



USAID
FROM THE AMERICAN PEOPLE

Guidance to Missions: Integrating GDAs into RFPs and RFAs

Introduction to GDA

Throughout its history, USAID has acted either as a direct donor or through a client-vendor relationship with organizations that implement projects defined or desired by USAID. Using a Global Development Alliance (GDA), USAID can partner with companies and NGOs as equals in the development process.

GDA is a public-private partnership model that allows USAID to leverage resources from private sector partners and use those assets in a way that allows us to achieve the mutual goals of the partnership. A well-constructed GDA furthers the objectives of the USAID mission while benefiting the business interests of the resource partner. A GDA meets the following criteria:

- At least 1:1 leverage (in cash and in-kind) of USAID resources;
- Common goal defined for all partners;
- Jointly-defined solution to a social or economic development problem;
- Non-traditional resource partners (companies, foundations, etc.)¹;
- Shared resources, risks and results, with a preference for additionality of impact; and
- Innovative, sustainable approaches to development.

Before embarking on a partnership-building exercise, Missions should identify the strategic rationale for including GDA in their programming. GDAs can be used to support many different types of objectives, and can result in many different types of leverage. Missions should explore the following questions, and use the answers to guide how GDA is integrated into their portfolio:

- Is a GDA appropriate here?
- What is the rationale for using GDA?
- What interest might a resource partner have in a GDA in this program area?
- What kind of resources might a GDA in this program area leverage?

¹ Resource partners are considered co-donors. They provide resources, whether in cash or in-kind, to support development programming. Traditionally, resource partners have included other bi- and multilateral donors and public-sector agencies. Implementing partners are contractors or NGOs who manage and deliver projects on behalf of USAID.

INTERSECTING INTERESTS: USAID AND THE PRIVATE SECTOR

Star*Cola, a multinational soft drink bottling company, needs to maintain access to clean water in countries where it has factories. To date, Star*Cola has had little success in lobbying for better water management policy, and lacks the engineering capacity or funds to run water treatment plants.

By partnering with a USAID project focusing on improving access to clean water, the company can provide expertise, equipment upgrades, and funding to improve public water treatment systems, help orchestrate a marketing campaign to generate popular demand for clean water, and provide matching grants to local governments who seek to upgrade small infrastructure. In return, the USAID project provides Star*Cola with legitimate access to local government officials and a cadre of engineers to ensure that infrastructure projects are well-built. In addition, the project keeps track of Star*Cola's contributions and ensures that resources are managed properly.

Over time, Star*Cola becomes known for its green reputation, and its brand recognition grows, spurring increased global demand. By providing an innovative combination of in-kind and cash resources, Star*Cola will be able to maintain and expand its current operations, and the USAID project is able to reach more aggressive targets toward its goal of cleaner water.

- What does the Mission hope to achieve by using GDA?
- What specific Mission or project goals would not be achievable without a GDA?

Incorporating GDA into RFPs and RFAs

In the preferred model for building GDA into USAID programming, the USAID Mission identifies a resource partner, explores common interests, and jointly defines the problem(s) and solution(s). The Mission then issues an RFP/RFA based upon the mutually defined strategic interests. The RFP/RFA identifies the resource partner, explains its interest in the project, and clearly outlines its role and contributions. Offerors then propose how they will use the combined resources to achieve the joint goal. The Mission is able to maintain a long-term relationship with the resource partner and ensure that the alliance is aligned with Mission goals.

However, for any number of reasons, the Mission may be unable to use the primary model. In this case, staff may use RFPs/RFAs to engage implementers to build alliances. While this can minimize the Mission's time commitment, it also carries risk by diminishing oversight of the alliance-building process. In this model, the Mission should clearly identify in advance the benefit of private sector engagement, where and how engagement will add value, and any specific opportunities for constructive engagement with the private sector. If the Mission has a good understanding of how they would like to use the GDA model, then they can more easily tailor the RFP/RFA to meet that understanding. The following guidance will help Missions develop RFPs/RFAs that:

- Encourage implementing partners to develop relationships with resource partners in a strategic manner;
- Ensure that alliances contribute to the Mission's goals and demonstrate significant development impact; and
- Create alliances that leverage resources creatively and effectively.

When incorporating GDA into solicitations, Missions should ask potential offerors to explore innovative and effective approaches to alliance-building, and should evaluate offerors based on their:

- Understanding/analysis of potential opportunities for private sector engagement, including innovative ideas for partnerships that contribute to sustainable development;
- Realistic, detailed approach to partner engagement; extent to which partnership-building contributes to the overall technical approach; and
- Past experience in building partnerships, and evidence of results from past partnerships.

Many missions have already taken the initiative to build GDA into RFPs and RFAs. From their experience, we have learned what to include and what to avoid in solicitations.

The RFP/RFA should contain language that:

- Provides clear guidance as to what constitutes a GDA, and notes any project- or country-specific criteria. Potential Offerors may not be familiar with GDAs, or may have incorrect impressions of what constitutes a GDA. Using the GDA criteria listed above as guidance will help ensure that offerors share a common understanding and set of expectations for GDAs.
- Identifies necessary elements to be included by potential offerors in technical and cost/financial proposals/applications. The Mission should delineate that, in the technical approach, offerors must articulate how they will engage private sector partners and develop GDAs, provide past performance (if available) and corporate capability information regarding their experience in developing GDAs, and/or analyze any country- or project-specific requirements.
- Encourages potential offerors to exercise creativity in the types of resources leveraged. Rather than focusing solely on the value of leveraged resources, offerors should be expected to identify:
 - What are the interests of the private sector in partnering with USAID? Given these interests, what private sector actors might make appropriate resource partners?
 - What will be the development impact of proposed alliances? How will proposed alliances positively affect the targets/objectives of the project?

- What kinds of corporate assets, out of all that are available, will offerors aim to leverage, and why (this could include cash, brand recognition, supply chain access, marketing campaigns, or other corporate assets)?
- Determines, if appropriate, the amount of project funding to be used in leverage through GDAs. Identifying this amount may help encourage potential offerors to focus on how to leverage funding, rather than how much funding to leverage.
- Advises potential offerors that leverage ratios are considered targets, not contractual/mandatory requirements. For example, if a firm or organization proposes a 2:1 leverage of USAID funds, but reaches only a ratio of 1.5:1, the organization has failed to meet its target and should be evaluated accordingly, but would still be compliant with the terms of the award.
- Defines evaluation criteria for potential offerors that encourage sustainable development practices/approaches and realistic indicators/targets. Appropriate evaluation criteria will ensure that GDA approaches are incorporated as part of offeror's technical proposals/applications, including technical approaches, management structures, staffing requirements, monitoring and evaluation plans, and past performance/corporate capability, etc.

The RFP/RFA should *not* contain language that:

- Asks potential offerors to develop a certain number of alliances. It is more important that alliances achieve development impact than that a certain number of alliances are created. More alliances do not necessarily result in more significant impact.
- Places strict limitations the ways in which USAID resources can be leveraged. USAID should encourage offerors to find innovative, effective ways to leverage resources, provided that the use follows USAID regulations/policies, as necessary.
- Encourages potential offerors to develop specific alliances at the proposal/application stage. Resource partners unfamiliar with the USAID acquisition and assistance process may be confused and frustrated by multiple applicant requests. This may damage the relationship between USAID, the offeror and the partners after the award has been made. The RFP/RFA should always contain the following disclaimer:

Offerors should not approach Resource Partners or request any letter of commitment until the project has been awarded. Resource partners unfamiliar with the USAID acquisition and assistance process may be confused and frustrated by multiple applicant/proposal requests. This may damage the relationship between USAID, the offeror and the partners after the award has been made. A sound GDA strategy and approach is all that is required for the proposal/application.

Sample RFA/RFP Language and Evaluation Criteria

The sample RFP/RFA language and evaluation criteria that follow should serve as template and guide to Missions that seek to incorporate GDA into RFPs/RFAs. Missions who use this language should ensure that it is tailored to meet specific country or project requirements.

GDA Background

In the 1970s, 70 percent of resource flows from the United States to the developing world were from official development assistance and 30 percent were private. Today, 85 percent of resource flows from the United States to the developing world are private and 15 percent are public. USAID seeks to leverage these private resource flows through the Global Development Alliance (GDA).

GDA is a public-private partnership model that allows USAID to leverage resources from private sector partners and to use those assets in a way that benefits the business interests of the resource partner while furthering the goals of the USAID Mission. A GDA meets the following criteria:

- At least 1:1 leverage (in cash and in-kind) of USAID resources;
- Common goal defined for all partners;
- Jointly-defined solution to a social or economic development problem;
- Non-traditional resource partners (companies, foundations, etc.);
- Shared resources, risks and results, with a preference for additionality of impact; and
- Innovative, sustainable approaches to development.

For more information on the GDA, please visit: http://www.usaid.gov/our_work/global_partnerships/gda/

Proposal/Application Requirements

USAID/XX|Country seeks to leverage additional resources from the private sector in the XXX project through the establishment of GDAs. Offerors shall include in their proposals/applications a comprehensive approach to private sector engagement that includes the following:

- Understanding of the need for GDA and potential private sector partnership opportunities in this project and how potential partnerships will contribute to project objectives/results and to the business interests of potential partners;
- Approach for private sector partner engagement, with a focus on innovative approaches and sustainable development outcomes and a detailed explanation of how partnerships, including leveraged funds, will be solicited, established, and managed;
- Measurable indicators and targets that will determine success;
- Experience building and managing GDAs or other public-private alliances, and achievement of concrete results from previous partnerships.

If this is a proposal/application for economic development (agricultural and non-agricultural), consider adding the following, selecting the topic areas that apply:

- Demonstration of why the proposed partnership presents a compelling business interest for prospective resource partners;
- Demonstration of how the proposed partnership contributes to sustainable increases in: jobs/exports/sales/income among target beneficiaries.

If this is a proposal/application for educational development, consider adding the following, selecting the topic areas that apply:

- Demonstration of how the proposed partnership contributes to a sustainable increase in: literacy/numeracy/adult skills-building/primary education/girls' access to education/secondary education among target beneficiaries.

If this is a proposal/application for improved health, consider adding the following, selecting the topic areas that apply:

- Demonstration of how the proposed partnership contributes to sustainable improvements in: infant and child mortality/maternal morbidity/rate of new disease infections/access to clean water/access to basic health care/sanitation.

If this is a proposal/application for improved basic infrastructure, consider adding the following, selecting the topic areas that apply:

- Demonstration of how the proposed partnership contributes to improvements in primary/secondary/ tertiary infrastructure that allows rural/urban populations access to markets/basic services/ ICT infrastructure; and
- Demonstration of why the proposed partnership presents a compelling business interest for prospective resource partners.

USAID/XX|Country anticipates that *[select one or more]* project funds/technical assistance/grants will be used as leverage for private sector funding or resources. Offerors are encouraged to define innovative, practical approaches to using these resources to promote project objectives. We have established a target ratio for leverage of 1:1. Leveraged resources obtained through partnerships may free up funding for other purposes within this statement of work/program description or allow for expanded program implementation.

Any partnership commitments undertaken by the implementer(s) during the course of the project will be subject to USAID review and approval. Any post-award changes to the cost or program budget will also be subject to USAID approval.

Offerors should not approach Resource Partners or request any letter of commitment until the project has been awarded. Resource partners unfamiliar with the USAID acquisition and assistance process may be confused and frustrated by multiple applicant/proposal requests. This may damage the relationship between USAID, the offeror and the partners after the award has been made. A sound GDA strategy and approach is all that is required for the proposal.

Sample Evaluation Criteria

- Understanding/analysis of potential opportunities for private sector engagement, including innovative ideas for partnerships that contribute to sustainable development (5 points or other type of scoring system used)
- Realistic, detailed approach to partner engagement; extent to which partnership-building contributes to the overall technical approach and achievement of project goals (5 points or other type of scoring system used)
- Experience in building partnerships, including leverage achieved under previous projects and evidence of results from past partnerships (if available) (5 points or other type of scoring system used)

Understanding whether responses adequately meet the evaluation criteria

The following guidance attempts to clarify how Missions can evaluate an offeror's response to the above direction and evaluation criteria.

Understanding/analysis of potential opportunities for private sector engagement, including innovative ideas for partnerships that contribute to sustainable development (5 points)

- To what degree does the offeror understand the private sector actors in-country? How detailed is the offeror's analysis?
- Has the offeror clearly articulated the potential opportunities for private sector partnership?
- Has the offeror proposed innovative ideas for partnership, and demonstrated how those ideas will contribute to sustainable development?
- Has the offeror proposed innovative ways of using private sector resources (leveraging time, materials, and skills, rather than just funding)?

Realistic, detailed approach to partner engagement; extent to which partnership-building contributes to the overall technical approach and achievement of project goals (5 points)

- Does the offeror articulate a clear set of steps (who, what, how, when) to building partnerships? Are those steps/tasks/activities integrated into the work plan (if applicable)? Are those steps (and the proposed timeline for engagement) realistic?
- Is the partnership approach integrated into other aspects of the proposal, including technical approach, monitoring and evaluation plan, staffing plan, and budget/cost?
- Does the offeror propose mechanisms for how funding will be leveraged, due diligence conducted, and results monitored?
- Are the proposed indicators and targets for partnerships reasonable/realistic?

Experience in building partnerships, including leverage achieved under previous projects, and evidence of results from past partnerships (if available) (5 points)

- Does the offeror have prior experience working with private sector partners?
- If so, does the offeror provide evidence of sustainable results from previous partnerships?
- Does the offeror provide details of the leverage achieved under previous projects?
- Does the offeror have positive references from previous USAID projects that dealt with GDA?