



USAID | PARAGUAY

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REGIONAL OFFICE OF ACQUISITION & ASSISTANCE

Issue Date: August 03, 2022
Closing Date: August 02, 2023

Subject: Annual Program Statement No. 72052622APS00002

Program Title: Paraguay Culture of Lawfulness to Fight Corruption

To whom it may concern:

The United States Agency for International Development in Paraguay (USAID/Paraguay) seeks applications from non-profit and for-profit organizations to participate in USAID/Paraguay's Culture of Lawfulness to Fight Corruption Annual Program Statement (APS).

The Paraguay Culture of Lawfulness to Fight Corruption seeks to engage the private and civil sectors in priority areas, as defined by the Government of Paraguay (GOP) and the United States Government (USG). This initiative is designed to increase sustainability and impact in the following areas: Rule of Law, Formalization of Economic Opportunities, Civil Society Oversight, and Oversight of Elections and Political Processes, as outlined in **SECTION H: OTHER INFORMATION**. USAID/Paraguay is interested in providing both financial and non-financial support in these areas.

This APS requires submission of a 3-page concept note that answers the questions provided in **SECTION D: APPLICATION AND SUBMISSION INFORMATION**. Interested organizations must read this document in its entirety and follow the instructions. USAID/Paraguay may make multiple awards or, if there are not sufficiently suitable concepts, none.

USAID may not award to an applicant unless the applicant has complied with all applicable System for Award Management (SAM) requirements detailed in **SECTION D - APPLICATION AND SUBMISSION INFORMATION**. The registration process may take many weeks to complete and therefore applicants should begin registration as soon as possible.

Issuance of this notice of funding opportunity (NOFO) does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for any costs incurred in preparation or submission of comments/suggestions or an application. Applications are submitted at the risk of the applicant. All preparation and submission costs are at the applicant's expense.

This is an exciting opportunity to make a difference, and I sincerely thank you for your interest in our Culture of Lawfulness to Fight Corruption solicitation. We look forward to working with you!

Sincerely,

A handwritten signature in black ink that reads "G. Michael Junge". The signature is written in a cursive style with a large initial "G" and a stylized "J".

G. Michael Junge
Agreement Officer
USAID/Peru

Culture of Lawfulness to Fight Corruption Initiative

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SECTION A: PROGRAM DESCRIPTION

This Annual Program Statement (APS) is authorized in accordance with the Foreign Assistance Act of 1961, as amended. The resulting award will be subject to 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and USAID’s supplement, 2 CFR 700, as well as the additional requirements found in **SECTION F: FEDERAL AWARD ADMINISTRATION INFORMATION**.

This APS is intended to increase the sustainability and impact of USAID/Paraguay’s development assistance through civil society and the private sector, as well as related partnerships in the following areas:

1. Rule of Law
2. Formalization of Economic Opportunities
3. Civil Society Oversight
4. Oversight of Elections and Political Processes (*Applications will be reviewed on a first-come, first served basis, and should be received no later than September 16, 2022*)

These areas are further elaborated in **SECTION H: OTHER INFORMATION**.

A. Background

USAID/Paraguay is committed to supporting Paraguayan leadership by prioritizing programs that incentivize reforms, strengthen country capacity, and mobilize domestic resources. “External development aid is more likely to catalyze sustained development processes when they reinforce a country’s internally determined development priorities (country ownership) and arrangements (local systems) <https://www.usaid.gov/policy/local-systems-framework>. This frames the need for local ownership. Furthermore, for results to sustain, one needs to engage the local system as a whole - government, civil society, and the private sector - focusing on local actors, their interrelationship, and the incentives that guide them (Ibid., p. 4). Local ownership and local systems are the foundation for sustainable development and hence, self-reliance.

To advance strategic transition and new models of bilateral engagement, spur innovation, and align with the private and civil sector’s interests and opportunities, USAID/Paraguay has launched the Paraguay Culture of Lawfulness to Fight Corruption solicitation. Experience has shown that engaging the private and civil sectors can be a force multiplier for transformational change. These sectors bring expertise, markets, assets, and innovation. Furthermore, the flow of potential partner resources far surpasses the level of official development assistance dollars. It is not just about dollars, though; local actors can help solve critical development problems and promote effective, sustainable development through market-led solutions or public pathways. The desired goal is that the Paraguay Culture of Lawfulness to Fight Corruption Initiative will create links between the private sector and development partners that will continue once USAID funding ends. Recognizing and capitalizing on these opportunities, the Paraguay Culture of Lawfulness to Fight Corruption Initiative will catalyze, facilitate, and support such collaboration.

This initiative provides a non-traditional approach for achieving these objectives. Within this context, USAID/Paraguay will prioritize private and civil sector-driven solutions, multi-stakeholder partnerships for shared value, and innovation. USAID/Paraguay encourages forging partnerships that promote collaboration with the private sector and civil society in the joint definition of development challenges; identification of the most promising, impactful solutions; and mutual contribution of resources. Focus is placed on local solutions that bring multiple stakeholders to the table to collaborate and systemically change how assistance is transacted, and results are achieved to build a sustainable model that will hopefully continue well into the future. This multistakeholder, systemic and holistic approach should be inclusive of vulnerable populations and capitalize on Paraguay's demographic dividend by garnering the power of youth. Ideally, solutions will involve building the capacity of the Government of Paraguay (GOP) so that it will be able to tackle development problems as they arise.

USAID defines innovations as those interventions that introduce novel business or organizational models, operational or production processes; financing; or products or services that lead to dramatic improvements in addressing development challenges. Innovation may incorporate science and technology, but this integration is not required. Innovation should help produce significant development outcomes more effectively and sustainably to reach more beneficiaries in a shorter period. As relevant, the Paraguay Culture of Lawfulness to Fight Corruption Initiative may focus on identifying, testing, sharing, and scaling such game-changing interventions.

B. An Invitation for Co-Design and Impact

This initiative is USAID/Paraguay's invitation to civil society and the private sector to work with USAID as an Implementing Partner (e.g., NGOs, private sector concerns, and others) to determine how our respective interests and objectives align and jointly identify and define problems, challenges, and opportunities that can most effectively be addressed by working together. The initiative also provides a process through which USAID, the private sector, and other prospective partners can jointly examine and leverage our respective expertise, resources, and capabilities to scope, develop and implement effective solutions to the problems and challenges identified. Mobilizing domestic public and private resources, especially from the civil and private sectors, is a priority of this initiative. These partnerships help achieve core objectives in ways that could not be done alone. By engaging with these sectors, USAID hopes to increase the reach, efficiency, effectiveness, and sustainable impact of development investments and, as relevant, advance market-based solutions, as well as public pathways for scale.

To foster sustainable and transformational development impact, the award process will entail extensive partnering and collaboration between USAID/Paraguay and the applicant from design to implementation. Awards will be co-designed. This means that USAID/Paraguay will work hand-in-hand with applicants who have submitted promising concept notes to explore the best possible strategy for addressing identified problems.

C. Getting Started

What is the Paraguay Culture of Lawfulness to Fight Corruption Initiative?

The Paraguay Culture of Lawfulness to Fight Corruption Initiative is an initiative to encourage new and innovative ideas, as well as public-private sector collaboration to create sustained, measurable improvements in development outcomes. USAID/Paraguay welcomes innovative and creative ideas that can be rigorously tested, shared, and potentially scaled in Paraguay within this context. Through this initiative, USAID/Paraguay will consider a wide range of approaches to achieve its development objectives. It is understood that all partners will share risks and responsibilities.

In what areas is USAID/Paraguay seeking to form partnerships?

Partnerships developed under this initiative must contribute to achieving one of USAID/Paraguay's core development objectives (see **SECTION H: OTHER INFORMATION**).

What types of partnerships is USAID/Paraguay seeking?

The most promising partnerships emerge from a solid understanding of the Government of Paraguay's priorities, private sector interests, civil society considerations, and USAID's development objectives. Please see **SECTION C: ELIGIBILITY INFORMATION** for definitions and details on qualifying Implementing Partners.

If your organization would like to work with USAID/Paraguay to solve development challenges start with these steps:

- Follow the guidance in this APS.
- Review USAID/Paraguay's development objectives and priorities outlined in **SECTION H: OTHER INFORMATION**.
- Review the Application and Submission Information in **SECTION D: APPLICATION AND SUBMISSION INFORMATION** of this APS.
- Submit a concept note for consideration using the template attached at **ATTACHMENT 1: CONCEPT NOTE TEMPLATE**, making sure to answer each of the questions provided in **SECTION D: APPLICATION AND SUBMISSION INFORMATION**.

D. Funding Priorities

Please see **SECTION H: OTHER INFORMATION**.

E. Evaluation Process

SECTION D: APPLICATION AND SUBMISSION INFORMATION of this Paraguay Culture of Lawfulness to Fight Corruption Initiative APS outlines the process for submission, evaluation, development, and selection of concept notes.

[END OF SECTION A]

SECTION B: FEDERAL AWARD INFORMATION

A. Estimate of Funds Available and Number of Awards Contemplated

The total amount of funding to be awarded under this APS will depend on the variety and quality of the concepts USAID/Paraguay receives but is estimated at approximately \$20 million US Dollars. USAID/Paraguay intends to award up to ten awards, each award is not expected to exceed \$2,000,000. USAID/Paraguay reserves the right to fund any, or none, of the concept notes submitted, based on the availability of funds. While not required, it is desirable that the Implementing Partner provide cash leverage. Concept notes should have a request of at least USD \$250,000. However, it is not always true that more funding achieves better results; therefore, USAID reserves the right to fund concept notes that fall below this amount.

Please note that certain areas have limited funding or that funding will need to be sought from other USAID resources after a Concept Note is approved. As funding may be limited, we have tried to reduce submission requirements to a bare minimum. Please keep this in mind when deciding whether you would like to submit under this APS.

B. Start Date and Period of Performance for Federal Awards

Applications must state a period of performance. The period of performance must be 60 months or less.

C. Type of Award

Subject to the availability of funds, USAID/Paraguay may make multiple awards. Awards under the Paraguay Culture of Lawfulness to Fight Corruption Initiative may be structured in various ways. Resulting awards may include Cooperative Agreements, Fixed Amount Awards, Renewal Awards, or Simplified Grants. More information on these award types can be found at <https://www.usaid.gov/sites/default/files/documents/303.pdf>. Award type will be discussed once the concept note is accepted. The actual award type or engagement will depend upon the most appropriate mechanism or approach for the intended results.

[END OF SECTION B]

SECTION C: ELIGIBILITY INFORMATION

1. Eligible Applicants

USAID/Paraguay is particularly interested in working with local Implementing Partners and private sector and civil society stakeholders that will mobilize domestic resources for development. USAID Paraguay is also interested in working with New and Underutilized partners (see definitions below). This includes non-traditional development partners such as private businesses, trade associations, foundations, financial institutions, non-profit NGOs and for-profit development firms. These targets are reflected in the evaluation criteria so submissions from Local, New or Non traditional partners will have a much greater possibility of success as 50% of the rating criteria will be based on that criteria.

Please consider the following definitions:

A **Local Entity** is an individual or organization that: (1) Is legally organized under the laws of Paraguay; (2) Has as its principal place of business or operations in Paraguay; (3) is majority-owned by individuals who are citizens or lawful permanent residents of Paraguay; and, (4) is managed by a governing body, the majority of whom are citizens or lawful permanent residents of Paraguay.

A **Locally Established Partner** is a U.S. or international organization that works through locally led operations and programming models. LEPs:

1. Have maintained continuous operations in-country for at least five years and materially demonstrate a long-term presence in a country through adherence or alignment to the following:
 - Local staff comprises at least 50% of office personnel;
 - Maintenance of a dedicated local office;
 - Registration with the appropriate local authorities,
 - A local bank account; and
 - A portfolio of locally implemented programs.
2. Have demonstrated links to the local community, including:
 - If the organization has a governing body or board of directors, then it must include a majority of local citizens (in the host country, this is not required);
 - A letter of support from a local organization to attest to its work; and
 - Other criteria that an organization proposes to demonstrate its local roots.

A **New Partner** is an individual or organization that has not received any funding from USAID as a prime partner over the last five years.

Underutilized Partners are organizations that have received less than \$25 million in direct or indirect awards from USAID over the past five years.

Concept notes must follow all instructions in this APS and must address the **Merit Review Criteria** in **SECTION E: APPLICATION REVIEW INFORMATION**.

Faith-based organizations are eligible to apply for federal financial assistance on the same basis as any other organization and are subject to the protections and requirements of Federal law.

2. Leveraging

The US Government wishes to be in a true partnership with the implementer with whom we select. In order to achieve success, we must each share in the solution to the development problem. It is our hope that in addition to the funds that we provide, the implementer will also provide resources in the form of cash or in-kind contributions.

Under the evaluation criteria, “**Multi-Stakeholder Engagement and Sustainability**”, your concept note will be evaluated to determine what additional resources you will bring to help solve the problem. We do not have a minimum or a maximum amount but the more outside resources that you can bring to help solve the problem, the more favorable your concept note will be.

Leverage Leverage is defined as resources, in cash or in-kind, that are added to the funds that USAID provides. While cash contributions are preferred, you can use funds that are already in your account, but you must demonstrate that prior to receiving USAID funds, you would not have used those funds to try to solve the problem. You can also use in-kind leverage. These are things such as volunteers who will contribute their time, the use of office space that normally would not have been used to try to solve this problem, the use of vehicles, photo-copy machines, utilities, etc.

See [ADS 303.3.27](#) for more information about leverage.

[END OF SECTION C]

SECTION D: APPLICATION AND SUBMISSION INFORMATION

A. Agency Point of Contact

G. Michael Junge
Regional Agreement Officer
Regional Acquisition and Assistance Office (ROAA)
USAID/Peru
La Encalada Avenue, Block 17
Monterrico, Lima 33 Peru
Paraguayooa@usaid.gov

B. Questions and Answers

Submit questions regarding the Paraguay Culture of Lawfulness to Fight Corruption Initiative via email to Paraguayooa@usaid.gov. The subject line must state “**Questions Paraguay Culture of Lawfulness to Fight Corruption Initiative - APS number 72052622APS00002.**” Questions can be submitted at any time during which the NOFO 72052622APS00002 - Paraguay Culture of Lawfulness to Fight Corruption Initiative is active, but responses will be provided as an amendment to this APS only when there are a sufficient number of questions, or a question is particularly important to understanding the APS. Questions asked through other channels and methods will not be considered. It is important to understand that all questions asked and corresponding answers will be published so do not include sensitive/personal information in your question(s).

C. Application Process For Implementers Seeking Funding

USAID/Paraguay will use the following process:

Phase 1: Concept Note Submission

Concept notes must be submitted via email to Paraguayooa@usaid.gov. All submissions must be submitted as encrypted documents. A concept note is a short (3 page maximum) document wherein the applicant provides an overview of their idea. USAID/Paraguay has provided a template as **ATTACHMENT 1: CONCEPT NOTE TEMPLATE**. Applicants must utilize this template when submitting a concept note.

As seen in the template, applicants must answer each of the following questions in their concept note submission:

1. Applicant Entity’s name, address and phone. Also provide the name and contact information for one person who can be the primary point of contact.

2. Indicate if your organization qualifies as a Local Entity, Locally Established Partner, New Partner or Nontraditional Partner (definitions are in Section C.1 above).
3. Your entity's SAM Registration Number.
4. Your entity's Unique Entity Identification (UEI).
5. What is the problem that your entity is trying to directly address? *(please limit response to one sentence)*
6. A brief description of why this problem continues to exist and what attempts at solving it have been made. *(please limit response to 2 paragraphs)*
7. Who else is working to solve this problem? *(please limit response to two sentences)*
8. Why can this problem not be solved directly by the Government of Paraguay? Why should USAID be involved? *(please limit response to one paragraph)*
9. How will your entity solve this problem? *(please limit response to one paragraph)*
10. What will you accomplish using the funding you are requesting? Provide concrete results you hope to achieve and what will happen if you solve the identified problem. *(please limit response to one paragraph)*
11. How much funding are you requesting from USAID?
12. What is the estimated duration of your proposed project? *(note that awards cannot exceed 60 months in duration)*
13. List 5 ways that you will measure success.
14. How will gender be considered in your project? *(please limit response to one paragraph)*
15. How might your project impact the environment (positive or negative)? *(please limit response to two sentences)*
16. How might climate change impact your project? *(please limit response to two sentences)*
17. Please list any partners who will contribute in-kind or cash support for this project and attach letters of commitment from each partner
18. Please attach your entity's organizational structure (not included in the 3 page limit)

Concept notes must be submitted in English. For concept notes developed in Spanish, please translate into English (a professional translation is not required) and then submit both. Additionally, for prospective applicants that opt to submit a Spanish version to supplement the English version, it will be considered as supporting information. Concept notes must not exceed three (3) pages, and applicants must utilize the template in **ATTACHMENT 1: CONCEPT NOTE TEMPLATE**. Clarity and specificity are important, as is ensuring that the concept note narrative addresses the points USAID/Paraguay will use to review the concept note (see **SECTION E: APPLICATION REVIEW INFORMATION**).

NOTE ON THE SYSTEM FOR AWARD MANAGEMENT

NOTE: Registration for the System for Award Management (SAM) <https://www.sam.gov/SAM/> is always free - do not use websites that charge a fee to register.

Applicants are required to:

- Be registered in SAM before submitting an application.

- Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

The applicant must be registered in SAM before submitting an application to this APS. Applications cannot be reviewed without verification of registration in SAM. If you try to register and receive an error message, include a screenshot of the error message. This is a US Government legal requirement so there can not be any exceptions.

Phase 2: Concept Note Review

USAID Paraguay will review concept notes on a rolling basis as they are received dependent on the availability of funds. Concept Notes must state which Development Objective they will address.

Each of the areas covered by this APS have different funding sources. Some areas are more restricted than others. Although some areas are very restricted, you are still encouraged to submit a concept note. In very limited circumstances, if there is a particular concept note, USAID/Paraguay could try to advocate for additional funds.

USAID/Paraguay anticipates two possible results from the concept note merit review process:

1. **Competition requirements have been met - Invitation for Co-Design:** If the concept note is selected, USAID/Paraguay will invite the Applicant to engage in Co-Design to address any uncertainties identified by USAID/Paraguay in its review.
2. **Concept note receives a low rating or does not meet the Paraguay Culture of Lawfulness to Fight Corruption Initiative objectives:** If it is determined that an Applicant does not meet USAID/Paraguay's objectives or if an Applicant receives a low rating against the merit review criteria, the Applicant will receive a Decision to Not Proceed letter and the process will end.

Phase 3: Co-Design of Activity

Upon receipt of the Invitation for Co-Design letter, competition has been met, and the Applicant will continue the design process working with USAID/Paraguay's guidance. USAID/Paraguay will provide additional information on this process to successful applicants. During this phase, applicants will work with USAID design teams to develop a clearer understanding of the activity. During this co-design process, USAID staff will also help ensure that USAID activity requirements, such as environmental compliance and gender integration, are considered.

If an Applicant at any point in the Co-Design phase does not meet expectations, the process will end for that Applicant. Reasons why an Applicant may be unsuccessful at the co-design/full application phase could include, among other reasons:

- After discussions, the design team determines that the detailed program does not satisfy the criteria of Paraguay Culture of Lawfulness to Fight Corruption Initiative or the Development Objectives of USAID/Paraguay;
- The Applicant cannot provide evidence that it is a legal entity capable of operating in Paraguay; or
- USAID/Paraguay has other concerns after conducting due diligence or pre-award reviews of the applicant.

USAID/Paraguay reserves the right not to make an award at any stage of the process.

[END OF SECTION D]

SECTION E: APPLICATION REVIEW INFORMATION

A. Merit Review Criteria

USAID/Paraguay will review all concept note applications that comply with the instructions in this APS. USAID/Paraguay will use the following merit review elements, which are of equal importance.

	Merit Review Element	Definition
USAID/Paraguay will review each concept note and evaluate it to the degree it meets the criteria on the right:	Development Approach	The relevance of the Development Problem with the expected impact of the solutions proposed under the development approach.
	Multi-Stakeholder Engagement and Sustainability	The makeup of the partnerships with the possibility of long term sustainability.

[END OF SECTION E]

SECTION F: FEDERAL AWARD ADMINISTRATION INFORMATION

1. Federal Award Notices

USAID/Paraguay cannot make awards under this APS until it has appropriated, allocated, and committed funds through internal USAID procedures. While USAID/Paraguay anticipates successfully completing these procedures, potential applicants are notified of these requirements and conditions. The Agreement Officer (AO) is the only individual who can legally commit USAID to the expenditure of public funds. Applicants are prohibited from charging or incurring costs to the proposed award prior to receiving either a fully executed award or a specific, written authorization from the AO.

2. Administrative and National Policy Requirements

Due to the nature of the collaboration implicit in the **Paraguay Culture of Lawfulness to Fight Corruption** Initiative awards, USAID/Paraguay believes that Fixed Amount Awards (whereby USAID provides a specific level of support for which the Agency does not base payment upon the actual costs incurred by the recipient, but rather performance and results) and/or Cooperative Agreements (in which substantial involvement will include approval of implementation plans, key personnel, and Agency and Recipient collaboration or joint participation) will likely be the primary vehicle for this initiative. Still, the actual award type or engagement will depend upon the most appropriate mechanism or approach for the intended results. Each award will be individually negotiated.

The resulting award from this APS will be administered in accordance with the following policies and regulations.

For Cooperative Agreements:

For US organizations: [ADS 303](#), [2 CFR 700](#), [2 CFR 200](#), and [Standard Provisions for U.S. Non-governmental organizations](#).

For Non US organizations: [Standard Provisions for Non-U.S. Non-governmental Organizations](#).

For Fixed Amount Awards:

For all organizations: [ADS 303](#) and [Standard Provisions for Fixed Amount Awards to Nongovernmental Organizations](#)

Awards will include all USG regulatory requirements, including Mandatory and any As Applicable provisions (<https://www.usaid.gov/sites/default/files/documents/1868/303mab.pdf>).

New applicants will require a Non-U.S. Organization Pre-Award Survey and results may require Specific Conditions placed on the award <https://www.usaid.gov/sites/default/files/documents/1868/303Peru Alliances.pdf>.

Each award will be individually negotiated.

[END OF SECTION F]

SECTION G: FEDERAL AWARDING AGENCY CONTACTS

1. The Agreement Officer for this APS is:

G. Michael Junge
Regional Agreement Officer
Regional Acquisition and Assistance Office (ROAA)
USAID/Peru
La Encalada Avenue, Block 17
Monterrico, Lima 33 Peru
paraguayoaa@usaid.gov

[END OF SECTION G]

SECTION H: OTHER INFORMATION

A. PROGRAM FUNDING AREAS

1. RULE OF LAW

Problem Statement

- Paraguay's justice system currently faces significant challenges that undermine its capacity to hold individuals and the government accountable for their actions.

Background

Corruption, fueled by impunity, is one of the most important impediments to Paraguay's development, and the number one priority for the US Embassy in Paraguay. Despite unprecedented levels of transparency following the enactment of the Freedom of Information Law, considerable high-profile corruption cases have been unveiled. Yet a still weak and politicized Judicial system enables impunity, undermining Paraguayans' public support for democracy--which fell sharply from 67 percent in 2012 to 50 percent in 2021 (Americas Barometer)-- one of the lowest in the region. Additionally, only two out of ten Paraguayans trust the judicial system will investigate and punish corruption. Strengthening the Rule of Law is key to fighting corruption fueled by impunity. This requires judicial independence from political influences. The processes for selection and removal of judges and prosecutors, and their disciplinary system is particularly prone to political influences, thus crippling an independent judiciary..

Influence peddling from economic interest groups and international criminal organizations also undermine judicial independence. A strong and independent Electoral Tribunals fundamental in upholding Paraguay's democracy during the upcoming general elections. This will require technical assistance to the Electoral Tribunal to effectively implement political finance control, as well as coordinated actions with other relevant institutions, including electoral prosecutors, the judiciary, and the National Anti-Money Laundering Secretariat, among others. USAID intends to support these efforts with the understanding that lack of effective political finance control will have negative consequences for Paraguay's democracy.

USAID supported several efforts to support a more independent judiciary. Back in 2015, the Paraguayan Congress created a commission on Judicial Reform. USAID provided technical assistance to the Supreme Court to interact with the commission, which among other reforms focused on designing a judicial career. The judicial reform never came to fruition. More recently, USAID supported the Supreme Court in the design of a Judicial Career draft law for

judges. Currently, the Supreme Court is working on a final draft to be submitted to Congress. USAID also helped strengthen disciplinary systems within the judiciary and the prosecutor's office, and helped develop performance indicators in both instances. Finally, USAID worked with the Council of Magistrates to establish standardized criteria for the selection of judges, and to foster greater transparency in the selection processes. Despite these efforts, judicial independence remains feeble.

Also in the recent past, USAID provided assistance to advance several electoral reforms, including the implementation of an Automated System for Political Finance Control (SINAFIP), the enactment of regulations, and the creation of a School for Empowering Women Politicians, among others. As the electoral calendar for 2023 general elections advances, with primaries scheduled for December 2022, USAID is looking for immediate opportunities to strengthen the Electoral Tribunal's capacity to prevent, detect and sanction irregular practices in political finance.

Moving forward, USAID intends to support Paraguay's efforts to strengthen the Rule of Law, under two specific, stand-alone activities:

- 1) Improved judicial independence, and
- 2) Improved control of political finance by the Electoral Tribunal. *[Note: USAID intends to award this activity by mid-October 2022 at the latest, ahead of the upcoming national elections. Applications will be reviewed on a **first-come, first served** basis, and should be received no later than mid-September 2022.]*

Theory of Change

If:

- Judicial independence is strengthened, and
- The Electoral Tribunal is able to counter influence peddling during elections

Then:

- There will be less impunity resulting from corruption.

Purpose Statement

USAID will support justice sector institutions, including the Electoral Tribunal to effectively reduce impunity by increasing judicial independence and tackling the influence of economic interests and criminal organizations in political finance.

2. FORMALIZATION OF ECONOMIC OPPORTUNITIES

Problem Statement

The growth of legitimate Paraguayan businesses is limited by a large informal economy with limited capacity of Micro, Small and Medium Sized Enterprises.

Background

An informal economy enables continued inequality, and prevents the benefits of economic growth from trickling down and resulting in inclusive economic growth. Women, youth, and other economic groups are particularly affected by the inequalities generated by an informal economy. The informal sector in Paraguay covers more than half of the economy, and is so problematic that the International Monetary Fund (IMF) refers to it as “unusually high.” Informality accounts for around 40% of Gross Domestic Product (GDP), while informal workers represent 65% of the market.

In a series of formalization workshops held in December 2020 and January 2021 that focused on micro, small and medium sized businesses, representatives from civil society, the private sector and government noted that micro and small businesses are reluctant to formalize due to a fear that this will lead to government regulation and increase taxes and fees. Informal businesses don't see the immediate monetary benefits to formalizing. The participants also mentioned the need to streamline bureaucratic processes for registration and to make these more affordable as well as the need for monetary incentives to formalize such as loan financing or grants. USAID is currently supporting the socialization of the Small Business Development Center (SBDC) model developed by the University of Texas at San Antonio.

The root causes of informality in Paraguay can be divided into three main areas: Market, governance and human capital. Regarding the market, informality causes economic inefficiency, which produces macroeconomic distortions. Regarding governance, there are many challenges, including institutional weaknesses, bureaucratic barriers, the high cost of formalization and the lack of enforcement/sanctions for informality, deficiency in the provision of public services, and Paraguay's feeble investment climate. Regarding human capital, problems include a lack of decent economic opportunities, especially for vulnerable populations, including women, youth, people with disabilities, rural small-scale producers, indigenous people, and LGBTI persons.

Theory of Change

If:

- If the enabling environment for businesses, including market efficiencies and access to resources are improved with human capital trained,

Then:

- Increased formal economic opportunities and economic growth will occur.

Purpose Statement

The purpose is to advance a more formal economy through initiatives that promote incentives and the enabling environment for formal businesses to thrive. By engaging key stakeholders, USAID will leverage private sector support for market-driven solutions. USAID will also improve the GOP's capacity to foster the enabling environment for a more formal and resilient economy, with focus on micro and small businesses, small entrepreneurs, informal workers and startups or recovering companies, especially those managed by women, youth, and other vulnerable populations.

Geographic Scope

Concept notes for support under Formalization should be geographically focused based on the Ministry of Commerce's areas of focus and the applicant's own geographic area of expertise. Specific locations and sectors will be confirmed as a result of the co-design process.

3. CIVIL SOCIETY OVERSIGHT

Problem Statement

Civil society has limited tools and capacity for oversight of large-scale corruption and impunity.

Background

Paraguay has the second lowest level of support for democracy in the region. There is a widespread perception that democracy has not delivered: government corruption and inefficiencies persist, and despite sound macroeconomic levels, economic growth has not trickled down. The quality of education is one of the lowest in the region and also one of the lowest among countries of Paraguay's income category, which means Paraguay is on track to lose its demographic dividend (or window of opportunity). Unfortunately, levels of accountability are surprisingly low. To tackle this situation, citizens' capacity to conduct responsible oversight of large-scale corruption and to demand an end to impunity should be channeled into a more structured, constructive and coordinated effort, seeking to reach a critical mass of diverse stakeholders to ensure sustained impact.

As stated by the Rule of Law Assessment (2019), to build a culture of lawfulness in Paraguay "scattered support for and efforts by civil society organizations (CSOs) to influence public policy will not be effective in the face of an entrenched, closed justice system." Diverse stakeholders should be considered, including faith-based organizations that have one of the highest levels of trust, to call on their members to address large-scale corruption and impunity.

Theory of Change

If:

- The use of quality information and independent reporting are improved, the engagement and coordination of diverse stakeholders is increased, and civil society capacity strengthened.

Then:

- Citizen oversight of large-scale corruption and impunity will be improved.

Purpose Statement

The purpose of this project is to improve citizen oversight of large-scale corruption and impunity, resulting in increased government efficiency and public support for democracy..

Geographic Scope

Applicants are encouraged to implement activities within and beyond Asunción and the Central Department. The geographic areas will be confirmed as a result of the co-design process.

4. OVERSIGHT OF ELECTIONS AND POLITICAL PROCESSES

Note: USAID intends to award this activity by mid-October 2022 at the latest. Applications will be reviewed on a first-come, first served basis, and should be received no later than September 16, 2022. USAID/Paraguay intends to make one award, and it is not expected to exceed \$800,000. USAID/Paraguay reserves the right to fund any, or none, of the concept notes submitted, based on the availability of funds.

Problem Statement

Historically electoral processes lack sufficient citizen oversight.

Background

Increased influence of organized crime and corruption in electoral processes, and a lack of sufficient civil society oversight over candidates and their political agendas are jeopardizing Paraguay's efforts to advance democracy.

The recent 2021 municipal elections in Paraguay showed a significant increase in political violence and influence from organized crime. Paraguayans witnessed the assassination of candidates and other forms of intimidation. There are several cases of politicians allegedly connected to organized crime who were elected as mayors or members of municipal councils or are members of the House of Representatives and the Senate. Lately, these cases have grown.

Paraguayans are facing waves of misinformation campaigns during the primaries and general elections. Misinformation is frequently used by organized crime to create confusion among citizens on the candidates, their backgrounds and applications.

In addition, misinformation has proven to be particularly harmful for women's civic and political participation, as they are often targeted by fake news and misinformation campaigns. Women have been an essential part of Paraguay's history, and they are leading efforts to advance transparency and the fight against corruption. As a result, women gained a limited space in the decision making processes with 15% of the congressional seats. The recent entry into force of an open list system further affected women's representation.

Scattered efforts to elevate the quality of debates among candidates and political parties, have had a limited impact in influencing candidates' electoral agendas and fostering informed vote. Without a demand from civil society, candidates and political parties will not include in their political agendas key issues such as judicial independence, transparency and the fight against corruption.

In the recent past, USAID has provided assistance to advance several electoral reforms, including the implementation of an Automated System for Political Finance Control (SINAFIP), the enactment of regulations, and the creation of a School for Empowering Women Politicians, among others. The European Union is currently providing support to strengthen the institutional capacity of the Electoral Superior Tribunal in implementing these reforms. As the electoral calendar for 2023 general elections advances, with primaries scheduled for December 2022, USAID is looking for immediate opportunities to increase civil society oversight capacity on political finance, and as such concept notes for this program funding area should or must be submitted by mid-September, 2022.

Illustrative Examples of Interventions include:

Civil society empowered to detect and deter corruption and organized crime influence in politics

- Assess public awareness of the influence of organized crime in politics, including an analysis on its impact on women.
- Promote debates on the role that organized crime played in the 2021 municipal elections, involving national and international experts, journalists, academia, political parties, the private sector, and youth.
- Support communication campaigns and/or civic education activities aimed at increasing oversight of electoral and political processes with the participation of national and international experts, journalists, academia, political parties, the private sector, and youth.
- Disseminate toolkits for the civil society writ large to address the influence of organized crime on politicians, political programs and parties including, but not limited to countering misinformation campaigns against candidates and improving journalists' grasp of issues such as gender equality, money laundering, political finance and ethics, among others.

Civil society joins forces with strategic stakeholders to oversee electoral and political processes

- Promote civil society oversight on political finance campaigns to expose irregularities and demand actions from the Attorney General's Office, the Electoral Tribunal, and other government agencies aimed at enforcing regulations on the influence of organized crime.
- Encourage discussions with primaries and general election candidates and key stakeholders, including political parties, academia and the private sector, over key issues such as judicial independence and the Rule of Law, transparency and accountability, the fight against corruption and organized crime, women's political representation, among others.

- Promote civil society collaboration to tackle the influence of organized crime in electoral processes, through recommendations for strengthening the regulatory framework and the enforcement of control.

Theory of Change

If

- Civil society joins forces with strategic stakeholders to oversee electoral and political processes with the ability to detect and deter corruption and organized crime influences in politics,

Then:

- Paraguayans will have greater confidence in the electoral process.

Purpose Statement

The program will support civil society writ large, including the media, Non-Governmental Organizations, the private sector, academia, political parties, and faith-based organizations among others, in monitoring political campaigns and candidates' political agendas, while elevating the quality of the electoral debates and addressing key issues such as judicial independence, the fight against corruption and the influence of organized crime in politics during the upcoming elections.

Geographic Scope

Applicants are encouraged to implement activities in Asunción and the Departments of Central, Alto Paraná, Saltos del Guairá, and Amambay. Caution is highly recommended in areas considered dangerous due to alleged influence of organized crime and lack of government capacity. The geographic areas will be confirmed as a result of the co-design process.

B. Frequently Asked Questions

Question: *Can an organization submit more than one concept note in response to this solicitation?*

Answer: Yes, organizations can submit more than one concept note but each concept note must clearly state what Development Objective they are addressing.

Question: *The APS mentions that a total of 5 to 10 awards will be made. Can USAID clarify if it envisions a maximum dollar threshold for grants?*

Answer: USAID/Paraguay envisions that 5-10 awards will be made. Individual awards are not expected to exceed \$2,000,000.

Question: *Could you please better explain what it means to be an “underutilized” partner? Does the \$25 million threshold refer to total “awarded” amounts in the past five years (counting from March 2017 onwards)? Or does it refer to actual disbursed funds in the past five years?*

Answer: The \$25 million is any USAID funding that your organization has received in the past five years. It is not the total amount of the award, it is either how much you have been obligated in the previous five years.

Question: *What is the difference between APS (Annual Program Statement) and NOFO (Notice of Funding Opportunity)?*

Answer: An APS is a type of NOFO. An APS is generally open from 6 months to a year when multiple submissions are accepted. Another type of NOFO is a Solicitation where there is a specific closing date and there is only one opportunity for an award.

Question: *What if my organization does not have a SAM registration at the time of application?*

Answer: Unfortunately we cannot review applications without a SAM registration. Please see the following reference: <https://www.usaid.gov/paraguay/tools-partners>

Question: *Can public sector institutions and/or offices be considered a resource partner?*

Answer: Yes, provided that they commit tangible resources, which will be reviewed on a case by case basis.

Question: *Should the letters of expression or intention of alliances express the type of contribution that each organization or company is going to incorporate into the initiative?*

Answer: Please refer to Section D of the document APS 72052622APS00002. The greater amount of information about alliances or types of partnerships, will be very helpful.

Question: *Can an organization submit a Concept Note in alliance with an organization which is not legally registered?*

Answer: All Implementing Partners must be legally registered in their country of origin. It may be the case that an allied organization is not legally registered. USAID will review such circumstances on a case-by-case basis.

Question: *For the application to be submitted, part of the financial resources (cash) that will be presented as counterpart of this foundation is composed of resources managed at regional level (given the international character of X (redacted)). In this regard, please clarify whether these funds should actually be deposited in the bank account exclusively for the project in Paraguay, or whether it will be possible to present supporting documentation that proves the existence of these funds and their application to the project from the accounts of origin (through direct payments to suppliers that are adequately supported).*

Answer: Please refer to Section D of the APS. These questions would be addressed during the co-creation process. Applicants need to demonstrate that the resource(s) would not have been provided if USAID had not provided the funds.

Question: *Is it possible to present an alliance with international organizations that also facilitate the mobilization of resources to achieve the project results?*

Answer: USAID does not recognize alliances, the legal relationship must be with a prime implementing partner and may include sub-awards/contracts.

Question: *When submitting a concept note aiming to be an Implementing Partner, it is required to have a resource partner?*

Answer: Please refer to Section A - PROGRAM DESCRIPTION, letter C of the APS. While not a requirement, it will improve the scoring when the concept note is evaluated.

[END OF SECTION H]

ATTACHMENT 1: CONCEPT NOTE TEMPLATE

**Paraguay Culture of Lawfulness to Fight Corruption Initiative
Concept NOTE**

NAME OF ENTITY:

ADDRESS:

PHONE:

POINT OF CONTACT NAME:

EMAIL:

CHECK ALL THAT APPLY:

Local Entity

Locally Established Partner

New Partner

Nontraditional Partner

SAM REGISTRATION NUMBER:

UNIQUE ENTITY IDENTIFICATION (UEI):

What is the problem that your Entity is trying to directly address? *(Please limit response to one sentence)*

Please provide a brief description of why this problem continues to exist and what attempts at solving it have been made. *(Please limit response to 2 paragraphs)*

Who else is working to solve this problem? *(Please limit response to two sentences)*

Why can this problem not be solved directly by the Government of Paraguay? Why should USAID be involved? *(Please limit response to one paragraph)*

How will your Entity solve this problem? *(Please limit response to one paragraph)*

What will you accomplish using the funding you are requesting? Provide concrete results you hope to achieve and what will happen if you solve the identified problem. *(Please limit response to one paragraph)*

How much funding are you requesting from USAID?

What is the estimated duration of your proposed project? *(Note that awards cannot exceed 60 months in duration)*.

List 5 ways that you will measure success.

- 1.
- 2.
- 3.
- 4.
- 5.

How will gender be considered in your project? *(Please limit response to one paragraph)*

How might your project impact the environment (positive or negative)? *(Please limit response to two sentences)*

How might climate change impact your project? *(Please limit response to two sentences)*

Please list any partners who will contribute in-kind or cash support for this project and attach letters of commitment from each partner. *(Does not apply to 3 page limit)*

Please attach your entity's organizational structure (Does not apply to 3 page limit)