



USAID
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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNOUNCEMENT

**CALL FOR PARTNERSHIP CONCEPT PAPERS:
Working with the private sector towards Colombia's economic recovery**

UNDER EXISTING

**GLOBAL DEVELOPMENT ALLIANCE ANNUAL PROGRAM STATEMENT
APS No: APS-OAA-21-00001**

PLEASE NOTE: This is an addendum to an existing announcement. All interested organizations should carefully review both this addendum AND the full announcement, which can be found here: <https://www.usaid.gov/gda/global-development-alliance-annual-program>. Important information contained in the full worldwide announcement is not repeated in this specific addendum.

This program is authorized in accordance with Part 1 of the Foreign Assistance act of 1961, as amended.

Through this Addendum to the Global Development Alliance (GDA) Annual Program Statement (APS) APS No: APS-OAA-21-00001 (the GDA APS), the U.S. Agency for International Development's Mission in Colombia (USAID/Colombia) is making a special call for the submission of Concept Papers focused on catalyzing private sector investment for Colombia's economic recovery through inclusive¹ and sustainable² development.

The specific objectives of this Addendum are to:

- 1) Contribute to Colombia's economic recovery from COVID-19 through socially responsible, inclusive, environmentally conscious, and ethical business investment.
- 2) Expand value chains to markets in targeted geographies.

¹ Inclusion in this context is defined by Chapter 201 of USAID's Automated Directives System (ADS), which states "USAID promotes a nondiscriminatory, inclusive, and integrated development approach that ensures that all people, including those who face discrimination and thus may have limited access to a country's benefits, legal protections, or social participation are fully included and can actively participate in and benefit from development processes and activities".

² Sustainability in this context is defined as "the likelihood of long term success of the GDA, which ultimately requires advancing private sector business growth and economic opportunities and/or corporate social responsibility, local ownership, leveraging local resources and expertise, and increasing the ongoing achievement of significant and enduring development results over time".

- 3) Expand job opportunities and job skills training among priority populations in targeted geographies.

Subject to funding availability, USAID/Colombia may allocate up to USD \$5,000,000 to fund one or two GDAs with the private sector. Funding for individual applications is anticipated to be in the range of USD \$1,500,000 to \$5,000,000 to be provided over a period of 4-5 years, depending on the approach of each individual application. The resulting GDAs will complement the Mission’s new Country Development Cooperation Strategy (CDCS)³ and will contribute to USAID’s ability to achieve its development objectives in Colombia. Priority will be placed on supporting the most promising and effective GDAs, as described in Section III “Evaluation Criteria” below. Effective GDAs are partnerships that result in the sustainable and ongoing generation of valuable and enduring results over time, including after the period of performance with USAID has ended.

Unless otherwise stated herein, all terms and conditions of the GDA APS No: APS-OAA-21-00001 apply. Link to GDA APS No. APS-OAA-21-00001: (<https://www.usaid.gov/gda/global-development-alliance-annual-program>).⁴

I. Background

Sustainable and inclusive development in Colombia requires a strong state presence, an informed and participatory citizenry, and support for licit economic opportunities. USAID/Colombia recently published its 2020-2025 Country Development Cooperation Strategy (CDCS). The overarching goal of this strategy is “*a more stable, peaceful, and prosperous Colombia through inclusive governance and equitable growth.*” Private sector engagement has been prioritized as a key approach to achieving this goal. The Mission invites private sector entities to connect, collaborate, co-finance and co-create to achieve this goal and further the country’s journey to self-reliance⁵.

In addition, USAID/Colombia recently completed a Private Sector Landscape Assessment. This assessment found: (1) the number of U.S. companies, especially small businesses, has grown exponentially in Colombia; (2) U.S. foreign investment has remained stable since 2007; (3) U.S. companies have an opportunity to expand their social investments in conflict-affected rural areas prioritized for peacebuilding; (4) there is an opportunity for US and Colombian companies to source local inputs from conflict-affected rural areas prioritized for peacebuilding; and (5) USAID needs to help companies to understand the Mission’s role and opportunities to partner and collaborate.

Despite the private sector’s potential for growth, COVID-19 has drawn more attention to, and exacerbated, Colombia’s development challenges. In Colombia, COVID-19 has heightened a historic rural-urban divide and increased the economic barriers faced by

³ USAID/Colombia’s CDCS 2020-2025: <https://www.usaid.gov/colombia/cdcs>

⁴ As stated in APS No: APS-OAA-21-00001, the GDAs proposed in any Concept Paper should mobilize and leverage private sector resources at a minimum of 1:1. Proposed alliances that do not mobilize and leverage private sector resources at a value that equals or exceeds the level of funding being requested from USAID will not be considered under this announcement.

⁵ Colombia’s Self-reliance Map: <https://selfreliance.usaid.gov/country/colombia>

rural and marginalized populations. Additionally, millions of Colombian workers were laid off, thousands of businesses were closed, gender-based violence and certain other kinds of violence have increased, and in-person education was suspended.

The World Economic Forum stated, “*the COVID-19 pandemic severely jeopardizes the global supply chain and makes many experts ponder the future of globalization.*” This has proven true in Colombia and the National Center for Statistics (DANE) estimates that Colombia’s economy will contract between seven and nine percent. This economic contraction will cause more than four million people, particularly youth and women, to lose their jobs, and will cause 4,000 companies to go into insolvency. Analysts predict 2020 will see Colombia’s first contraction since its 1999 financial crisis, followed by a recovery in 2022 or 2023, depending on the lethality of COVID-19’s second wave. Economic recovery will likely be the most challenging for vulnerable populations like conflict survivors, women, LGTBI, Afro-Colombians, indigenous, and Venezuelan migrants. This is due to these populations’ participation in the informal economy, and because of the high levels of inequity and poverty that these populations experienced prior to the pandemic.

Increasing poverty and unemployment are also critical points for Colombia. Colombia’s poverty rates are also critical concerns as the country is returning to the same elevated levels they were 10 to 12 years ago, thus eroding the hard-won peace dividends. DANE estimates that extreme poverty could rise to 36 percent⁶ and “*83 percent of surveyed families felt their possibilities to access food, clothing, and other basic goods have been significantly reduced since the start of the pandemic*”⁷. DANE has also reported that “*out of 7.8 million Colombian households, 1.6 million have stopped consuming three meals a day -- a staggering 20.2 percent.*” Although Colombia began 2020 with a 10 percent unemployment rate, unemployment increased to 21.4 percent by May of this year. The unemployment rate in Bogota, which represents a quarter of the country’s GDP and 20 percent of the workforce, more than doubled and unemployment in Cartagena nearly tripled due to travel closures.

COVID-19 also exacerbated the existing gap between men and women’s unemployment rates, causing women to have a 24.2 percent unemployment rate in August versus 15.3 percent for men. The education, food service, and entertainment sectors all employ 20 percent fewer people than they did a year ago, while agriculture has seen a 3.6 percent rise in the number of employees from last August.

Colombia’s biodiversity has been affected by COVID-19. It is still to be seen if this deforestation rate trend will remain for 2020; official reports show an increase in human made fires and deforestation rates for the first quarter of 2020, possibly coinciding with an even greater reduction in state presence due to the pandemic. As stated by the Organisation for Economic Co-operation and Development (OECD), “*biodiversity underpins current and future human health, well-being and economic prosperity ...*

⁶ Revista Dinero, Editorial “La Brecha Social” Septiembre 18, 2020.

⁷ Survey by DANE “El Pulso Social” <https://www.dane.gov.co/index.php/estadisticas-por-tema/encuesta-pulso-social>

*emerging infectious diseases, economy and human well-being also depend on biodiversity for food, clean water, flood protection, erosion control.”*⁸

Lastly, COVID-19 has amplified the technology and connectivity gaps in Colombia’s public, private and education sector. The United Nations e-Government Development survey has Colombia at 61 and the Global Competitiveness Report ranks Colombia at 57, meaning the country has the challenge to work on its digital gaps. Both of these rankings demonstrate the economic challenges raised by the country's slowness in adopting technology and digitalization for production, innovation, jobs and skills. Colombia’s Ministry of Information Technologies and Communications (MinTIC) estimates of digital connectivity in households are 40 percent in urban centers and 16 percent in rural areas. According to a 2017 study by MinTIC, 66 percent of 3,011 private sector companies do not have an IT dedicated person on staff⁹.

II. Solicitation

USAID/Colombia seeks private sector partnerships to catalyze innovative market-based approaches that can drive Colombia’s economic recovery from COVID-19 via sustainable, environmentally-conscious, ethical, and inclusive responses and contributions. USAID/Colombia believes the private sector is key to restarting Colombia’s economic engine, including the creation of long-term social, economic and environmental benefits, that will result in a stronger and more prosperous country. As stated by McKinsey¹⁰, *“this may be the right time to introduce fiscal, labor, pension, social, environmental, and economic reforms to speed up progress toward sustainable development. Ameliorating poverty, diminishing inequality, and protecting the environment could figure prominently in global and national agendas.”*

The award(s) resulting from this GDA addendum are expected to address one or more of the following USAID/Colombia CDCS objectives:

- Development Objective #3: Promote equitable and environmentally sustainable economic growth
 - IR 3.1: Expanded licit livelihood opportunities
 - IR 3.2: More competitive licit economies
- Special Objective: Stability in areas impacted by migration from Venezuela
 - IR 4.2: Increased participation in formal economy

USAID/Colombia invites eligible organizations to submit Concept Papers. The Mission is open to all kinds of implementing models and as described in the GDA APS, *“the GDA model and GDA APS prioritize and focus on particular types of private sector entities as*

⁸ OECD Policy Responses to Coronavirus (COVID-19) Biodiversity and the economic response to COVID-19: Ensuring a green and resilient recovery. <http://www.oecd.org/coronavirus/policy-responses/biodiversity-and-the-economic-response-to-covid-19-ensuring-a-green-and-resilient-recovery-d98b5a09/>

⁹ Magazine Dinero, Special Edition on Digital Transformation, Editorial “Colombian Digital Transformation”, October 16, 2020. <https://especiales.dinero.com/revista-dinero-edicion-600-transformacion-digital-colombiana/>

¹⁰ McKinsey on Economic Recovery: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/saving-our-livelihoods-from-covid-19-toward-an-economic-recovery>

core partners.”¹¹ Consortiums composed of several private sector entities are welcome. Consortiums can be composed of local and/or international businesses.

In order for a collaboration to be a GDA and eligible for pursuit under the GDA APS, it must involve a core working relationship with one or more of the private sector entities listed below.¹² The private sector leverage requirement under the GDA APS can only be met by entities from this same list.

Eligible private sector entities are limited to:

- Private for-profit, commercial entities such as a business, corporation, small or medium enterprise or private firm;¹³
- Private foundations affiliated with private for-profit, commercial entities;¹⁴
- Private equity or private financial institutions, including banks, private investment firms, mutual funds, private equity funds and insurance companies;
- Private business or industry associations, including but not limited to chambers of commerce and related types of entities;¹⁵ or
- Cooperatives.

III. Evaluation Criteria

Proposed alliances will be evaluated based on the general criteria set forth in the GDA APS in Section VI: Co-Creation under the GDA APS. As stated in APS No: APS-OAA-21-00001, USAID expects to receive GDA concepts that mobilize and leverage private sector resources at a level that at least equals and preferably significantly exceeds the level of resources requested from USAID. In addition, the following criteria will also be used:

1. Aligned with USAID/Colombia’s development objectives: Concepts must demonstrate alignment with CDCS Development Objective #3 and/or the Special Objective set forth in USAID/Colombia’s CDCS.
2. Responding to Colombia's economic recovery: Concepts will be prioritized that respond to the economic impacts of the COVID-19 pandemic incorporating market-based and market-driven approaches that create jobs, increase incomes, and strengthen formal livelihoods. Concepts and ideas must present approaches that will respond and contribute to Colombia’s economic recovery.
3. United States (U.S.) private sector partner: Concepts must include at least one U.S. company in the proposed GDA.

¹¹ See Section II.B of the GDA APS.

¹² Under the GDA APS, individuals are not eligible as private sector; the private sector is limited to entities.

¹³ Parastatals and government-owned companies do not qualify as private sector for purposes of meeting the private sector collaboration and leverage requirements under the GDA APS and this addendum.

¹⁴ Examples: Coca-Cola Foundation; Gap Foundation; Mastercard Foundation. Previous versions of the GDA APS also included grant-making foundations not affiliated with private for-profit, commercial entities as private sector. That is no longer the case.

¹⁵ Such associations and entities must be private and the members must be entities, not individuals. Quasi-governmental associations would not satisfy the private sector partner requirement.

4. Target population: The Mission expects the resulting Award(s) to target and include one or more of the following populations: conflict survivors, youth, women, LGTBI, Afro-Colombians, indigenous, and Venezuelan migrants.
5. Innovation and technology: Applicants should consider how technology can be leveraged to deepen activity impact and scalability. Concepts should prioritize activities that expand connectivity, use new or existing technologies, train marginalized communities in digital technology, and/or develop new economic opportunities through technology.
6. Sustainability Strategy: Concepts must present a clear sustainability strategy. Sustainability in this context is defined as “*the likelihood of long-term success of the GDA, which ultimately requires advancing private sector business growth and economic opportunities and/or corporate social responsibility, local ownerships, leveraging local resources and expertise, and increasing the ongoing achievement of significant and enduring development results over time.*” As a resource, use USAID’s Private Sector Engagement Policy.¹⁶
7. Leverage requirement: Considering Colombia is a middle-income country with a strong private sector, priority will be given to Concepts in which the private sector’s investment significantly exceeds the level of resources provided by USAID. The proposed leverage is expected to be realistic and achievable. As stated in the GDA APS, Applicants are required to submit letters of commitment from any entity that will be a source of private sector leverage.

Targeted geography: USAID/Colombia works in some of the Government of Colombia’s prioritized peace-building PDET (Programas de Desarrollo con Enfoque Territorial) municipalities and areas with a large presence of Venezuelan migrants. For this Addendum, targeted geographies will be discussed with potential Applicants prior to submitting Concept Papers. USAID/Colombia has a special interest in the Pacific region of the Nariño Department, the Bajo Cauca region of Antioquia, and the Catatumbo region.

NOTE: For this specific Addendum, USAID/Colombia, is *not* looking to receive concepts on health-sector related solutions.

Preference will be given to alliances that include private sector partners who demonstrate long term commitment to the targeted region and a recognized business interest in the proposed concept.

Proposed alliances should be consistent with USAID legal and policy restrictions, including those set forth in USAID’s Automated Directives System (ADS) and in the Foreign Assistance Act of 1961.

(Note: If USAID requests a full application, applicants will be given additional, specific evaluation criteria that speak to the subject matter of the concept.)

¹⁶ USAID’s Private Sector Engagement Policy:
https://www.usaid.gov/sites/default/files/documents/1865/usaids_psepolicy_final.pdf

IV. Application Instructions and Review Process

USAID/Colombia will be responsible for the review process and management of any awards issued under this addendum. **Applicants are required to follow the concept submission instructions set forth in Section V of the GDA APS - “Instructions on Submitting a GDA Concept.” However, for purposes of this Addendum, all Applicants must use the Concept Paper Template provided in the GDA APS. USAID/Colombia will not accept Expressions of Interest.**

NOTE: The GDA APS states that a concept cannot be submitted until the core potential private sector partner(s) engage appropriate USAID personnel in discussions designed to explore whether and how it might make sense to collaborate and to advance USAID and private sector interests and objectives. Following such conversations, USAID will inform the partner(s) via email as to whether co-creation can continue under the GDA APS process and whether the partner is free to submit a concept using the Concept Paper Template.

USAID/Colombia’s co-creation process under this addendum to the GDA APS is as follows:

- **Step 1 - Explore and Engage:** The potential applicant sends an email to the USAID/Colombia GDA Colombia team at GDAColombia@usaid.gov to request a conversation to explore possible collaboration aimed at achieving the objectives of this addendum. Any requests for conversations with USAID/Colombia under this addendum must be submitted via email at GDAColombia@usaid.gov from February 16, 2021 until April 30, 2021 at 5:00pm (Bogotá time).
- **Step 2 - Submit a Concept Paper:** After conversations, the GDA USAID/Colombia team sends an email to the potential applicant confirming the Step 1 discussions, and indicating whether USAID/Colombia is willing to move forward with the process and entertain a Concept Paper submission. If USAID/Colombia indicates a willingness to entertain and review a Concept Paper, the applicant must use the GDA Concept Paper Template. Concept Papers must be submitted by May 28, 2021 at 5:00pm (Bogotá time) in order to be considered under this Addendum.
- **Step 3 - USAID reviews Concept Paper:** Concepts will be reviewed on a rolling basis. However, USAID/Colombia has until July 15, 2021 to provide a response to a Concept Paper.
- **Step 4 - Partners continue co-creating the GDA:** After USAID/Colombia reviews the Concept Paper, the GDA Colombia team will send an email to the Applicant indicating whether USAID/Colombia wishes to move forward in the process and continue co-creating and developing the GDA. An interest in continuing with the process is NOT a commitment to an award or even a request for a full application. Those determinations will be made after further co-creation efforts.

For purposes of this addendum, the point of contact for engaging in the required preliminary conversations aimed at exploring potential GDAs and addressing questions related to this addendum is the USAID/Colombia GDA Colombia team at GDAColombia@usaid.gov. **All emails related to this addendum and the development of a GDA under this addendum should also be copied to gda@usaid.gov.**

The completed Concept Paper and required supporting information must be sent to USAID/Colombia through the GDA Colombia team at GDAColombia@usaid.gov with a copy to gda@usaid.gov. Information provided in the Concept Paper must address the objectives and criteria presented above.

Timeline: Concept Papers must be submitted by May 28, 2021 at 5:00pm (Bogotá time) in order to be considered. Concepts will be reviewed on a rolling basis. However, regardless of when a Concept Paper is submitted, USAID has until July 15, 2021, to provide a response to the Concept Paper.

After review by USAID/Colombia, applicants will receive instructions from USAID/Colombia on whether to continue with co-creation under the GDA APS. Depending on what emerges from the continued co-creation, USAID may request a full application or proceed directly to award negotiations.

Language:

For this specific Addendum, concepts may be submitted in Spanish or English under the GDA Concept Paper Template. However, if a Full Application is requested, the application and all other accompanying documentation must be submitted in English.

V. Questions and Further Assistance

Questions regarding the substance and objectives of this addendum should be directed to the GDA Colombia team at GDAColombia@usaid.gov with a copy to gda@usaid.gov. USAID/Colombia is interested in getting questions as soon as possible. USAID would prefer potential Applicants submit their questions by January 29, 2021 at 5:00pm (Bogotá time). While the Mission will certainly entertain and respond to questions throughout the process, past experience indicates that developing and submitting questions as early as possible in the process is of tremendous value to prospective partners and applicants.

Please note that frequently asked questions (FAQs) and/or select questions that reveal a need for clarification of matters in the addendum will be posted at grants.gov no later than February 29, 2021. The list of FAQs will be revised on an ongoing basis if and as needed. Prospective applicants should regularly check grants.gov for new questions that might get posted. USAID/Colombia will not post all questions that are submitted; USAID/Colombia will only post recurring or specific questions USAID/Colombia determines warrant posting to clarify matters under the addendum.

Questions regarding the substance and terms of the GDA APS should be directed to Ken Lee at kenlee@usaid.gov with a copy to gda@usaid.gov.

For additional information regarding guidelines and procedures to submit a concept paper, please refer to the GDA APS which can be found at the following website: <https://www.usaid.gov/gda/global-development-alliance-annual-program>.

VI. Resources

Here are some public resources that might be helpful for potential Applicants:

- [USAID's Private Sector Engagement Policy Executive Summary](#)
- [USAID's Digital Strategy](#)
- [Colombia Digital Ecosystem Country Assessment](#) (English Version)
- [Colombia Digital Ecosystem Country Assessment](#) (Spanish Version)
- [USAID/Colombia Country Development Cooperation Strategy](#) (English Version)
- [USAID/Colombia Estrategia de Cooperación para el Desarrollo del País](#) (Spanish Version)
- [USAID Global Development Alliance website](#)
- [Private Sector Landscape Analysis on U.S. companies' investment](#)
- [ABC's of Economic Integration of Venezuelan Migrants in Colombia](#) (Spanish Version)