



**Date:** August 4, 2021

**Subject:** Amendment No. 1 to the Request for Concept Paper, Notice of Funding Opportunity (NOFO) no. 72047221R00007, Women and Youth Creating Our Future Activity

**Reference:** Annual Program Statement Number (APS) No.: 7200AA20APS00007, YouthPower 2 (YP2)

Dear Prospective Applicants:

The purpose of this amendment is to incorporate the following information to the NOFO:

1. Responses to questions submitted by due date of July 26 as well as questions received during the NOFO Walkthrough Day on July 29.
2. List of interested participants to the NOFO Walkthrough Day.
3. Presentation provided during the NOFO Walkthrough Day.
4. Revised NOFO as a result of the questions received.

This amendment does not obligate USAID to execute an award, nor does it commit USAID to pay any costs incurred in the preparation and submission of Concept Paper. Furthermore, the U.S. Government reserves the right to reject any and all Concept Papers, if such action is considered to be in the best interest of the U.S. government. All other terms and conditions of this funding opportunity issued on July 16, 2021, remain unchanged.

Sincerely,

/s/

Craig Smith  
Regional Agreement Officer  
USAID/RDMA

1. Responses to questions submitted in written by due date of July 26 as well as questions received during the NOFO Walkthrough Day on July 29.

### **Technical Questions**

1. The NOFO specifies that the proposed approach should support the development of one or more Timorese social enterprises.
  - Could USAID please clarify whether the proposed approach should aim to establish a new social enterprise, or support an existing one?

**USAID Response: Either a new or existing traditional business or social enterprise may be supported or developed.**

- If the latter, should the social enterprise be specified in the concept note stage, or should the concept focus more generally on the approach rather than specify a specific social enterprise partner?

**USAID Response: It is encouraged that the concept note indicates the intended social enterprise(s) to be supported but this is not required. A clear understanding of the approach proposed for strengthening one or more social enterprises, or support to transform a traditional business into a social enterprise, is necessary.**

2. Can USAID provide criteria (such as expected organizational size, geographic scope, number of employees, beneficiary reach, etc.) for the kind of social enterprise Objective 1 activities should result in/support?

**USAID Response: The organization(s) must be Timorese operated and registered according to Timorese laws. The results we are expecting is that the social enterprise has a sufficient diversity of skill sets necessary for delivering development outcomes in the areas of economic growth. We expect that at the end of the period of performance, the social enterprise will have an effective organizational operation, financial oversight and reporting so they may be able to receive funds from donors or other means to become a sustainable organization per the terms of the agreement. The supported organization(s) may promote formal job placement and entrepreneur development in any sector or geographic location within Timor-Leste. Scalability, in terms of potential number of beneficiaries during the period of performance of the activity, and scalability of interventions after the performance period will be an important consideration factor.**

3. Can USAID clarify which of the following it intends to support through Objective 1 activities: 1.) the creation of a new social enterprise; 2.) the upgrading (e.g., expansion, improvement) of an existing social enterprise; 3.) the transition of an existing traditional enterprise to social enterprise status?

**USAID Response: Concept notes may focus on the creation of one or more new social enterprises; the upgrading/expansion of one or more existing social enterprises; the transition of an existing traditional business or organization to a social enterprise; the expansion/diversification of an existing traditional business or organization to create a new division capable of meeting activity objectives; or any combination therein.**

4. Can the “social enterprise” / ”serving organization” be from any sector such as health, gas & oil, trade, education, as well as agriculture or agribusiness?

**USAID Response: The “social enterprise” / ”serving organization” may be from any sector (e.g. health, gas & oil, trade, education, agriculture/agribusiness, etc.) provided that, upon benefiting from development support themselves through this intervention, they will be able to become more effective at helping Timorese women and youth overcome constraints limiting formal job placement and entrepreneurial establishment/growth.**

5. USAID refers to “enterprise” (page 3) and “social enterprise” in the NOFO. Can applicants assume that USAID intends for all mentions of “enterprise” related to Objective 1 should be understood as referring to a “social enterprise,” as defined on page 6?

**USAID Response: When the word “enterprise” is used anywhere in the document it may or may not be synonymous with the way “social enterprise” is defined on page 6 of the NOFO. When the term “social enterprise” is used, it will be synonymous with the way “social enterprise” is defined on page 6 of the NOFO. All references to “enterprise” and “social enterprise” have been revised in the NOFO for greater clarification.**

6. Can USAID clarify if there is a target age group and/or demographic group for the activity?

**USAID Response: Concept notes should define the target age group for youth that they propose to serve, which may or may not align with the age range for youth according to various Government of Timor-Leste ministries or departments. The demographics for beneficiaries serviced by the social enterprise(s) should be Timorese nationals, women of any age, youth as defined in the concept note, from urban and/or rural locations and from any Timorese economic strata. Description of the methodology in identifying entrepreneurs for receiving support (as not all personality types are suited to becoming entrepreneurs), as well as thoughts on identifying individuals to benefit from formal job placement efforts is encouraged.**

7. Geographic Focus: Is the Activity required to cover the entire country or select districts? If yes, which ones are viewed as priority districts?

**USAID Response: The supported business or social enterprise is not required to work in any specific geographic area nor is it required that they operate nationwide, but may do so if desired. There are no prioritized districts. It is encouraged that the submitted concept notes describe intent for any geographic locations where the supported social enterprise will help entrepreneurs get established/grow or where efforts to promote formal job placement will take place.**

8. Page 12 of the NOFO states: “Geographic focus: Should be based on likelihood of eventual organizational self-sustainability, potential number of beneficiaries and opportunities for scalability as well as potential to reach beneficiaries in rural and periurban locations and not just urban locations.” Can USAID clarify which rural and peri-urban locations applicants should target for this activity?

**USAID Response: The supported business or social enterprise is not required to support entrepreneurs and those seeking formal job placement assistance in any specific urban, peri-urban or rural locations, but it is encouraged that submitted concepts describe intent**

for any geographic locations where interventions will take place and should clarify how non-urban areas will be included.

9. Is USAID open to setting aside a grant fund under this Activity? If yes, is there a limit?

**USAID Response: Yes, USAID is open to setting aside a grant fund under this activity. The amount of the grant fund and other aspects of its management may be proposed in the concept note and discussed further during the co-design phase.**

10. What has US Aid identified as the biggest challenges and opportunities working with the private sector, in situations such as this project.”

**USAID Response: Based on prior experience, the biggest challenges and opportunities working with the private sector to achieve outcomes sought in projects similar to this one is finding good quality leadership, establishing a neutral and respected Board of Directors, managing independence of the BOD with funding partners who may try to become more substantially involved than their agreement calls for, harmonizing the reporting and financial safeguards if the organization receives funding from multiple sources, developing a brand and confidence among funders that high quality outputs and outcomes will be at a similar level as those provided by traditional and larger implementing partners, and identifying reliable funding streams based on products or services offered.**

11. Do you have the percentage of growth required per year?

**Targets, such as percentage of growth per year; number of youth supported; benchmarks for organizational development (e.g. financial safeguards, hiring leadership/specialists, etc.); number of businesses established or grown through assistance from the social enterprise; number of formal positions secured by women and youth securing formal jobs; and other targets; may be proposed at the concept note stage but will be discussed and established throughout the co-design process and during the work plan stage after award.**

12. What does USAID consider a social enterprise operating in Timor-Leste?

**USAID Response: The definition that applies to this activity is described on page 6 of the NOFO.**

13. Do you have a target in terms of the number of youth supported ?

**USAID Response: Targets, such as percentage of growth per year; number of youth supported; benchmarks for organizational development (e.g. financial safeguards, hiring leadership/specialists, etc.); number of businesses established or grown through assistance from the social enterprise; number of formal positions secured by women and youth securing formal jobs; and other targets; may be proposed at the concept note stage but will be discussed and established throughout the co-design process and during the work plan stage after award.**

**- End of Technical Questions -**

## **Contractual Questions**

1. We note that the opportunity had no number of “expected awards” identified and a "Funding Floor" of \$6,000,000. Could we clarify if the intent is to award to one or multiple proposals and that the minimum funding to one party would be \$6,000,000 or split across the various accepted proposals.

**USAID Response: As noted in the NOFO, USAID intends to issue one or more awards under this Addendum. USAID currently has approximately \$6 million to \$8 million in funding for all of the awards. The Applicants should submit their application for the appropriate amount of funding that will be needed to complete their proposed activities.**

2. Can USAID confirm that applicants are allowed to submit letters of support as annexes?

**USAID Response: No annexes are allowed for the concept notes. If the Applicant is selected to submit a full application, letters of support may be included as annexes.**

3. In the addendum, the concept note is limited to 6 pages. In the Youth Power APS, concept notes are limited to 5 pages (APS page 16, Concept Note Submission). Does the addendum page limit supersede the APS limit?

**USAID Response: The addendum page limit of six pages supersedes the APS limit.**

4. Section C. Eligibility Information outlines specific criteria for eligibility. However, neither the Women and Youth Creating Our Future addendum nor the Youth Power 2 APS indicates a Geographic Code. There are many qualified organizations in Southeast Asia that already provide technical assistance to organizations in East Timor that can be leveraged by this project. Will USAID consider Geographic Code 935 for this procurement to allow Applicants to procure expertise regionally and locally?

**USAID Response: Yes, USAID will consider a waiver request to allow Applicants to procure expertise regionally and locally during the co-creation phase.**

5. Page 14 of the NOFO states: “Although the names for the in-design “Nutritious Agriculture Market Systems” activity; “High-growth Sector Investments Supported” activity; and the “Enabling Environment for Private Sector Growth” activity may change, all these activities plus the “Timor-Leste Women and Youth Creating Our Future” activity will dovetail with each other to increase investments, create employment opportunities, and increase incomes throughout Timor-Leste. It will therefore be essential for the Timor-Leste Women and Youth Creating Our Future activity to coordinate closely each of these activities in a proactive, intentional, and meaningful way.” Question: Can USAID provide information on when the above activities are expected to be released?

**USAID Response: The activities described are still in design and therefore release dates cannot be provided at this time.**

6. Section C. Eligibility Information outlines two types of awards that would meet eligibility criteria. As an international organization we would not be qualified for Option 1: Direct awards to new and underutilized local partners, thus we would be applying as Option 2: Mentoring Awards. Our partners in East Timor meet many of USAID’s technical requirements to ensure success, but they are all small organizations that may not have the capacity to collectively

receive 50% of the total funding allowed on this bid. Will USAID please consider reducing the Mentoring Awards to require a minimum pass through of between 10 and 40% to local partners?

**USAID Response: The requirement for mentoring award will remain at 50% or more of the total funding. The purpose of this award is to build the capacity of a Timorese social enterprise to conduct the activities of Objective 2 as well as build the social enterprise under Objective 1. Therefore reducing the amount of funding would not achieve the purpose of the award.**

7. Do the direct awards eligibility requirement also apply to sub-awardees, or only to prime organizations? Our organization has two years of presence in Timor Leste, making us ineligible to prime. We are hoping to join a consortium as a sub-awardee. Would this be okay?

**USAID Response: The eligibility requirement does not apply to subawardees under Approach #1 as long as the application meets the objective requirements.**

8. Page 17 Section C, Eligibility Information: Part 2A Mentoring Awards, states that “Prime awardees must pass a minimum of 50 percent of the total funding of their awards to local sub-awardees, with a goal of moving them to qualify or direct awards.”

a) We have found that there are very few local organizations, firms, or social enterprises that are able to absorb, utilize, and adequately manage substantial USAID funds. Further, requiring local Timorese organizations to manage a minimum of 50 percent of the total award may not align with these organization’s desired and more sustainable growth trajectories. Even with mentorship, there is a concern surrounding the pressure of such growth in such a strict timeframe. Would USAID consider reducing the 50 percent requirement?

b) Additionally, through our pre-award assessments that evaluate potential grantees, we have found that many effective local organizations may not have the financial controls, management ability, and overall capacity to adhere to and comply with USAID regulations and cost principles. However, many of these organizations are doing impactful work in the relevant geographic and technical areas. We kindly request that USAID clarify expectations regarding potential grantees that do not yet meet USAID compliance regulations for sub-awards.

**USAID Response: USAID will not consider reducing the requirement for funding to the social enterprise under Approach #2. The expectations of Approach #2 are that the prime awardee will build the capacity of local partners to meet the requirements to become a USAID direct awardee or provide them with the support they need to implement programs on behalf of USAID that have measurable impact by the end of the period of performance. In addition, the social enterprise will conduct activities for beneficiaries under Objective 2. Therefore at least 50% of the funds will be used for the activities in Objective 2.**

9. Page 17, Section C, Eligibility Information: Part 2A Mentoring Awards, states that “The prime will not directly assist project beneficiaries.” A. We kindly request that USAID clarify this statement to include what types of activities are permitted or are not permitted under the mentorship model. For example, will the prime be able to engage with beneficiaries on monitoring activity impact? B. Moreover, we would appreciate more guidance and details on USAID’s vision and expectations for the mentorship model.

**USAID Response: The prime awardee will not directly provide technical assistance to project beneficiaries as that will be done by the social enterprise. The prime awardee will build the capacity of local partners to meet the requirements to become a USAID direct awardee or provide them with the support they need to implement programs on behalf of USAID that have measurable impact by the end of the period of performance. If the prime awardee feels that engaging with beneficiaries to monitor the social enterprise's impact that their service delivery has on beneficiaries as part of building their technical and administrative/management capacity is necessary, that approach should be described in the concept note.**

10. Could USAID please clarify the requirements to be considered a Locally Established Partner (LEP) under the USAID New Partnerships Initiative, on page 17. Specifically, to demonstrate links to local communities, would organizations need to have a governing body or board of directors composed of a majority of local citizens, as well as a letter of support from a local organization? Or would letters of support from local organizations be sufficient?

**USAID Response: If the organization is registered as a local organization under the laws and regulations of Timor-Leste and meets the requirements of Section C.I.1.B.1 and C.I.1.B.2 then they would be eligible as an LEP.**

11. Could USAID please confirm that “in the host country, this is not required” means that if a governing body is located in the host country (i.e., Timor-Leste), then it does not need to be composed of a majority of local citizens?

**USAID Response: Confirmed. If the “Locally Established Partner” (LEP) has maintained continuous operations in-country for at least 5 years materially demonstrating a long-term presence in Timor-Leste as described in the NOFO, then the Board of Directors does not have to be comprised of a majority of Timorese citizens.**

12. Do we follow the definition of established USAID partners as those that have received \$25M and above in the past 5 years?

**USAID Response: The definition of established USAID partners is not relevant to this NOFO. The eligibility requirements are defined in Section C of the NOFO**

13. The time frame for the award is very fast. Will this be set in stone?

**USAID Response: The date of August 25, 2021 for submission of the concept note will not be changed. ; However, the actual time taken for concept note review, co-creation, application preparation and negotiation has not been determined at this time. .**

14. Can the National NGO apply for this project in Timor-Leste?

**USAID Response: Yes. A National Timor Leste NGO can submit concept papers for this activity.**

**- End of Cost Questions -**

2. List of interested participants to the NOFO Walkthrough Day.

	<b>Name</b>	<b>Email</b>	<b>Position</b>	<b>Organization</b>
1	Cherie Griffith-Dunn	cheriegd@gmail.com	Executive Business Coach	Cherie Griffith-Dunn LLC.
2	Celina Cua	ccua@grameenfoundation.org	Associate, Institutional Relations	Grameen Foundation
3	Jean Vezina	j.vezina@caltechtimor.com	CEO	Caltech General Contracting, Unipessoal Lda
4	Andy Jacob	andyjacob@caltechtimor.com	General Manager	
5	Dr. Virginia Adams	virginia.c.adams@gmail.com	Diversity Advisor	
6	Kalisito Biaukula	kalis.yvc@gmail.com	Advocacy Manager	Youth Voices Count
7	Quang Tran		Business Development Manager	Plan International USA
8	Annisha Vasutavan	annishavasu@gmail.com	Business Development Consultant	
9	Colton Hubbard		Technical Advisor, Youth & Economic Empowerment	
10	Michelle Yi	Michelle.Yi@planusa.org	Business Development Associate	
11	Dylan Butler,	dbutler@woccu.org		World Council of Credit Unions
12	George Hoyah	ghoyah@woccu.org		
13	Cecilia Thoma	cthoma@woccu.org		
14	Evangelino de Jesus Fatima	barretofanya@gmail.com	Administration, Finance and Management Consultant	CAUCUS Foundation
15	Matt Buzby	MBuzby@ncba.coop	Vice President, International Operations	National Cooperative Business Association
16	Bagie Sherchand		Practice Area Director, Creating Economic Opportunity	CLUSA International
17	Jonathan White		Director, Private Sector Partners & Foundations	
18	David Boyce		Country Advisor, Timor-Leste	
19	Pedro Barreto Ximenes		Institute of Business, Chair Foundation and Rector IOB	
20	Rui Felix Barreto Ximenes		Institute of Business, Vice CEO Foundation	
21	Antonio Jose Castro Cunha		Institute of Business, CEO Foundation	

22	Shokhboz Asadov	SAsadov@ncba.coop	Assistant Business Development Manager	
23	Mateus Goncalves		Consultant	
24	Joseph Tormey	Jtormey@csusb.edu	Director, Hospitality Management Program	California State University San Bernardino
25	Taroub Harb Faramand	tfaramand@wi-her.org	President and Founder	Women Influencing Health, Education, and Rule of Law