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Issuance Date: June 07, 2012

Closing Date: June 06, 2013, 5:00pm, Lima Local Time

Subject: Annual Program Statement (APS) Number APS-527-12-000003
Development Assistance Fund

The United States Agency for International Development (USAID) Mission in Peru is seeking applications from for-profit, not-for-profit, and public Peruvian organizations to implement activities that support USAID/Peru's development objectives under the Development Assistance Fund (DAF).

The objective of this APS is to support small-scale development activities that benefit underserved Peruvian communities and/or populations suffering social inequities. DAF cross-cuts all USAID/Peru program areas and seeks funding applications from organizations and local communities with project applications that:

- Advance local economic growth;
- Promote health and education;
- Foster stronger democratic practices and community level organizations;
- Pursue licit livelihoods in former coca-growing regions; and
- Increase awareness of and resiliency to the impact of climate change.

The authority of this APS is found in the Foreign Assistance Act of 1961, as amended. Awards shall be made and administered in accordance with all pertinent USAID policies and regulations, including the Standard Provisions for Non-US Non-Governmental Organizations (ADS 303). Please note that no profit/fee is allowed under assistance. Forgone profit does not qualify as cost-sharing or leveraging.

Subject to availability of funds, the United States Government intends to provide up to \$400,000 in annual funding for small grants under this program. Individual grants will not be less than \$5,000 and may not exceed \$50,000. USAID intends to make approximately 8 to 20 awards as a result of this APS. USAID reserves the right to enter into more, or not to enter into any awards. The award(s) will be made in accordance with the eligibility guidelines and evaluation procedures provided in Sections III and IV. Should additional funds become available, an amendment to this APS may be issued.

Applications under this APS will be accepted throughout the year (see the Issuance and Closing Dates specified above). Because USAID funding under this APS is limited and will be apportioned on a rolling basis, applicants are strongly encouraged to submit their applications as soon as possible to ensure funding availability.

This APS consists of this cover letter and the following Sections:

Section I – Description of the Funding Opportunity

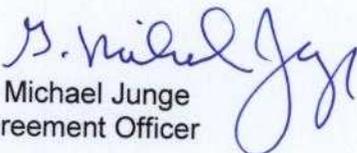
- Section II - Award Information
- Section III - Eligibility Information
- Section IV - Application Submission and Review Information
- Section V - Agency Contacts

Issuance of this APS does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of an application. If selected, applicants will be requested to provide additional information and/or certifications (such as Branding Strategy and Marking Plan, Certifications, etc.). Full applications are submitted at the risk of the applicant.

This APS and any future amendments can be downloaded from www.usaid.gov/pe/business.htm and www.grants.gov. All interested parties are highly encouraged to register on www.grants.gov to receive automatic notification of amendments to this APS. It is the responsibility of the Recipient to ensure that they have downloaded all documents completely. USAID bears no responsibility for data errors resulting from transmission or conversion errors. If you have difficulty accessing the APS, please contact Mr. Jose Antonio Zarzar at jzarzar@usaid.gov.

Thank you for your interest in USAID programs.

Sincerely,


G. Michael Junge
Agreement Officer

Attachment: a/s

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I. DESCRIPTION OF THE FUNDING OPPORTUNITY

A. BACKGROUND AND AREA OF FOCUS

The Development Assistance Fund (DAF) enables USAID/Peru to quickly and efficiently respond to requests to fund small-scale community development activities that address an identified need in underserved communities, to produce quick impact, and to advance U.S. Government (USG) humanitarian and development assistance objectives. DAF creates a direct link between USAID/Peru and lower-income or marginalized groups and supports the USG outreach strategy, promoting goodwill and strengthening the relationship between the USG and the people of Peru.

DAF aims to provide limited funding opportunities for development projects that cut across all USAID/Peru technical program areas to improve basic social and economic conditions related to health, education, income generation, citizen participation, local governance and adaptation to climate change. The program will target beneficiaries most directly affected by conditions of poverty and by cultural, economic, and social barriers that prevent their full inclusion in national development efforts. Furthermore, DAF strives to provide equitable opportunities through small project implementation for disadvantaged people. The program will support the Government of Peru's Ministry of Women and Marginalized Populations and the Ministry of Development and Social Inclusion and their mission to empower marginalized populations, especially those suffering exclusion or discrimination, to build their capacity to respond to their own development needs.

Applicants requesting DAF funds must explain how the results of the proposed project will benefit rural or urban populations affected by social inequities. These inequities may affect but are not limited to the following groups: women, children and youth, people with disabilities, Afro-Peruvians, indigenous groups, the elderly, and displaced persons. Successful DAF applications will demonstrate community ownership and ensure commitment and participation on the part of the beneficiaries in proposed community development projects.

B. OBJECTIVE

The objective of this Annual Program Statement (APS) is to support small-scale development activities that benefit underserved communities and/or populations suffering from social inequities. The DAF affects all USAID/Peru program areas and seeks funding applications from organizations and local communities with project applications that:

- Advance local economic growth;
- Promote health and education;
- Foster stronger democratic practices and community level organizations;
- Pursue licit livelihoods in former coca-growing regions; and
- Increase awareness of and resiliency to climate change impact.

[END OF SECTION I]

II. AWARD INFORMATION

A. FUNDING

Subject to availability of funds during FY 2012 – FY 2013, USAID/Peru intends to provide up to \$400,000 in annual funding for small grants under this program. Individual grants will not be less than \$5,000 and may not exceed \$50,000.

B. NUMBER OF GRANTS AND USAID'S RIGHT TO FUND

USAID/Peru intends to award an estimated 8 to 20 grants, but reserves the right to fund any or none of the applications submitted.

C. PERIOD OF PERFORMANCE

The anticipated period of performance for each grant may vary but will not exceed a period of 12 months. Short implementation periods (less than six months) are preferred. In any case, activities are not to exceed 12 months.

D. PLACE OF PERFORMANCE

USAID's preference is to fund projects located in the five USAID/Peru focus regions of Ucayali, San Martin, Madre de Dios, Loreto, and Amazonas - especially those projects that compliment other USAID/Peru initiatives. However DAF funding has no geographic restrictions and therefore USAID will consider supporting development projects to be performed anywhere in Peru.

E. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code under the resultant grant agreement(s) is 937.

F. AUTHORIZING LEGISLATION

This program is authorized in accordance with the Foreign Assistance Act of 1965, as amended.

G. AWARD INSTRUMENTS

To the extent possible and when feasible, USAID will use a simplified grant format or fixed obligation type grant agreement. In-kind grants may also be utilized. USAID will determine the appropriate form of an award, in consultation with the applicant organization, based upon the nature and amount of the funded application and the type of relationship to be established.

Given the focus of this APS on local Peruvian entities, various USAID policies and regulations may apply, including the Standard Provisions for Non-U.S. Non-Governmental Organizations, in USAID's Automated Directives System (ADS) 303 (found at: <http://www.usaid.gov/policy/ads/300/303.pdf>)

H. NOTICE OF AWARD

The Notice of Award signed by the Agreement Officer is the authorizing document. The Notice shall be transmitted electronically to the authorized agent of the successful organization for countersignature to be followed by original copies for execution.

I. IMPLEMENTATION OVERSIGHT

The recipient shall be responsible to USAID/Peru for all matters related to the execution of the agreement, specifically, the recipient shall report to the USAID Agreement Officer's Representative (AOR) and to the Agreement Officer.

[END OF SECTION II]

III. ELIGIBILITY INFORMATION

A. ELIGIBILITY CRITERIA FOR APPLICANTS

Applicants must be legally registered to operate in Peru and may include private entities, Non-Governmental Organizations (NGOs), as well as other non-profit organizations including: universities, research organizations, professional associations, community-based organizations, municipalities, regional and local government bodies, and/or relevant special interest associations.

For-profit companies may also apply for DAF grants (fee unallowed). Additionally, USAID welcomes the opportunity to form public-private partnerships with for-profit companies interested in supporting DAF target beneficiary groups.

Informal organizations, which may or may not be formally registered, such as mothers clubs, *vaso de leche* committees, or other grass roots establishments may also apply for DAF funds. However, such unregistered organizations, or those that lack the capacity to manage USAID funds, will require the involvement of a local reliable organization such as a municipality, a church, or an NGO, that is willing to accept responsibility for managing a USAID grant and is committed to assisting the applicant in monitoring/implementing grant project activities.

B. REQUIRED ELEMENTS FOR APPLICATIONS

To be considered for funding under this APS eligible applicants, whether applying for funds on behalf of another beneficiary group or not, should submit applications with proposed activities that demonstrate awareness and compliance with the following general guidelines:

- Projects should benefit those affected by conditions of poverty, women, youth, Afro-Peruvians, indigenous peoples, persons with disabilities, the elderly, displaced persons, those that are affected by social inequities or conditions of exclusion, or projects that mitigate tensions in areas prone to social conflict such as those where extractive industries operate.
- The design of any proposed project must be technically sound, economically feasible, produce quick impact at the community level, aim for long-term benefits and sustainability to the greatest degree possible, and contribute to improvements in the social and/or economic conditions of low-income and/or marginalized populations in Peru.
- Applications must clearly demonstrate community commitment and participation in the proposed project and they must describe how the proposed project activities promote community ownership of the project. Community buy-in ensures a successful activity with lasting impact, and encourages the community's participation in the decision-making process in resolving problems and building a more equitable future.
- In case of award, DAF assumes that the applicant is the organization to whom a grant will be made, unless otherwise stated in the application.
- Applications submitted by an entity functioning as a local reliable organization on behalf of an unregistered or other informal organization (as defined above) must clearly demonstrate the relationship between both organizations as well as their mutual commitment to the success of the proposed project. Evidence of mutual agreement may include a letter of

support signed by the leaders of both organizations describing the mutual relationship, including a clear statement of commitment to the goals of the project, and details of any shared costs or contributions whether cash or in-kind. Signature lists of the individual members of the informal organization are welcome but not required.

- Successful applicants must be prepared to manage a USAID grant which will require, but is not limited to, making representatives available to finalize grant documentation, opening a bank account specifically dedicated for the DAF funds, responding to USAID questions and general communication in a timely manner, and submitting photographs and periodic grant progress reports.
- All applications must contain a statement indicating a willingness to follow USAID branding requirements and be prepared to incorporate a “Branding Strategy and Marking Plan (BSMP)” into their project. USAID will provide successful applicants with guidelines for creating a branding and marking strategy which will be formalized in all DAF grants and used to acknowledge USAID’s support in all project activities. The purpose of the BSMP is to recognize USAID’s support to the project and it will follow the guidelines of ADS 320 and will become part of the award document.
- All successful applicants will be required to sign the certifications required by USAID for recipients under this program. The certifications may include, but are not limited to:
 - Survey on ensuring equal opportunity for applicants
 - Certification regarding terrorism financing
 - Data Universal Numbering System
- All applications must contain a statement indicating the grantee’s willingness to follow USAID environmental compliance policy. In case of award, successful applicants with projects involving activities such as agricultural production, forestry, among others, must be prepared to work with USAID staff to determine any environmental compliance requirements, implement procedures, and report on the compliance activities/results. For proposed projects that have been determined by USAID to not affect the environment, such as classroom training events, the environmental compliance requirement might be categorically excluded from further mitigation requirements or reporting.

DAF funds shall not be used for:

- a. Purchase of land and/or facilities.
- b. On-going operational costs or institutional administrative expenses such as rent, utilities, office supplies, etc., or other expenses not specifically related to completing DAF funded activities.
- c. Costs associated with salaries for routine administrative operating costs not associated with the DAF unless approved on an exceptional basis. DAF funds may be used for short-term payments to acquire the technical expertise needed to complete DAF activities. Existing employees should be used when possible rather than hiring new employees for this grant.
- d. Explosives or surveillance equipment.
- e. Pharmaceutical and contraceptive products.
- f. Abortion equipment and services.
- g. Pesticides and herbicides.

- h. Luxury goods or gambling equipment.
- i. Activities that take place outside of Peru including international travel to or from Peru.
- j. Religious or military activities, as well as those relating to police, prisons, or other law enforcement.
- k. Costs not identified in the grant application.
- l. Goods and services from banned sources.
- m. Benefiting personally or politically any employee (e.g. direct hire, contractor, part time) of the USG, or the spouse or family member of a USG employee
- n. Production of agricultural commodities for export that are likely to have a significant impact on competing U.S. exports
- o. To the extent permitted by USAID policies and regulations, and with proper justification, certain restrictions above may be waived or modified on a case-by-case basis. If activity applications reveal other costs that cannot be supported by USAID, the potential grantee will be informed.

C. COST SHARING

Applicants will contribute towards the cost of any proposed project in the form of a “cost-share” to be equal to a minimum of 25 percent of the total project cost. Applicants, in the case of applying for funds on behalf of another beneficiary group, should indicate which organization(s) will contribute to the cost-share and how. The cost-share contribution may include cash, existing or additional investments, and/or in-kind support such as skilled and unskilled labor, technical assistance, land, transportation, and the provision of materials or services. The nature and value of the cost-share contribution must be described in all applications, including the budget section, and will be documented in any grants.

[END OF SECTION III]

IV. APPLICATION SUBMISSION AND REVIEW INFORMATION

A. GENERAL INFORMATION

a) Submission:

USAID/Peru invites eligible applicants to submit all requests for assistance to LimaSolicitations@usaid.gov and copy Jose Antonio Zarzar, Acquisition and Assistance Specialist, at jzarzar@usaid.gov. Please include the following in the Subject line: APS-527-12-000003 - DAF.

Applications should be submitted electronically as an attached document to an email message. Printed hardcopy submissions are not preferred but acceptable and can be hand carried or mailed to:

USAID/Peru
Atención: Jose Antonio Zarzar, ROAA – Aplicación DAF
Av. La Encalada Cuadra 17
s/n Monterrico, Surco
Apartado Postal 1995, Lima 1

b) General Submission Guidelines:

DAF is a popular program which normally receives a large volume of applications. Given this and the fact that limited funding is available, USAID suggests that applicants follow application instructions closely and that they remain flexible when considering project implementation dates.

Funding applications should be written in English or Spanish, preferably submitted by email, and should not contain more than three attached documents. Hand carried or mailed documents are also acceptable.

Applicants will be informed if their application will advance for further review within 30 days of receipt.

Applicants are permitted to apply for funding more than once. This also applies to previously successful applicants.

c) Technical Focus:

USAID will consider supporting development projects from all technical program areas. However, the funding for DAF is limited and it is currently linked to Health - in the areas of population/family planning, and maternal and child health; Education – in the area of basic education; Environment – in the area of adapting to global climate change (more information available at: http://www.usaid.gov/our_work/environment/climate/docs/Peru_CC_VA_Desktop_Study_22dec11.pdf) ; and Alternative Development – in the area of promoting licit crop production and/or other projects to be implemented in one of the five USAID focus regions. Small amounts of additional DAF funds are dedicated to the areas of small business development and promoting democratic initiatives. USAID however seeks to support creative, well-planned, development projects and applicants are encouraged to apply regardless of technical program area of their projects.

d) Submission Dates:

This APS will accept applications on an on-going basis. Applicants are however encouraged to apply sooner rather than later because funds are limited and they will be awarded on a rolling basis. Even if an application was approved based on technical merit, applicants who delay their submission may be rejected due to lack of funds.

Funding applications may be submitted at any time from June 07, 2012 to June 06, 2013 and will be evaluated on an on-going basis. Due to the large number of expected applications that USAID might receive, a response indicating formal approval or rejection of the funding request may not be immediate. All applicants will receive an approval/rejection response from USAID and applicants are encouraged to exercise patience in this process.

B. APPLICATION INSTRUCTIONS

(a) General:

Projects do not need to be complicated and neither do the applications. Some of the following questions require only a short statement of fact while other questions do not apply to all applicants and therefore do not require a response. USAID suggests that applicants follow instructions carefully and that they submit an application which is concise and one that contains well-developed ideas that reflect organized planning and a realistic budget. Failure to follow instructions may result in significant delays in evaluation or rejection of the application.

Applications for projects of \$10,000 or less should not exceed five pages, including project description and budget information. Applications that are technically complex and/or of larger-scale (between \$10,000 and \$50,000) will require more detail and thorough explanations and should not exceed ten pages.

Applications, regardless of the dollar value or complexity, may include an additional annex section for relevant supplemental documentation such as letters of support/collaboration from a municipality or partner institution(s), organization membership/signature lists, relevant photographs, maps, copies of land title deeds or related documentation, lists of beneficiaries or targeted communities/work areas, etc.

Any organization or individual described as contributing funds, materials or equipment, the use of facilities, any type of in-kind support, etc. to the proposed project must provide a letter of support indicating their commitment to providing the contributions.

(b) Format of the Applications:

Applicants should submit all application documentation in a simple, organized format which includes:

Introduction/Contact Information (1 page)

1. The Annual Program Statement (**APS Number** (APS-527-12-000003));
2. The full **contact information** of the organization applying to receive DAF funds including name, address, cell phone and land line phone number(s), email address(es), website (if applicable), the name of the legal representative of the

- organization, and email and telephone information for the point of contact (person in charge) of the proposed project;
3. **Type of organization** (e.g., for-profit, non-profit, community group, trade association, NGO, university, Peruvian government entity, etc.) including a brief description.
 4. Full contact information of other proposed **activity partners**, if applicable, such as an informal organization on whose behalf a local reliable organization has applied for DAF funds. Other activity partners may include other donors or implementing organizations that will complete specific project activities; and
 5. **Signature** of the authorized representative of the applicant organization.

Project Technical Information and Timeline (4 pages for applications under \$10,000; and 9 pages for applications of \$10,000 and above).

1. Project title, **brief summary** statement of the proposed project (no more than two or three sentences), the total cost of the project, and the funding amount requested from DAF;
2. **Period of performance** (i.e. project duration or time needed to complete the proposed activities) **and project location** including, as appropriate, a geographic point of reference (e.g. distance and direction from a town);
3. The number of and description of the **project beneficiaries** (i.e. the people who will benefit from the project). This description may include citing the members of a community or trade association, an ethnic group, or those suffering from the lack of a service, etc.;
4. **Concise project description** focusing on project implementation and including brief narratives describing the situational context and background (limited to what is necessary to understand the project), the problem to be addressed, any activities relevant to the project that have already been completed, a list and description of proposed project activities, main objectives, and expected results;
5. A brief discussion on **sustainability** – how the project will be supported and can continue without USAID funding. Comments may include how the proposed activities will nurture the beneficiaries' sense of project ownership and the plan, if applicable, for maintaining any equipment or infrastructure used in the project including the generation or collection of maintenance funds;
6. **Supporting technical analysis** as appropriate. For example, environmental mitigation plans for projects involving construction activities or business plans and marketing research for income generation activities – what experience does the applicant have in this activity?; who will buy the service, new product, or increased production?; where?; how was price determined?; what research guided decisions?; etc.;
7. A **timeline** (chronogram) indicating when proposed project activities will be implemented per month or week, as appropriate;

8. A **statement of environmental compliance** indicating the grantee's willingness, in case of award, to follow USAID environmental compliance policy; and
9. A **statement of branding compliance** indicating the grantee's willingness, in case of award, to follow USAID branding and marking guidelines.
10. Brief description of applicant's **previous work** and experience in development, if any, including that of any informal organizations or other partners, as applicable.

Budget (this document must be submitted as a separate annex and it is not included in the total page limit)

1. A **spreadsheet or chart** showing the proposed cost for project activities, in detail. It must include a list of each product or service (line item), the units of each item, the cost of each unit, the total cost and it must indicate which line items will be paid for by the Cost Share amount (25% minimum). This **cost-share contribution** may be in the form of cash, in-kind support such as skilled or unskilled labor, land, locally available materials, or transportation.
2. A "**Budget Notes**" section explaining the applicant's rationale for preparing the cost estimates, i.e., why is the cost line item needed, why the cost estimate is reasonable, etc.

Note that costs should be based on the applicant's research at the time of application submission. If selected to receive a DAF grant, USAID will work with the successful applicant to determine pricing that is current at the time the grant is awarded. Therefore, applicants should keep price quotations and product advertisements for future reference but not submit such documents as part of the funding application.

The Technical Application must be written in Arial Font, 11-point size. The 11-point size requirement does not apply to footnotes and tables. Footnotes and tables must be used appropriately and not in place of basic text. Applicants will use only 8.5 inch by 11 inch (210mm by 297mm) paper, single-spaced pages with margins no less than one inch on each border. Number each page consecutively.

Note: A page in the Technical Proposal that contains a table, chart, graph, etc., not otherwise excluded below, is subject to the page limitation.

Not included in this page limitation are the following:

- Table of Contents;
- Annexes (as specified above)

C. EVALUATION CRITERIA

Applications that meet the basic objectives of the DAF will be considered and fully evaluated by a USAID team of experts.

Each application will be fairly evaluated for feasibility, strategic fit with the development objectives of USAID and against the following criteria, which will be the same for all applicants:

- The adherence of the goals of the proposed project to the goals and spirit of DAF.
- Conformity to the basic technical parameters of DAF – grant amount, period of performance, place of performance, defined target beneficiaries, etc.
- The viability/feasibility of the activities and proposed technical approach.
- The number of beneficiaries compared to project cost.
- Evidence of community buy-in or beneficiary support for the project.
- Project sustainability as appropriate given the project type and complexity.
- Appropriateness of the time schedule given the proposed activities.
- The previous experience of the applicants, or of the local reliable organization applying on the behalf of others, in working with development projects with consideration for the level of complexity of the proposed project activities.
- Appropriateness of the budget as related to the proposed activities.
- Appropriateness of the 25% cost-share contribution given the context of the proposed project and the status of the applicant, or of the local organization applying on behalf of others.

[END OF SECTION IV]

V. AGENCY CONTACTS

The Agreement Officer for this APS is:

Ms. Sonila Hysi
Supervisory Agreement Officer
Regional Acquisition and Assistance Office (ROAA)
USAID/Peru
Av. La Encalada s/n, cdra. 17
Monterrico, Lima 33
Peru

Tel: 51-1-618-1435

shysi@usaid.gov

The A&A Specialist for this Award is:

Mr. Jose Antonio Zarzar
A&A Specialist
Regional Acquisition and Assistance Office (ROAA)
USAID/Peru
Av. La Encalada s/n, cdra. 17
Monterrico, Lima 33
Peru

Tel: 51-1-618-1253

izarzar@usaid.gov

Agreement Officer's Representatives (AORs) for these Awards are:

Successful applicants will be informed of their Agreement Officer's Representative after the award has been made.