



USAID | MACEDONIA

FROM THE AMERICAN PEOPLE

APS Issuance Date: January 18, 2013
Deadline for Receipt of Questions: February 1, 2013
Closing date – Second Evaluation Round of Concept Papers: **March 1, 2013, 5:00 pm Skopje time**
Closing date – Subsequent Evaluation Rounds of Concept Papers: TBD
APS Closing Date: July 12, 2013

SUBJECT: USAID/ Macedonia Annual Program Statement (APS) Number APS-165-12-000002 for the Organizational Performance Improvement Program Activities

Pursuant to the Foreign Assistance Act of 1961, as amended, the United States Government (USG), as represented by the U.S. Agency for International Development Mission in Macedonia (USAID/Macedonia), is seeking concept papers from qualified Macedonian nonprofit or for-profit non-governmental organizations (NGOs), to carry out human and institutional capacity development activities with selected number of institutions in Macedonia.

This Annual Program Statement (APS) will be open until July 12, 2013, with potential for several rounds of applications. It is expected that the award/s under this round of the APS will be made o/a June 30, 2013 and, USAID Macedonia reserves the right to amend this APS to add subsequent application due dates, subject to funding availability. Applicants are strongly encouraged to apply by the published deadline of March 1, 2013 to ensure consideration. Closing dates for any subsequent rounds of applications will be determined by USAID and advertised by amendment to this APS.

Submission review under this APS is comprised of two phases: first phase consists of concept papers from prospective Applicants and, second phase is through an invitation process to submit Full Applications from Applicants with the most highly-rated concept papers. Concept papers **must** be received by the closing date(s) and time(s) specified in this cover letter in order to be considered for the first round of review. The period of performance of Grants and Cooperative Agreements issued under this APS will be a minimum of 18 months and up to two years from the date of award. Subject to the availability of funds, USAID intends to provide approximately four hundred thousand U.S. dollars (\$400,000) in total USAID funding via cooperative agreements. Final funding levels will depend on content, quality, number of applications received, needs, availability of funding, and competing priorities. The actual number of awards under this APS is subject to the viability of applications received and the availability of funds. Accordingly, USAID' Regional Contracting Office (RCO), in coordination with USAID Macedonia, reserves the right to make multiple awards or no awards at all through this APS.

An award must be made only by the USAID Mission/Regional Agreement Officer upon his/her signature to incur costs. He/she will only do so after making a positive responsibility determination that the applicant possesses, or has the ability to obtain, the necessary management competence in planning

US Agency for International Development
Samoilova 21
1000 Skopje, MACEDONIA
Tel: (389-2) 310-2000 Fax: (389-2) 310-2463
<http://macedonia.usaid.gov>

and carrying out assistance programs and that it will practice mutually agreed upon methods of accountability for funds and other assets provided by USAID.

Pursuant to 22 CFR 226.81, USAID policy is not to award fee or profit under assistance instruments. As such, any for-profit organization receiving an award under this APS will not be eligible for fee or profit; however, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organizations, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations) may be recognized.

This APS and any future amendments can be downloaded from www.grants.gov, the U.S. Government-wide portal for grant opportunities. In addition, the APS can be downloaded from the USAID/Macedonia website at <http://macedonia.usaid.gov>. It is the responsibility of the Recipient of the application document to ensure that they have received it in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion processes. If you have difficulty accessing the APS, please contact Ms. Szidonia Szekeres at sszekeres@usaid.gov.

Any questions concerning this APS shall be submitted in writing to Ms. Szidonia Szekeres and Mr. Florentin Emini via email at [SSzekeres@usaid.gov](mailto:sszekeres@usaid.gov) and FEmini@usaid.gov. The deadline for submission of questions on this APS is February 1, 2013. Responses to questions will be furnished to all prospective recipients as amendments to this APS via www.grants.gov and <http://macedonia.usaid.gov>

Concept papers shall be submitted to USAID/Macedonia at sszekeres@usaid.gov and femini@usaid.gov by no later than March 1, 2013, 17:00 PM Skopje time. To be competitive under this solicitation, applications must:

1. Be fully responsive to all directions in this APS document, particularly to the USAID/Macedonia-specific focus points outlined below.
2. Applicants should retain for their records a copy of all enclosures that accompany their application.

Issuance of this APS does not constitute an award commitment on the part of the U.S. Government, nor does it commit the U.S. Government to pay for costs incurred in the preparation and submission of a concept paper or application. Concept papers are submitted at the risk of the applicant; should circumstances prevent award of a cooperative agreement, all preparation and submission costs are at the applicant's expense.

Thank you for your consideration of this USAID initiative. We look forward to your participation.

Sincerely,



Gerald T. Smith
Regional Contracting Officer

1. BACKGROUND

Over the past six years, the Human and Institutional Capacity Development (HICD) in Macedonia has been at the forefront of the Mission efforts in supporting the integration of targeted, results-oriented human and institutional capacity development undertakings into its portfolios across the program.

Macedonian public institutions, associations, and even private-sector firms lack organizational structure and efficient processes in order to respond to the needs of citizens and market demands. All USAID assessments in sectors such as workforce development, business environment, democracy and governance, energy, as well as private sector and education round tables confirm that although the legal framework may be more or less in place, there is a significant gap between desired and actual institutional performance. Clear division of responsibilities among institutions is missing not only among different government entities but even between associations and state institutions; coordination and linkages that are necessary for some processes are not established or exist only on paper.

In the previous 2005-2011 period, USAID/Macedonia addressed these issues through the HICD component of a broad cross-cutting project that worked with 11 institutions. These institutions were deemed key to USAID's strategic objectives for development of the country. There were several additional components such as participant training, academic training, and small grants that were implemented in the first three years of the program. Demand for the HICD's holistic approach grew as implementation progressed. For the next strategic period (2011-2015) USAID Macedonia focuses almost exclusively on improving the performance of a number of organizations/associations/institutions that are considered vital for the country's progress toward Euro-Atlantic integration. In addition, certain important processes will be assessed and support will be given to strengthen linkages among stakeholders in order to provide better services to Macedonian citizens.

The HICD approach is unique. It provides a much higher level of assistance in transforming organizations, both in the public and private sector, into fully functioning entities. While Participant Training was providing new skills and knowledge to individuals, they were still going back to organizations that had to undergo painful societal transition. Those skills and knowledge were lost in the same old structures and processes and USAID had diminishing returns by investing in individual training only. This unique situation has driven the evolution of the approach from training into a comprehensive HICD approach focused on providing organizational performance assessments followed by targeted performance solutions to improve their functions in the ever-changing economic and political system. The Organizational Performance Improvement Project will offer Macedonia the most fully integrated package of cross-cutting services for HICD and technical assistance. .

2. APS OBJECTIVE

The objective of this APS is to make significant advances in the overall goal of increasing the capacity and improving the performance of key civil society organizations and independent institutions by applying holistic institutional capacity development and performance improvement methodologies. USAID/Macedonia will consider all holistic institutional capacity development and performance improvement models such as: USAID's HICD approach (please see USAID's HICD handbook at http://pdf.usaid.gov/pdf_docs/PNADW783.pdf), 6σ Approach¹, Weisbord's Six-Box Organizational

¹ Six Sigma is defined as a quality improvement program with a goal of reducing the number of defects in a process or an organization.

Model², Rummler-Brache's The Nine Boxes Model³, Mager and Pipe's Analyzing Performance Problems Approach⁴, The EQFM Excellence Model⁵, and other holistic approaches as applicable. At a minimum, the proposed approaches should include structured and integrated processes to identify fundamental causes of performance gaps in selected institutions, address those gaps through a wide array of performance solutions, and enable cyclical processes of continuous performance improvements through the establishment of performance monitoring systems.

Guided by the three overarching objectives of the approved USAID Macedonia Strategy (*please see: <http://macedonia.usaid.gov/Documents/PressReleases/USAID%20Strategy%20Summary%20v3.pdf> for the public version of the Strategic Plan*), the new Organizational Performance project will support Macedonian associations and independent organizations in strengthening their organizational structure, upgrading the work processes, and increasing skills and knowledge of employees in order to better serve the needs of the citizens of the Republic of Macedonia. The new project will build on USAID's previous successes in the area of human performance technology, which showed that a holistic and systemic approach is much more effective when it comes to improving organizational performance than mere training of individuals.

Result: Enhanced Performance of a Number of Organizations

The efforts of the project should result in improving the performance of independent entities, associations or independent organizations that are crucial for the development of the country. These organizations, selected through a process of screening them against specifically developed criteria, may include: in Education – the Vocational Education and Training Center and the Employment Service Agency; and in Economic Growth – Business Associations, Energy Regulatory Agency, and in addition, all local implementing partners: BSC Bitola, CEED, and spin-offs MyCareer and Innovation Center or different ones that will be nominated and approved by USAID/Macedonia. In order to enhance a particular process that is performed by and dependent on more than one institution, the grantee can target interconnected functions across multiple institutions. An example could be providing capacity building to local implementing partners that face similar challenges such as issues that micro and small enterprises are facing.

This project will interact with many projects in the three sectors that USAID works in, Democracy and Governance, Education, and Economic Growth. It is expected, due to its crosscutting nature, to coordinate with and offer assistance to other USAID projects whenever institutional performance improvement is needed. The project will also coordinate with other donors and host government agencies in implementing various performance solutions in the selected institutions/associations.

Successful Concept Papers will propose approaches with **at least two of the organizations or associations proposed above in the Economic Growth and Education sectors**. The application should

² The six-box model is a framework developed by the American analyst Marvin Weisbord to assess the functioning of organizations.

³ The Rummler-Brache methodology provides detailed, step-by-step guidance on how to make smart changes to the way work gets done across organizations.

⁴ *Analyzing Performance Problems* is a surefire guide to systematically finding solutions to performance problems in an organization.

⁵ The EFQM Excellence Model, developed by the European Foundation for Quality Management and shown in the diagram above, is a management framework used by over 30 000 organizations in Europe and beyond.

be feasible from a technical, economic, financial, and social perspective and include a sustainability plan beyond program implementation.

This program is in line with the USAID Forward Agenda where more direct and collaborative work with local organizations is encouraged. Use of local capacities is preferred whenever possible. The use of international expertise/consultancy has to be justified in the application.

2.1 Program Duration

USAID anticipates that the duration of programs funded under this APS will be for a period of 18 months and up to two years from the date of the award. USAID reserves the right to incrementally fund activities over the duration of the program, if necessary, depending on program length, performance against approved program indicators, and availability of funds.

2.2 Anticipated Funding Available

USAID anticipates approximately US \$400,000 to be available to support the program(s) or activity/activities described herein, although final funding levels will depend on content, quality, number of applications received, needs, availability of funding, and competing priorities.

2.3 Anticipated Number of Awards

The actual number of awards under this APS is subject to the viability of applications received and the availability of funds. Accordingly, USAID' Regional Contracting Office (RCO), in coordination with USAID Macedonia, reserves the right to make multiple awards or no awards at all through this APS."

2.4 Type of Award(s)/Substantial Involvement

USAID anticipates that awards will be in the format of cooperative agreements as a result of this APS.

Depending on the evaluations and award determinations from Final Applications, USAID may decide to be "substantially involved" in the implementation of the program, and therefore award a cooperative agreement(s), a specific type of grant. Cooperative agreements are identical to grants except that USAID may be substantially involved in one or more of the following areas:

1. USAID approval of the recipient's implementation plans (limited to not more frequently than annually);
2. USAID approval of specified key personnel (limited to 5 positions or 5% of the recipient's total team size, whichever is greater);
3. USAID and recipient collaboration or joint participation, which includes one or more of the following:
 - a. Collaborative involvement of selection of advisory committee members (USAID may also choose to become a member), if applicable;
 - b. Selection of the recipient organizations to receive institutional capacity development and performance improvement services;
 - c. USAID concurrence on the selection of sub-award recipients and/or the substantive technical/programmatic provisions of sub-awards;
 - d. USAID approval of a program monitoring and evaluation (M&E) plan (to the extent that such

- information is not included in the application);
- e. USAID monitoring to permit direction and redirection because of interrelationships with other projects; and
 - f. USAID authority to immediately halt a construction activity, if applicable.

2.5 Cost-Sharing (Matching)

Cost share is defined by USAID as “contributions, both cash and in-kind, which are necessary and reasonable to achieve program objectives and which are verifiable from the recipient’s records.” Cost-sharing will be subject to 22 CFR 226.23 and the standard provision entitled “Cost-Sharing (Matching)” for non-U.S. NGOs.

USAID policy is that cost sharing is an important element of the USAID-Recipient relationship. Cost sharing is desirable but not required under this APS. Applications that include additional in-kind and/or cash contributions may be deemed more cost effective and thus, more competitive. If proposing a public-private alliance with an organization or business, provide a copy of informal or formal agreements stipulating cash and/or in-kind contributions.

2.6 Program Income

If the successful applicant(s) is/are a non-profit organization, any program income generated under the award(s) will be **added to** USAID funding (and any cost-sharing that may be provided), and used for program purposes.

However, pursuant to 22 CFR 226.82, if the successful applicant is a for-profit organization, any program income generated under the award(s) will be **deducted from** the total program cost to determine the amount of USAID funding.

Program income will be subject to 22 CFR 226.24 and the standard provision entitled “Program Income” for non-U.S. NGOs.

2.7 Authorized Geographic Code

USAID’s rules for Procurement of Commodities and Services Financed by USAID Federal Program Funds under the award(s) resulting from this APS are set forth in 22 CFR 228 (see <http://notices.usaid.gov/notice/22411> and 22 CFR Part 228, Rules on Procurement of Commodities and Services Financed by USAID Federal Program Funds).

Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars which will be reimbursed under the award resulting from this APS must meet the source and nationality requirements set forth in 22 CFR 228 for the authorized geographic code specified in the schedule of the award(s) resulting from this APS. If none is specified, the authorized source is Code 937. Geographic Code 937 is defined as the United States, the cooperating/recipient country, and developing countries other than advanced developing countries, and excluding prohibited sources.

When the total value of goods and services to be procured by the recipient and all sub-recipients, if any, during the life of the award is valued at \$250,000 or less, the authorized source for procurement of all

goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World." Such goods and services must meet the source and nationality requirements set forth in 22 CFR 228.

3. APPLICABLE REGULATIONS

USAID will administer the award in accordance with 22 CFR 226, OMB Circulars, and the Standard Provisions for Non-U.S. Non-Governmental Recipients.

22 CFR 226 is available at the website:

http://www.access.gpo.gov/nara/cfr/waisidx_06/22cfr226_06.html

OMB Circulars are available at the website:

http://www.whitehouse.gov/omb/circulars_default

The Standard Provisions for Non-U.S. Non-Governmental Organizations that will be incorporated into the award(s) resulting from this APS can be found at <http://www.usaid.gov/policy/ads/300/303mab.pdf>

4. APPLICANT ELIGIBILITY

USAID will not accept applications from individuals. All applicants must be legally recognized organizational entities under the law of Macedonia.

4.1 The following types of organizations may apply for funding under this APS

- Non-Governmental Organizations (NGOs) registered under the Law on Citizens' Associations and Foundations of April 2010 in the Republic of Macedonia;
- For-profit consulting companies/think tanks/ registered as Macedonian entities.

4.2 "Responsibility" of Applicant

In order for an award to be made, the Agreement Officer must make an affirmative determination that the applicant is "responsible," as discussed in USAID's Automated Directives System (ADS) 303.3.9. (ADS 303 is available at the website: <http://www.usaid.gov/policy/ads/300/303.pdf>) This means that the applicant must possess, or have the ability to obtain, the necessary management and technical competence to conduct the proposed program, and must agree to practice mutually agreed-upon methods of accountability for funds and other assets provided or funded by USAID. In the absence of an affirmative "responsibility" determination, an award can ordinarily not be made. However, in rare cases, an award can be made with "special award conditions" (i.e., additional non-standard award requirements designed to minimize the risk presented to USAID of making an award to an NGO for which an affirmative determination of "responsibility" cannot be made), but only where it appears likely that the applicant can correct the deficiencies in a reasonable period.

5. SUBMISSION PROCESS

There are two (2) steps of the application process under this APS:

Step One (1): Submission of a Concept Paper; and Step Two (2): Submission of a Full Application, if invited.

Do not submit a Full Application unless requested to do so by USAID Macedonia.

Missions will notify Applicants on or about March 15, 2013 whether to submit a Full Application. Applicants should submit a Full Application only at the request of USAID Macedonia following notification inviting a Full Application. If your organization has been requested by a USAID Mission to submit a Full Application, please follow the instructions below in 4.2.

5.1 CONCEPT PAPER INSTRUCTIONS

Subject to the availability of funding, USAID may issue invitations to submit a Full Application to the applicant(s) that submitted Concept Papers that were evaluated most highly and deemed most likely to succeed.

Concept Papers must respond to the Organizational Performance Improvement Program APS objective, improving performance of selected number of organizations and develop skills employees need to be responsive to the needs of their members and the citizens of Macedonia.

Important considerations for Concept Paper submission:

Applications that promote alliances with public and/or private partners should clearly state in the Concept Paper how this will be managed.

Applications must have a holistic approach to the organizational performance (or the lack of it) and should not be concentrated on only one or two functions of the organization.

Concept Papers must be presented following the below described structure and shall include the following outline with three (3) components:

5.1.1 Cover Page (1 page)

USAID APS-165-12-000002 Organizational Performance Improvement;

- Name and address of organization;
- Contact person (lead contact name; telephone number, fax and e-mail Information);
- Title of proposed program; total dollar amount of funds requested for the project period;
- Type of applying organization (non-profit or for-profit as defined under 3.1);
- Names of other organizations or donors to whom you are/have submitted the application and/or which are funding the proposed activities, if applicable; and
- Signature, name and title of the authorized representative of the applicant.

5.1.2 Technical Narrative (5 pages maximum) including

- Program Approach - Explain the problem to be addressed (related to at least two of the proposed organizations from the two sectors under #2), the expected goals to be achieved, how the proposed approach supports organizational capacity development and the overall USAID Assistance Objectives, and a short description of the approach to be used to achieve the proposed goals;

- Gender-defined characteristics and details of the partner organizations; all concept papers should include a brief statement addressing gender issues;
- Development Plan and Activity Description - Include a short description of the activities that will be undertaken to achieve the proposed objectives, and provide a general time line. Include a description of the role of proposed implementing partners if any (NGOs and/or alliances with private businesses);
- Expected Impact & Sustainability - Outline expected results and impacts and the mechanisms proposed to measure and monitor progress, achievement and sustainability;
- Project Management - Proposed project management structure and proposed staff roles and responsibilities; and
- Organization Capability - A brief statement of the history of the organization; its primary development focus, capabilities and challenges; its past development experience.

Note: If a concept paper exceeds five pages ONLY the first five pages will be reviewed when evaluating the concept paper.

5.1.3 Concept Paper Budget Summary (2 pages maximum)

Provide a 1-2 pages budget including budget summary and budget notes/narrative explaining the basis for determination of the proposed costs. The Budget should include the total funding requested from USAID/Macedonia and any cost share contribution that will be contributed by other sources. Cost sharing of counterpart funding is desirable but not required under this APS. Applications that include additional in-kind and/or cash contributions may be deemed more cost effective and thus, more competitive. Budgets should be in US dollars.

Note: If the concept paper budget summary exceeds two pages ONLY the first two pages will be reviewed when evaluating the concept paper.

5.1.4 Concept Paper Evaluation Criteria

Concept Papers will be evaluated based on the extent to which they convincingly describe the following (listed in relative order of importance with points assigned to each criterion):

- The extent to which the proposed approach directly respond to the objectives, requirements and parameters sought under this APS – **35 points**;
- The extent to which the proposed activities will lead to anticipated results and impact and the approach is logical, and feasible – **25 points**;
- The capability of the applicant organization to implement the activities efficiently and effectively – **20 points**;
- The degree to which the Concept has potential for sustainability beyond the program period – **10 points**; and
- The degree to which costs are realistic and demonstrate an effective and efficient use of resources – **10 points**.

5.1.5 Concept Paper Submission Deadline

While this APS is open until July 12, 2013 with potential for multiple rounds of applications, applicants

are strongly encouraged to apply by the “Next Round” published deadline of March 1 to ensure consideration. Concept papers received no later than 17:00 on Friday, March 1, 2013 local Skopje, Macedonia time will be included in the first batch for review. Concept papers shall be submitted to USAID/Macedonia at sszekeres@usaid.gov and Femini@usaid.gov. If invited, the next round of Full Applications will likely be due on/about April 15, 2013. It is expected that the awards under this round of the APS will be made o/a June30, 2013 and USAID reserves the right to amend this APS to add subsequent application due dates subject to funding availability. Closing dates for any subsequent rounds of applications will be determined by USAID and advertised by amendment to this APS o/a.

It is the applicant’s responsibility to ensure that files are complete and transmitted by the deadline. USAID bears no responsibility for data errors or omissions. USAID may accept applications past the deadline due to transmission difficulties that are not the fault of, or within the control of, the applicant with the approval of the USAID Regional Agreement Officer.

Facsimile proposal submissions will not be accepted without advance approval of the Agreement Officer.

5.1.6 Notification of Status of Concept Paper

USAID will notify applicants whether or not their concept paper is under further consideration. USAID will issue invitations to submit a Full Application to the applicant(s) whose submitted Concept Papers are most highly-rated and have been deemed most likely to succeed, subject to availability of funding.

5.2 FULL APPLICATIONS

Do not submit a Full Application unless requested to do so by USAID.

USAID will notify Applicants on or about March 15, 2013 whether to submit a Full Application. More detailed instructions will be provided at that time.