

What is a Broad Activity Announcement (BAA)?

The Broad Activity Announcement (BAA) is a method to communicate to the market AVC's general interest in strengthening agricultural market systems, upgrading AVC's eight value chains (natural fibers, flowers, potatoes, vegetables, pulses, tomatoes, ground nuts, and mangoes) with new technology and innovations, and building the local capacity to sustain improvements beyond the life of the project. Because a BAA is not an instrument but a method to communicate, this approach gives AVC tremendous flexibility in crafting the final relationship with the partner. It is a method to reach out to a potential partner and, literally shoulder to shoulder, co-create and co-design a development solution based only on an initial idea (concept note). The BAA will allow AVC and the selected partner to create a framing agreement (Market Actor Agreement) that could be a public-private partnership, Memorandum of Understanding, or even a specific, hand-crafted agreement (Market Actor Agreement) of a new type that is appropriate to the particular relationship. Based on the final framing agreement AVC (Market Actor Agreement) can use the most appropriate funding mechanisms through AVC grants and procurement. When using the BAA, the procurement instrument or relationship type does not have to be determined until the development problem and solution set are fully understood. It allows AVC to leverage the procurement process to support the development solution, rather than to jam the development solution into a particular procurement process.

What areas/topics are covered by the BAA?

The focus areas of the BAA coincide geographic and USAID feed the future initiative through a market system lens. Potential applicants are encouraged to submit concept paper(s) from AVC's geographic focus area. The geographic focus under consideration is twenty southern districts in Barisal Division (Barisal, Bhola, Jhalokati, Pirojpur, Barguna, Patuakhali), Dhaka Division (Faridpur, Gopalganj, Madaripur, Rajbari, Shariatpur), and Khulna Division (Jessore, Jhenaidah, Magura, Narail, Bagerhat, Khulna, Satkhira, Chuadanga, Meherpur). This list of districts is referred to simultaneously as the "USAID's Feed The Future Zone of Influence - FTF-ZoI" area and "the Southern Delta of Bangladesh." **Activities outside the geographic focus area will not be considered¹.**

This BAA is seeking applicants to propose innovative and effective approaches to address the opportunities and constraints associated with agribusiness in the FTF-ZoI. Applicants may choose among a range of initiatives or scale up small projects that have demonstrated success. Applicants must demonstrate success in addressing the identified constraints for each food and non-food value chain (natural fibers, flowers, potatoes, vegetables, pulses, tomatoes, ground nuts, and mangoes). Special attention will be given to innovative ideas and women's participation.

The goals of the AVC activity will be achieved through inclusive business and economic growth, strengthening agricultural market systems, upgrading value chains with new technology and innovations, and building local capacity to sustain improvements beyond the life of the project. The AVC project will look at different market actors along the southern delta agri-business food and

¹ Applicants procuring commodities from the FTF-ZoI and or providing services to the target zones will be considered.

non-food value chains (input suppliers, producers, post-harvest handlers, transporters, processors, traders, retailers and consumers and address opportunities and constraints associated with agribusiness of the FTF-ZoI).

The following are some of the objectives of the AVC activity:

- Start-up or expand *new technologies, products or services* for the agricultural sector that make it easier and cheaper to execute activities along the value chain.
- Start-up or expand *improvements in processes or systems* for implementing activities throughout the value chain.
- Research, development, testing and implementation of *approaches, activities or technologies* for understanding and influencing consumer demand for higher quality products.

What is the purpose of the BAA?

The BAA allows AVC to 1) reach out to potential partners with recognized expertise in relevant areas, 2) co-create, co-design, co-invest, and collaborate with partners, and 3) meet federally mandated competition requirements.

Who can submit a business concept note to the BAA?

Only registered Bangladeshi entities (private sector organizations, businesses, NGOs, foundations, research institutions, universities, associations, producer groups and/or cooperatives, etc.) are eligible to apply for USAID AVC funding under this BAA. Applicants currently present in the target districts and engaged with agricultural development activities are highly encouraged to apply.

Special attention will be given to women owned organizations.

The following entities are **not eligible** for consideration:

- Any non-Bangladesh non-governmental organization
- Any entity whose name appears or is debarred and excluded on the "System for Award Management;
- Any "Public International Organization" (PIO);
- Any third country non-governmental organization;
- Any foreign government;
- Any governmental agency;
- Any entity affiliated with AVC-DAI directors, officers, or employees;
- Any military organizations;
- Any political party organization;
- Any government sponsored cooperatives;
- Any labor unions; and
- Individuals.

At what time in a “Solution or Idea” cycle should an organization or private firm submit a BAA concept note to AVC?

USAID AVC activity is an innovative project that funds, sources, tests, and supports the growth of proven, cost-effective interventions. Through the BAA, AVC is using a venture-capital approach to provide early capital to high risk solutions in hopes of demonstrating their impact and viability so others may further invest in our partners to help them reach greater scale. AVC does not outline specific problems to be solved or provide solutions we wish to source. Instead AVC wants to hear from those closest to the issue about what they think is the right solution for a given issue. We look for the following three qualities in the solutions that we source:

- (1) demonstrable impact -rigorous evaluation of what works and what does not, scaling only those solutions proven to produce development outcomes.
- (2) cost effectiveness-potential to deliver greater development impacts per dollar than standard practice.
- (3) potential to reach scale-a plan to deliver and maintain widespread impact by increasing the geographic scope of operations and reaching financial sustainability beyond AVC's support through private or public funding or a combination

To promote continuous iteration and growth beyond pilots, AVC invests in organizations at the different stages of growth outlined below. We do not fund initial prototypes, but focus on the following AVC stages of development:

- (1) proof of concept-introduction of a solution to target customers/beneficiaries in Bangladesh to gain an early, real-world assessment of technical, organization, distribution, and financial viability of the solution.
- (2) testing impact and delivery -testing a proven concept for social impact, improved outcomes and/or market viability, as well as operational refinement to build paths to sustainability and scale
- (3) scaling-up-adaptation of a rigorously evaluated innovation to new contexts and geographies and engagement additional partners who will help scale the project beyond AVC support, but for whom more evidence of success and track record are needed.

While AVC will consider proposals at all three stages, we anticipate greater potential for co-creation at the 'testing impact and delivery' and 'scaling-up' stages.

Is there competition in the BAA process?

Yes. There are two steps that fulfill USAID's competitive requirements: 1) at the initial business concept note stage, and 2) at the BAA concept note review board evaluation stage. All activities must pass these two stages before a full concept is co-developed for final award/agreement (Market Actor Agreement).

Who is in the BAA Concept Note Review Board?

It is a permanent board that consists of the five key personnel of the AVC activity with the Finance and Grants Manager overseeing the process as the non-voting member of the review boards.

Is there a TEC review? How do you select the partner?

Not exactly, but it's similar to a TEC review. After the concept has been finalized and submitted by the firm/partner technical team, the concept is reviewed by the AVC Concept Review Board. The concept papers are evaluated against the evaluation criteria in the BAA, but not against each other or a work statement (because there isn't one). In general, the Board will select concepts that have the potential for breakthrough impact on strengthening agricultural market systems, are supported by evidence and analysis, and have an achievable resourcing strategy (to include availability of USAID funding, if applicable). The AVC Concept Review Board does not score concept papers either (again, there is no SOW or comparison to other concept papers in this process, so nothing to score against). The AVC Concept Review Board documents their recommendation based on whether the concept meets the criteria in the BAA. The Concept Review Board may even approve concepts when adequate USAID funds are not available, because funding for a program may be possible through alternative resourcing techniques. Approval by the Concept Review Board to proceed to the co-development stage does not constitute a commitment or obligation on the part of USAID to fund a project.

Will there be more than one award?

Yes, there will more than likely be more than one award/agreement (Market Actor Agreement). Each one of the submitted concept notes could result in one or many awards. However, a concept note might not result in an award; the primary purpose of the BAA is to provide a space where AVC can co-create with partners to develop breakthrough solutions. Its primary purpose is not to make awards/agreements (Market Actor Agreement) or to obligate funds, although that may be the outcome of a co-development effort.

Since there is no specific project timeframe or funding level, do organizations propose these with agreement to be established with AVC as part of the consultative co-creating/co-designing collaborative process? Are there particular timeframes for results, e.g., one year versus two years that might make a proposal more appealing for funding?

No, organizations don't propose timeframes or funding levels –at least not in the usual sense. Part of co-development means that we work together to arrive at the right timeframe and resourcing plan for a jointly designed development solution. The purpose of co-creation and co-development is to approach the development problem from a technical perspective first, then arrive at appropriate

arrangements to implement the solution. It is possible that the ideal solution may take a much longer period of time, or through creative cooperation a faster solution may emerge. We don't want to box in what sort of solutions may emerge from the discussion by restricting it to a timeframe or a resourcing level.

There is a good reason for this approach. If AVC announces that it has \$1 million to apply to a problem, the response from the design teams will be to develop a \$1 million solution. We may step right past the \$100,000 brilliant idea or we may not truly address the full scope of what might really be a \$10 million requirement. We can all find example of where we under-resourced or over-resourced a solution because we designed to budget rather than the real need. In our traditional project development cycle we have review points built in to our USAID AVC processes to address this issue. But, when conceiving innovative breakthrough solutions that, by their very nature, are unimagined excursions to uncharted territory, designing to budget will not work. We need to design to solution and constrain to resources much later in the process, after the ideal solution is well understood.

Is there a tentative timetable for review and feedback of ideas presented in the concept note?

Concept notes will be reviewed by the Concept Review Board within a month of receiving the concept note and recommendations will be made at the end of each month. Please allow 4 – 6 weeks for review of concept notes upon receipt to avcconcept@dai.com.

How much funding can organizations expect from AVC for the BAA proposals?

The purpose of the BAA is not to begin with the resourcing in mind, but rather to begin with the development problem in mind. Therefore the resulting relationship may or may not include an exchange of monetary resources or resourcing arrangements. The levels of resources are constrained by the availability of funds to support the project. Funding may come from AVC or external resources. Specific resource availability may be addressed in co-development, co-create stage of this process.