



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNOUNCEMENT

CALL FOR PARTNERSHIP CONCEPTS

USAID/Indonesia Private Sector Engagement (PSE) Accelerator Platform

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 announcement applies to but 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 2020-2022 Global Development Alliance (GDA) Annual Program Statement (APS) No. APS-OAA-21-00001 (the GDA APS), USAID/Indonesia is making a special call for the submission of Concepts focused on improving national self-reliance, especially in the areas of economic growth, democracy and governance, environment, and health.

USAID/Indonesia is looking to cooperate with a greater number of Indonesian and multinational companies to leverage private sector expertise, capabilities and resources to catalyze market-based solutions that will result in long-term development impact in Indonesia.

Unless otherwise stated herein, all terms and conditions of the FY 2020-2022 GDA APS apply (<https://www.usaid.gov/gda/global-development-alliance-annual-program>).¹

¹ As stated in APS No. APS-OAA-21-00001, the partnerships proposed in any concept submission should mobilize and leverage private sector resources at a level and value that at least equals and preferably significantly exceeds the level of funding being requested from USAID. Proposed GDAs that do not meet this requirement will not be considered under this announcement.

USAID/Indonesia is mainstreaming private sector engagement (PSE) to achieve development outcomes in Indonesia. As such, USAID developed the Private Sector Engagement Accelerator Platform (PSE-AP) to advance the PSE modality across the entire Mission portfolio, including economic growth, education, environment, health, and democracy & governance. PSE-AP is a more disciplined and market-driven approach to address development challenges through mobilizing private sector-driven investment and solutions.

I. Background

Indonesia is a middle-income country with robust private sector potential to increase inclusive economic growth across all major sectors of the economy. While blessed with an abundance of natural resources and a large, young population, Indonesia's low labor productivity, uneven educational quality, limited provision of critical infrastructure and social services, insufficient environmental protection, and significant corruption issues, challenge the nation's further development. The Government of Indonesia (GOI) is working to address a number of these challenges and realizes that the private sector has a significant role to play to improve national self-reliance, especially in the areas of infrastructure, services², agriculture, manufacturing, natural resources and the social sectors.

In its current programming, USAID/Indonesia has numerous PSE and public-private alliance activities in selected sectors (e.g. economic growth, education, health, terrestrial and marine natural resource management, renewable energy, water and sanitation, high-value horticultural product value chains, etc.). The Mission is looking to cooperate with a greater number of both Indonesian and multinational companies to leverage private sector expertise, capabilities and resources to catalyze market-based solutions that will result in long-term development impact in Indonesia.

USAID/Indonesia's new five-year strategy (2020-2025) outlines its priorities in-line with GOI priorities. The overarching goal of the strategy is an "*Indonesia more capable of planning, financing, and implementing its own solutions to development challenges.*" This goal is supported by four development objectives: 1) Effective democratic governance strengthened; 2) Inclusive economic growth increased; 3) Environmental sustainability improved; and 4) Priority health outcomes improved. Private sector participation is critical to addressing these development goals, and thus USAID/Indonesia hopes to cooperate with interested companies to develop market based solutions in-line with USAID/Indonesia development priorities.

II. Solicitation

The private sector plays a pivotal role in sustainable development. Under this addendum to the GDA APS, USAID/Indonesia invites eligible private sector organizations, NGOs, and other entities to submit concepts that mobilize and leverage private sector

² Services sector may include, but is not limited to, telecommunication, mass media, healthcare/hospitals, public health, pharmacy, information technology, waste disposal, and consulting.

investment, advance private sector business growth and economic opportunities and/or corporate social responsibility, and achieve or scale development outcomes in Indonesia.³ As stated in the GDA APS, concepts must include, and be developed by or with, an eligible private sector partner. GDAs must be anchored in a core working relationship between USAID and the private sector entity. Eligible private sector partners are listed in Section II.B of the GDA APS as follows:

- Private for-profit, commercial entities such as a business, corporation, small or medium enterprise or private firm;
- Private foundations affiliated with private for-profit, commercial entities;
- 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; or
- Cooperatives.

The Mission is open to a variety of concepts in the sectors and subsectors of Health; Economic Growth; Democracy and Governance; and Environment. Details on the types of concepts each technical office is prioritizing are listed below.

Economic Growth Concept Criteria from the Human Capacity and Partnerships (HCP) Office

Funding available for initial activity or activities: \$1.5 million

USAID/HCP seeks to develop partnerships with the private sector to leverage digital technologies and practices that bolster the economy and national/global connectivity for a more resilient Indonesia, during and after the COVID-19 pandemic. Enterprise driven digital solution⁴ concepts that advance cyber security, improve digital connectivity, extend access to finance, increase trade and investment will be considered. USAID also looks to evolve business practices to cope with social distancing efforts.

Democracy, Resiliency and Governance (DRG) Office Concept Criteria

Funding available for initial activity: \$500,000

DRG programs seek to strengthen public and private sectors' and civil society's oversight of large financing and commercial deals. This increases public trust in the social contract between government and citizens. Meanwhile, by strengthening the local legal and administrative standards for doing business, DRG programs reduce barriers to entry, enhance oversight, reduce corruption, and create a level playing field for all businesses.

³ Individuals are NOT eligible to apply under this addendum.

⁴ Private enterprise is the leader in providing market-based solutions to utilize digital technology in addressing development challenges and advancing science, technology, and innovation. When a market-based solution becomes commercially viable, the private enterprise has a financial incentive to continue and operate it at scale, which increases the sustainability of the intervention, and decreases the need for donor support over time.

USAID/DRG is seeking applications at the nexus of corporate community engagement, transparent and accountable governance, economic reform, and establishing a level playing field for socially responsible businesses that have a long-term commitment to maintaining the democratic character of Indonesia, with a particular focus on establishing sustainable external non-donor dependent resourcing for civil society groups. For example, USAID programs strengthen implementation of key transparency platforms such as the Open Government Partnership (OGP) and the Extractive Industry Transparency Initiative (EITI) to support monitoring of government revenues and expenditure, while public financial management programs help to develop transparent systems for tracking official foreign financing and investment revenues, as well as royalty-related social investments. USAID also looks to improve the sustainability and independence of the civil society sector through the establishment and/or support of sustainable (non-external donor dependent) funding mechanisms for civil society organizations, anti-corruption and accountability promoting institutions, and human rights advocacy groups.

Environment (ENV) Office Concept Criteria

Funding available for initial activity: \$500,000

The Environment Office seeks partnerships with Indonesian and international businesses to promote market-based solutions to reduce plastic waste and accelerate Indonesia's progress toward a circular economy. USAID requests concepts seeking sustainable impact in one (or more) municipality that can be scaled to other cities in Indonesia. Concepts should consider not only environmental, health, and economic benefits but also social issues and gender equity.

Health Office (HEA) Concept Criteria

Funding available for initial activity: \$500,000

HEA programs cooperate with the private sector to improve the effectiveness and efficiency of health services through joint planning and programming between public and private sector entities. USAID/HEA seeks cooperation with relevant companies to share their unique capabilities and apply them to improve access to quality health services for priority programs.

USAID/HEA is seeking concepts in the following health sectors:

- *Service Delivery* - improving equity access to quality maternal and newborn health (MNH), TB, and HIV/AIDS services
- *Health Workforce* - improving capacity and competencies of health workers for priority programs, especially MNH, TB and HIV/AIDS
- *Health Information Systems* - improving the functionalities and use of integrated information systems for decision making for priority health programs

- *Health Financing* - supporting supplemental insurance for *Jaminan Kesehatan Nasional (JKN)* or improving market opportunities for private insurance companies to expand their insurance product market as a bridge for accessing premium health service and reducing out of pocket expenses, especially for the poor.

III. Evaluation Considerations and Criteria

Concepts will be evaluated based on the considerations and criteria set forth in Section VI of 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 and value that at least equals and preferably significantly exceeds the level of funding being requested from USAID. In addition, USAID/Indonesia will apply the following additional considerations during the concept review process:

1. Mission Strategy Alignment - First, Concepts must demonstrate alignment with one or more of the four technical areas described above (Health, Economic Growth, Democracy and Rights, and Environment). As noted in the GDA APS, Mission priorities are key and thus, the alliance must also incorporate at least one of the development objectives set forth in USAID/Indonesia's CDCS⁵ and identify expected results.
2. Targeted Geography - Second, Concepts must propose alliances to be conducted and foster development impact in the following geographies⁶:
 - **Priority Provinces:** Banten, DKI Jakarta, East Java, East Nusa Tenggara, North Sumatra, Papua, South Sulawesi, and West Kalimantan.
3. Long-term Sustainability of Private Sector Engagement and Investments in the Targeted Geography - Sustainability in this context is defined as “*the likelihood of long term success of the alliance, 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.*” Applicants should think creatively about how the proposed alliance can use resources and expertise to advance inclusive economic development and scale our development impact in Indonesia.

Applicants are required to describe in detail a sustainable approach that answers explicitly: “How will the market-based approach and solution remain financially and operationally sustainable after USAID’s funding has ended, and how will valuable and enduring results achieved by the alliance continue to be generated over time once USAID’s participation ends?”

⁵ Applicants are required to read and understand [USAID/Indonesia’s CDCS 2020-2025](#) prior to developing Concepts.

⁶ Applicants may propose alliances that cover one or more priority targeted geographic areas.

4. Realistic Leverage - Considering Indonesia is a middle-income country with a strong private sector, priority will be given to Concepts in which the private sector contributions significantly exceed the level of resources requested from USAID.⁷ The proposed leverage is expected to be realistic and achievable.
5. Activity Value - USAID/Indonesia will only review concepts that request between \$250,000 and \$1.5 million from USAID/Indonesia. Note that the value of private sector contributions to the proposed activities is expected to significantly exceed the amount of funding requested from USAID.

Proposed alliances must 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](#).

If USAID requests a full application, applicants may be given additional, specific review criteria that speak to the subject matter of the concept. At a minimum, the same review criteria included in this addendum will be maintained.

Preference will be given to GDA concepts with private sector partners who demonstrate long term commitment to the targeted region.

As stated in the GDA APS and the Agency's [Private Sector Engagement Policy](#), concepts should be characterized by market-based approaches and foster enterprise led development.

IV. Concept Submission Instructions and Review Process

USAID/Indonesia 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 and submit concepts using the appropriate template provided in the GDA APS.**

NOTE: The GDA APS states that a concept cannot be submitted until the core private sector partner(s) to a proposed GDA discuss that GDA with the relevant USAID operating unit and receives an email from that operating unit confirming that discussion and indicating that operating unit's willingness to receive and review a concept submission.

For purposes of this addendum, the point of contact for engaging in those discussions, exploring potential GDAs and addressing questions related to this addendum is USAID/Indonesia's PSE Team at gdaindonesia@usaid.gov. Concepts cannot be submitted and will not be reviewed unless the PSE Team provides an email confirming initial co-creation discussions with the private sector and indicating USAID/Indonesia willingness to receive and review a concept submission.

⁷ Please refer to the [GDA APS](#) on p. 32 for definitions of leverage and cost-share.

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 submission template and required supporting information should be sent to USAID/Indonesia through gdaindonesia@usaid.gov with a copy to gda@usaid.gov.

Information provided in the relevant template must address the objectives and criteria presented in this addendum.

USAID/Indonesia will review Concepts under this addendum. The concepts will be reviewed periodically based on the following Quarterly Submission Deadline Schedule:

- **February 28, 2021**
- **May 30, 2021**
- **August 30, 2021**
- **November 30, 2021**

Applicants can expect to receive a response regarding their concept within 45 days after the quarterly submission deadline. For example, if an applicant submits a concept between March 1 and May 30, USAID would have until July 15 to respond.

After review by USAID/Indonesia, applicants will receive instructions 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. Concepts must be submitted by **November 30, 2021 at 8:00 A.M. (Jakarta Time)** to be considered.

V. Questions and Further Assistance

Questions regarding the substance and objectives of this addendum should be directed to the PSE Team at gdaindonesia@usaid.gov with copy to gda@usaid.gov. A compilation of Frequently Asked Questions (FAQs) will be made available via amendment to this 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, please refer to the GDA APS which can be found at the following website:
<https://www.usaid.gov/gda/global-development-alliance-annual-program>.