would not count as leverage. (However, such resources could be counted toward the overall resource mobilization achieved by an alliance). With regard to traditional implementing partners and their valuable assets and expertise, this APS seeks to promote their extensive outreach to and engagement of the private sector partners listed in B.1(a) so as to identify ways in which our collaborative efforts and our diverse assets and expertise can increase the reach, efficiency, effectiveness and sustainable impact of our joint and respective development investments. This should help all of us (USAID, our traditional implementing partners, and the private sector) better develop and implement innovative and highly effective development solutions. See also Section C of this Appendix.

<sup>32</sup> USAID recognizes, expects and advocates that the private sector contributions and resources should advance the core interests of the private sector partner. Indeed, seeking the intersection between those core interests and USAID’s development objectives is a core element of the GDA model (<http://www.usaid.gov/gda>). At the same time, USAID resource investments are not subsidies to the private sector or substitutes for private sector investments that would otherwise be made in the absence of USAID’s resources. The Agency’s resources work in combination with the private sector resources; this enables the partners to achieve a set of outcomes, results and impacts that advance each of the partner’s respective interests, while also fostering a broader social and economic good, asset or situation that others can draw upon to advance social and economic development.

<sup>33</sup> Note: The priority placed on market-based approaches and solutions does not completely preclude consideration and adoption of other types of approaches and solutions, provided such approaches reflect core private sector / business interests and significantly increase the reach, efficiency, effectiveness and sustainable impact of USAID’s development investments. However, priority will be given to approaches and solutions that are market-based, market-driven, market-informed or market-oriented as this would be consistent with USAID’s commitment to facilitating market-led development.

If resources that are mobilized to advance an alliance do not satisfy the above criteria, they cannot be deemed leverage and would not count toward the 1:1 private sector resource mobilization requirement.<sup>34</sup>

Questions often arise regarding the timing and reliability of proposed leverage. So long as the mobilization and provision of the resources takes place as a consequence of the resource partner's participation in alliance development discussions (See above Criteria #2: Purpose and Rationale), the resources can be mobilized – in whole or in part – at various times: at the outset of the alliance development discussions; during the subsequent alliance development efforts; or at the time of or subsequent to the signing of the alliance MOU or USAID's agreement with an implementing partner whose work will implement activities under the alliance.<sup>35</sup> Typically, resources are formally mobilized subsequent to the signing of an alliance MOU or USAID's agreement with the implementing partner under an alliance. However, private sector resources may be contributed throughout the alliance and partners may elect to stage their contributions. If resources and contributions are not mobilized prior to the signing of an alliance MOU or USAID agreement with implementing partners, the contribution of the resources should be reliable enough to provide USAID and the other alliance partners with high confidence levels and the ability to reasonably rely upon such resources in the planning and implementation of activities under the alliance.

## **2. Can Equity and Loans Count as Leverage?**

Questions also arise regarding the use of equity, loans or loan guarantees as leverage. Under the 2013 GDA APS, USAID will conduct a pilot approach. Under this pilot, equity investments and loans can be used as leverage subject to the considerations set forth in the next two paragraphs and the criteria listed in the sections entitled "Equity Investments," "Loans," and "Private Loan Guarantees." In addition, IDEA/GP will develop and provide a set of [illustrative equity and loan examples](#) as this pilot unfolds. Please note that loans and loan guarantees provided under a DCA activity cannot be counted as leverage.

If the Mission/B/IO becomes aware that partners to an alliance are seeking to count equity or loans as leverage, the Mission/B/IO should inform IDEA/GP. As this is a pilot, IDEA/GP is committed to bringing together the appropriate Mission and USAID/W personnel in a collaborative effort aimed at facilitating shared knowledge of emerging approaches. Such collaboration will hopefully foster more effective approaches and accelerate replication of such approaches. In order to promote and ensure this collaboration, IDEA/GP clearance will be needed before equity or loans can formally be approved as leverage. Questions about and requests for clearance should be submitted by the Mission/B/IO to Ken Lee at [kenlee@usaid.gov](mailto:kenlee@usaid.gov).

USAID builds alliances with the private sector in an effort to mobilize our respective resources, expertise and other assets in a manner that advances our relevant interests and increases the scale, efficiency, effectiveness and sustainable impact of the Agency's development investments. Our contributions are not a subsidy to the private sector or commercial investment but a set of complementary and supplementary assets that, in conjunction with the private sector's

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<sup>34</sup> Of course, such resources could count toward the overall resource mobilization achieved via the alliance if they are deemed relevant and valuable to advancing the objectives and success of the alliance.

<sup>35</sup> An exception can be made for resources provided to USAID by a private sector entity under USAID's gift authority. Such funding might be provided well before an alliance is discussed or actually developed.

engagement, increase the development results and impact arising from our respective efforts and investments. Typically, USAID's involvement and contributions are meant to address matters that the private sector would likely not otherwise address or be able to address as effectively.

**Equity Investments:** In keeping with the perspective set forth in the previous paragraph, equity investments can count toward leverage if each of the following conditions is met:

- **MOU** - The entities providing the equity investments have engaged in extensive communication, robust collaboration and the joint design and development of alliance activities with USAID; each of the entities providing the equity investments and USAID understands and is able to articulate the shared and respective roles, responsibilities, risks and rewards facing the partners to the alliance; and an MOU is entered into between USAID, the entities providing the equity investment, and other partners to the alliance as appropriate.<sup>36</sup>
- **APS Criteria and Requirements** - The other evaluation criteria and leverage requirements set forth in this APS are satisfied, including how the equity investments will contribute to clear, measurable and significant outputs, outcomes, results and impact and how the equity investments will help produce clear, measurable and significant development results better, faster, and/or more cost effectively, and with a greater chance of long-term sustainability. In addition, and consistent with Section B.1 (a) noted above, the equity should be new equity that will be invested concurrent with the implementation of the alliance;
- **Increased Development Results** - USAID's participation in the proposed alliance enables the equity investment of the resource partner to be leveraged in a manner that will significantly increase or improve development results stemming from such investments;
- **Expanded Activity** - USAID's participation in the proposed alliance prompts additional actions or engagements by the equity investors that would not have taken place in the absence of USAID's involvement and that will increase or improve the results of the alliance;<sup>37</sup>
- **Broader Benefit** - The alliance fosters a broader public, social and economic good, asset or situation that others can draw upon to advance social and economic development and USAID funding is used to support activities that benefit parties beyond just the equity investors or the businesses in which the equity is invested. For example, the alliance helps foster the development of institutions and a broader ecosystem or enabling environment conducive to equity investment consistent with advancing broad-based, inclusive economic growth; or the alliance involves

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<sup>36</sup> In conducting the due diligence required to enter in to an MOU, and consistent with the risk and reputation concerns that underlie the due diligence requirement, USAID should determine whether the equity investor(s) practices are consistent with a commitment to responsible investing. This can be done in a number of ways, including being a signatory to well-regarded responsible investment protocols or responsible investing standards.

<sup>37</sup> This might be an increase in the level of private capital invested (e.g. by the existing equity investors or new investors who wouldn't have otherwise participated); it might be an expansion in the geographic footprint of businesses and communities to be targeted for investment activity (e.g. businesses in rural communities that are priority targets in terms of host-country and USAID development objectives); it might be providing resources and expertise to support the development of institutions and a broader enabling environment conducive to equity investment consistent with advancing broad-based, inclusive economic growth; or it might be resources or contributions that specifically support the delivery of program activities by an implementer under the alliance. The key is that USAID's participation in an alliance should somehow prompt the equity investors and partners to make some sort of change in their efforts that offers the prospect of increased or improved development results.

training, consumer education, or technical assistance efforts that benefit stakeholders beyond the recipients of the equity investments.

- **Value** – In general, the value of the equity should significantly exceed the value of funding USAID will contribute to the alliance, preferably at a ratio of 5 to 1 or greater. However, Missions/B/IOs may determine that lower levels of equity are acceptable in light of additional development considerations and the particular alliance in question. If that's the case, Missions/B/IOs should communicate the rationale for lower resource mobilization ratios when seeking clearance from IDEA/GP.<sup>38</sup>
- **Notes:**
  - USAID funding does not represent equity investment capital.<sup>39</sup>
  - One can only count equity investments that are INPUTs to the alliance; returns on equity and other outcomes of the investments cannot count as leverage.

**Loans:** For activities other than DCAs, loans can count toward leverage if:

- **MOU** - The entities providing the loans have engaged in extensive communication, robust collaboration and the joint design and development of alliance activities with USAID; each of the entities providing the loans and USAID understands and is able to articulate the shared and respective roles, responsibilities, risks and rewards facing the partners to the alliance; and an MOU is entered into between USAID, the entities providing the loans, and other partners to the alliance as appropriate.<sup>40</sup>
- **APS Criteria and Requirements** - The other evaluation criteria and leverage requirements set forth in this APS are satisfied, including how the loans will contribute to clear, measurable and significant outputs, outcomes, results and impact and how the loans will help produce clear, measurable and significant development results better, faster, and/or more cost effectively, and with a greater chance of long-term sustainability. In addition, and consistent with Section B.1 (a) noted above, the loans should be new loans that will be provided concurrent with the implementation of the alliance;
- **Increased Development Results** - USAID's participation in the proposed alliance enables the loans to be leveraged in a manner that will significantly increase or improve development results stemming from such investments;
- **Expanded Activity** - USAID's participation in the proposed alliance prompts additional actions or engagements by the lenders that would not have taken place in the absence of USAID's involvement and that will increase or improve the results of the alliance;<sup>41</sup>

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<sup>38</sup> Historically, GDAs have leveraged private sector resources at a 4 to 1 ratio – without counting equity as leverage. Given this historical practice, and the level of equity investments increasingly becoming available in developing countries, the request that the value of the equity should be five times the value of USAID's contribution should often constitute a reasonable target – subject to the particular circumstances and alliance in question.

<sup>39</sup> Other USG Agencies (e.g. OPIC) and other institutions (e.g. IFC) are better positioned to determine the merits of and potentially provide such contributions to the capital available for equity investments.

<sup>40</sup> In conducting the due diligence required to enter in to an MOU, and consistent with the risk and reputation concerns that underlie the due diligence requirement, USAID should determine whether the lender(s) practices are consistent with a commitment to responsible lending. This can be done in a number of ways, including being a signatory to well-regarded responsible investment protocols or responsible investing standards.

<sup>41</sup> This might be an increase in the level of lending, an expansion of the lending program to additional individuals or locales; a change in the terms of lending; the provision of resources and expertise to support the development of

- **Broader Benefit** - The alliance fosters a broader public, social and economic good, asset or situation that others can draw upon to advance social and economic development and USAID funding is used to support activities that benefit parties beyond just the lenders or the parties in which the equity is invested. For example, the alliance helps foster the development of institutions and a broader ecosystem or enabling environment conducive to lending consistent with advancing broad-based, inclusive economic growth; or the alliance involves training, consumer education, or technical assistance efforts that benefit stakeholders beyond the recipients of the loans.
- **Value** - In general, the value of the loans to be counted as leverage should significantly exceed the value of funding USAID will contribute to the alliance, preferably at a ratio of 5 to 1 or greater. However, Missions/B/IOs may determine that lower levels of loans are acceptable in light of additional development considerations and the particular alliance in question. If that's the case, Missions/B/IOs should communicate the rationale for lower resource mobilization ratios when seeking clearance from IDEA/GP.<sup>42</sup> In addition, in order to be counted as leverage, the loans in question must be "capital at risk." For example, if a lender provides \$2 million in loans, but \$1 million is guaranteed against default, then the lender is only placing \$1 million (\$2M - \$1M) "at risk." Therefore, only \$1 million of loans could be counted as leverage.
- **Notes:**
  - USAID funding does not represent lending capital.
  - One can only count loans that are INPUTs to the alliance, not loans that are OUTCOMEs of the alliance.
  - Loans that are provided through or as a direct outcome or result of a DCA activity cannot count as leverage.

### 3. What Doesn't Count

In addition, certain types of resources cannot be counted as leverage. For example:

- Forgone profit does not qualify as leverage.
- Value of brand, reputation, convening power or "good will" does not count as leverage.
- General overhead costs for an organization that are not directly associated with alliance activities.
- Commitments to purchase or pay a price premium for products or services generated as a result of alliance activities.

Partners will sometimes try to meet the leverage requirement by proposing and counting up a number of small contributions like meeting space, training refreshments, transportation costs,

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institutions and a broader enabling environment conducive to lending consistent with advancing broad-based, inclusive economic growth; or it might be the provision of resources or contributions that specifically support the delivery of program activities by an implementer under the alliance. The key is that USAID's participation in an alliance should somehow prompt the lender partners to make some sort of change in their efforts that offers the prospect of increased or improved development results.

<sup>42</sup> Historically, GDAs have leveraged private sector resources at a 4 to 1 ratio – without counting loans as leverage. Given this historical practice, and the level of loans increasingly becoming available in developing countries, the request that the value of the loans should be five times the value of USAID's contribution should often constitute a reasonable target - subject to the particular circumstances and alliance in question.

etc. Such contributions rarely count as leverage. As noted above, meeting the leverage requirement is not an accounting exercise. One must ask whether the proposed contributions (and the time it takes to track and verify them) are adding real and significant value to the partnership. If not, the contributions would fail to meet several criteria listed in this section and be inconsistent with the considerations and objectives discussed in Section I.A.

While leverage is pursued in order to increase the outcomes and impact of a proposed alliance, the outcomes do not count as leverage. Leverage is an input, not an outcome. It is the private sector resource contribution made to the partnership's activities; it is not the outcome of those activities. For example, USAID and a bank develop a partnership to increase financial services to small businesses. The partnership's activities include small business training, awareness raising and market analysis. The bank contributes their experts' time and the production of training materials to the partnership. These contributions are inputs and would be considered "leverage." **As a result of the activities conducted through the partnership/alliance**, the bank increases their loans to small businesses by \$5 million. The \$5 million in loans is an outcome of the partnership activities. It is not leverage.

### C. Can Implementing Partners Provide Leverage?

In most GDAs, USAID enters into an agreement with and makes an award to an implementing partner to conduct activities aimed at achieving the goals and objectives of the alliance. In such situations, implementing partners sometimes seek to act as resource partners as well; that is, they seek to contribute cash and in-kind resources that will shape the core activities and advance the key results, impact or strategic value of a GDA. Whether or not such resources can be counted as leverage depends on three factors:

1. Is the implementing partner a private sector partner as set forth in Section B.1 of this Appendix?
2. Do the resources meet the criteria set forth in Section A and Section B of this Appendix?
3. Does the implementing partner intend to count the resources as "cost-share" under the terms of the award agreement with USAID? Resources counted by a partner as cost-share cannot also be counted by the same partner as a leverage contribution by that same partner. (See below: *Section D: What is the Relationship between Leverage and Cost-Share?*)

For example, if an organization is a grant-making foundation, it would constitute a private sector partner as set forth in Section B.1 of this Appendix. The organization and USAID would then need to assess whether the resources and contributions are consistent with the objectives, considerations and criteria set forth in Sections A and B. If they are, and the organization will not be counting the resources and contributions as part of its cost-share contribution, USAID could elect to count the resources and contributions as leverage. (See Section D below).

The question about implementing partners providing leverage often arises with regard to funding or other resources an NGO or HEI has previously received from corporations, individuals or private foundations. In most instances, such resources did not originate for the explicit purpose of supporting and advancing the alliance or were not received as a result of the active engagement of the private sector partner in the design and development of the alliance in question. As a result, they could not be counted as leverage. They could certainly be counted toward the overall resource mobilization achieved by the alliance, but they could not be used to satisfy the 1:1 leverage requirement.

As discussed above, USAID pursues alliances as a means of developing productive relationships with the private sector, particularly business, and mobilizing an array of resources and expertise from the private sector to advance development objectives. Market-based and market-informed approaches are core to the alliance model (<http://www.usaid.gov/gda>). Given those priorities, GDAs should involve private sector partners and private sector resources and contributions; NGOs and HEIs seeking to serve as implementing partners must identify the private sector partners, private sector contributions and private sector resources the NGO or HEI is engaging and mobilizing under a proposed alliance.

#### **D. What is the Relationship between Leverage and Cost-Share?**

While both leverage and cost-share refer to a portion of project or program costs not borne by the United States Government, and while both can be counted toward the overall resource mobilization achieved under an alliance, they are distinguished in three very important ways:

1. Cost-share is binding and auditable under an award agreement; leverage is not.

Leverage describes the quantifiable contributions provided by resource partners to a GDA. Unlike cost sharing or matching, which is an important element of the USAID/grantee relationship, leverage is not intended to be binding or auditable. It is not subject to traditional audit standards as it is not intended to be held to the same level of accountability as cost-share or matching.<sup>43</sup> However, given the strategic and programmatic value that leverage should contribute to the alliance, applicants are expected to identify what enhanced results are expected from any leverage proposed and provide and implement a mechanism for tracking / reporting that contribution.

2. The determination of what constitutes leverage is based on the objective, considerations and criteria set forth in this APS; the determination of what constitutes cost-share is set forth in (22 CFR 226.23 and ADS 303.3.10).

3. If resources contributed by an organization are to be counted as leverage under an alliance, they cannot also be counted by the same organization as cost-share. Likewise, if resources are to be counted by an organization as that organization's cost-share contribution, they cannot also be counted as that organization's leverage contribution. While USAID welcomes cost-share under the GDA APS, cost-share does not count toward the meeting of the 1:1 leverage requirement.

Prospective implementing partners sometimes have difficulty distinguishing cost-share and leverage. Part of the challenge arises from the fact that certain types of resources, such as personnel time or facilities use, are acceptable as cost-share or leverage. However, as noted in this section, the partners must decide whether such resources will be counted as leverage or cost-share. Under any given alliance, for any given partner, leverage and cost-share are mutually

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<sup>43</sup> As noted in ADS 303 as well, cost-share “refers to the resources a recipient contributes to the total cost of an agreement. Cost share becomes a condition of an award when it is part of the approved award budget. The cost share must be verifiable from the recipient’s records; for U.S. organizations it is subject to the requirements of 22 CFR 226.23, and for non-U.S. organizations it is subject to the Standard Provision, “Cost Share”; and can be audited.”

exclusive. If personnel time is counted as an organization's cost-share contribution, it cannot be counted as that organization's leverage contribution.

In some cases, as part of an effort to ensure that proposed leverage materializes over the course of an alliance, a private sector resource partner will be expected to provide its resources and contributions (the leverage) to the implementing partner and the implementing partner will be required to treat such anticipated resources as part of the implementing partner's cost-share contribution and commitment under the award. This provides an incentive to the implementing partner to ensure the reliability and contribution of the leverage since the implementing partner's proposed cost-share is auditable. USAID may also condition year to year funding on the achievement of leverage benchmarks. This approach can be used in lieu of or as a complement to the cost-share approach noted in this paragraph.

#### **E. Who is responsible for ensuring, tracking and reporting on the mobilization and use of the leverage?**

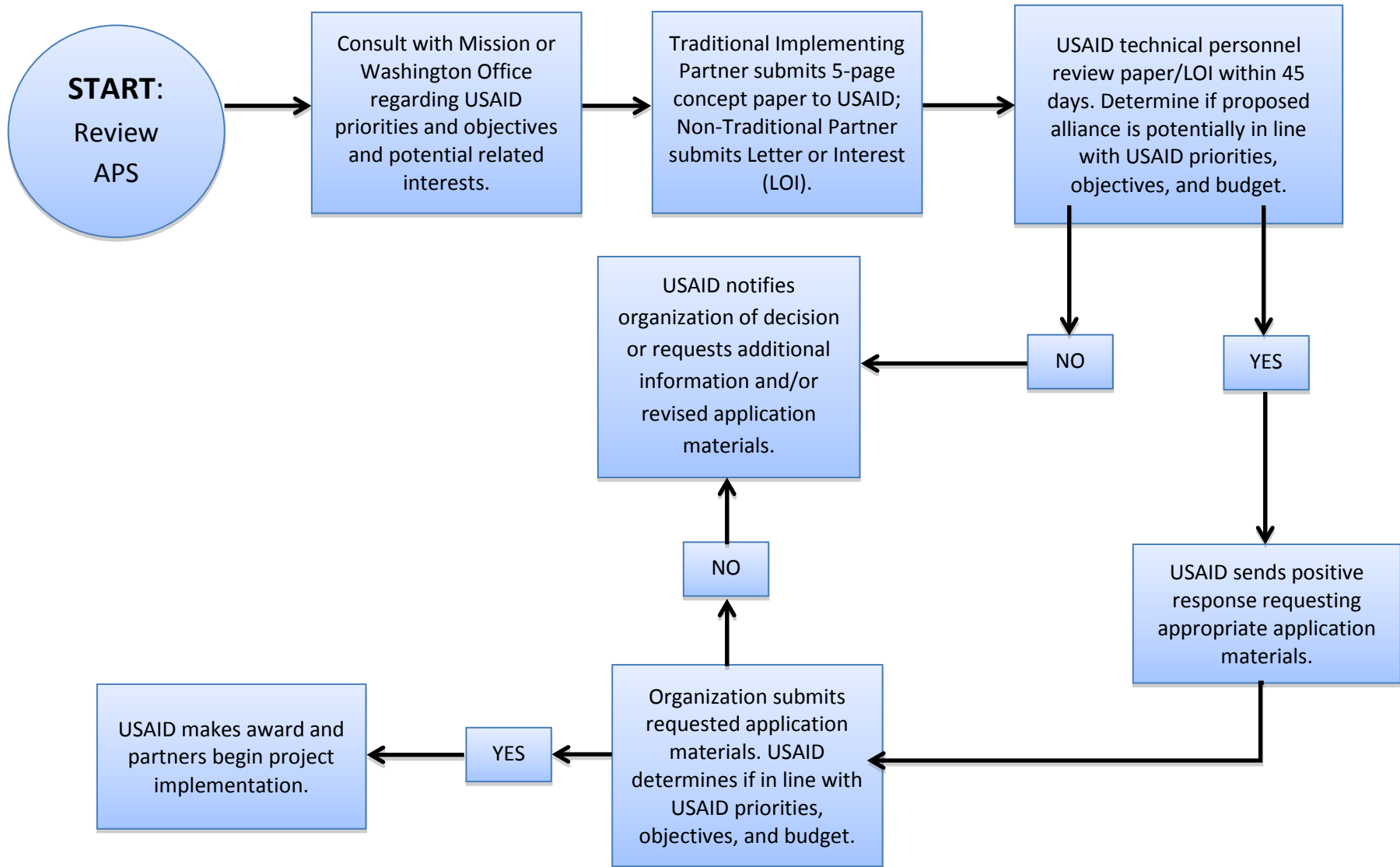
Unless otherwise stated in the relevant alliance award agreement(s) and/or MOU(s), the entity receiving an award from USAID to implement alliance activities is responsible for ensuring, tracking and reporting on the mobilization and use of the leverage. USAID expects the award recipient to provide such information on a quarterly basis across the fiscal year, with an annual summary.

#### **F. Additional Questions and Information**

If prospective partners have any questions about leverage or the distinction between leverage and cost-share, please feel free to contact Ken Lee at [kenlee@usaid.gov](mailto:kenlee@usaid.gov).



*APPENDIX II – DIAGRAM OF GDA APS APPLICATION PROCESS*



### *APPENDIX III – KEY WEBSITES, APPLICABLE REFERENCES AND REGULATIONS*

- Agency Initiatives and Priorities  
<http://www.usaid.gov/what-we-do> and <http://www.usaid.gov/where-we-work>.
- Mission Priorities, Programs and Points of Contact  
<http://www.usaid.gov/work-usaid/get-grant-or-contract/opportunities-funding/global-development-alliance-annual-program-1>
- Mission Addenda to this GDA APS  
<http://www.usaid.gov/work-usaid/get-grant-or-contract/opportunities-funding/global-development-alliance-annual-program>
- Data Universal Numbering System (DUNS) / Central Contractor Registration (CCR)  
<http://www.dnb.com> and <https://www.sam.gov/portal/public/SAM/>
- Mandatory Standard Provisions for U.S., Nongovernmental Recipients <http://www.usaid.gov/pubs/ads/300/303maa.pdf>
- Mandatory Standard Provisions for Non-U.S. Nongovernmental Recipients:  
<http://www.usaid.gov/policy/ads/300/303mab.pdf>
- 22 CFR 226 [http://www.access.gpo.gov/nara/cfr/waisidx\\_02/22cfr226\\_02.html](http://www.access.gpo.gov/nara/cfr/waisidx_02/22cfr226_02.html)
- OMB Circulars A-110 and A-122  
<http://www.whitehouse.gov/omb/circulars/a110/a110.html>  
<http://www.whitehouse.gov/omb/circulars/a122/a122.html>
- ADS Series 300 Acquisition and Assistance <http://www.usaid.gov/pubs/ads/>
- SF-424 Downloads and SF-425 Downloads  
<http://apply07.grants.gov/apply/FormLinks?family=15>  
[http://www.whitehouse.gov/sites/default/files/omb/assets/grants\\_forms/SF-425.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/grants_forms/SF-425.pdf)  
and [http://www.whitehouse.gov/sites/default/files/omb/grants/standard\\_forms/SF-425\\_instructions.pdf](http://www.whitehouse.gov/sites/default/files/omb/grants/standard_forms/SF-425_instructions.pdf)
- Governing Regulations, Standard Provisions and Required Certifications to be at Time of Award [www.usaid.gov/policy/ads/300/303.pdf](http://www.usaid.gov/policy/ads/300/303.pdf)
- Guidance for Proposals Involving a Partial Credit Guarantee  
<http://www.usaid.gov/what-we-do/economic-growth-and-trade/development-credit-authority-putting-local-wealth-work>

**List of Acronyms**

APS	Annual Program Statement
B/IO	USAID/Washington Bureau/Independent Office
CbA	Collaboration Agreement
CTO	Cognizant Technical Officer
GDA	Global Development Alliance
MOU	Memorandum of Understanding
NGO	Non-governmental Organization
ODA	Official Development Assistance
IDEA/GP	Office of Innovation and Development Alliances / Global Partnerships Division
PPA	Public-Private Alliance
RFA	Request for Application
PVO	Private Voluntary Organization
USAID	United States Agency for International Development
WOU	Washington Operating Unit

**Key Definitions**

**Global Development Alliance (GDA)**

GDA is a specific type of public-private partnership whereby USAID works with private sector partners to advance mutual interests and increase the impact of our development investments. GDAs mobilize at least \$1 in resources from private sector partners for every \$1 USAID contributes.

**Private Sector**

Private sector refers to that part of the economy made up of private enterprises, whether they are for-profit or not-for profit. For purposes of the GDA program, private sector institutions and actors include private businesses, financial institutions, entrepreneurs, investors, philanthropists, foundations and other for-profit and not-for-profit non-governmental entities.

**Resource Partner**

Resource partners are defined as organizations (e.g., corporations, financial institutions, foundations, social entrepreneurs, diaspora organizations) that will contribute cash and in-kind resources to a GDA, including technical expertise, goods and services, market access, and related investments.

**Implementing Partner**

Any for-profit or not-for-profit organization that receives USG funding to deliver foreign development assistance. For purposes of this APS, it does not refer to private sector partners entering in to a “Collaboration Agreement” with USAID, but instead refers to the

Agency’s “traditional implementing partners” as defined in this APS and AAPD 04-16. *Examples: NGOs, universities and development contractors*

**Annual Program Statement (APS)**

When USAID intends to support a variety of creative approaches towards developing methodologies to assess and implement development objective activities, the Agency may use an Annual Program Statement (APS) to generate competition for these awards.

**Operating Units**

Operating units are the organizational units responsible for implementing a foreign assistance program for one or more elements of the Foreign Assistance Framework. The definition includes all USG agencies implementing any funding from the relevant foreign assistance accounts. In the field, these agencies work collaboratively under the authority of the U.S. Ambassador. USAID Operating Units include USAID Missions, regional platforms and USAID/Washington Bureaus/Independent Offices (B/IOs) (henceforth referred to as USAID Missions and B/IOs) that expend program funds to achieve foreign development objectives.

**USAID Mission**

Missions are USAID’s field offices in developing countries. The majority of USAID development assistance is provided through our Missions.

**USAID Washington Bureaus/ Independent Offices**

USAID/Washington Bureaus/Independent Offices (B/IOs) are Washington DC based operating units that expend program funds to achieve foreign development objectives.

**Local Organization**

To be considered a “local” organization, an entity must:

- Be organized under the laws of the recipient country or a country within that region;
- Have its principal place of business in the recipient country;
- Be majority owned by individuals who are citizens or lawful permanent residents of the recipient country or be managed by a governing body, the majority of whom are citizens or lawful permanent residents of a recipient country; and
- Not be controlled by a foreign entity or by an individual or individuals who are not citizens or permanent residents of the recipient country.

For purposes of this definition recipient countries also includes countries within the same region.