

REQUEST FOR INFORMATION

ISSUANCE DATE: November 7, 2022.

CLOSING DATE: December 20, 2022, 5:00 pm (Lima Local Time).

SUBJECT: Request for Information (RFI) No. 72052723RFI00001 - "Government Accountability and Effectiveness"

The United States Government, represented by the United States Agency for International Development (USAID) in the Republic of Peru is currently designing an activity to strengthen **accountability systems for intergovernmental management** of public funds and make public spending decisions more **participatory and inclusive** to improve the transparency and effectiveness of public services to vulnerable populations in target USAID regions.

USAID/Peru intends to restrict eligibility to Local Entities as defined in ADS 303.6 at the solicitation stage.

Any entity i.e., foundations, for profit and not-for-profit institutions, governmental bodies, agencies of the United Nations etc. may provide comments, critiques and/or participate in the Questions and Answers virtual Conference.

Only Local Entities may submit Capability Statements.

Interested entities should take in account the following key dates:

- RFI closing date: December 20, 2022.
- Q&A Conference date: November 23, 2022
- Closing date for questions: November 28, 2022
- Pre-solicitation conference: January 16, 2023.

The purpose of this RFI is to solicit:

1. Critique of, and comments on the draft Activity Description presented in Section II.
2. Capability statements from Local Entities ONLY (see Section I, Instructions).

Sincerely,

Andre-Guy Soh
Contracting/Agreement Officer
USAID/Peru

SECTION I. INSTRUCTIONS

Responses (comments, questions, suggestions, enhancements, and capability statements) to this RFI should be addressed to Andre-Guy Soh via limasolicitations@usaid.gov.

Responses should be in Microsoft Word, in English or Spanish, not exceed six pages, have the subject line "*Response to RFI No. 72052723RFI00001 - Name of the Entity*" and be submitted by the closing deadline.

In the body of the email, respondents should state their interest in attending the November 23, 2022 "Questions and Answers" virtual conference.

Your critique or feedback should not exceed three pages, be presented from the perspective of a local entity and could include:

1. Constructive criticism of the overall approach described in Section II.
2. Additional sectors and/or actors to be included to foster effective engagement and collaborative relationships to get results for this activity.
3. Additional strategies or focus areas to be considered to maximize sustainable results and impact of the activity.
4. Innovative or non-traditional strategies to incentivize individual and institutional change.

Capability statements should not exceed three pages and may address the following:

1. Contact Name, title and email address.
2. Description of the organization's capacity to receive and manage bilateral/multilateral or other donor funding and the amounts (if any).
3. Brief description of past, present, and future activities/projects managed in the democratic development and governance sector providing technical assistance in accountability systems and public financing management; and strengthening of civil society, and private entities. Include experiences delivering technical assistance on public financial management systems, planning and result-based management strategies, citizen engagement in decision making processes, promoting accountability, transparency, and anti-corruption measures at any level of government. A brief description of the results and impact achieved is welcome.
4. Description of the financial framework of the organization. This section should cover the last five years and describe the overall budget, list independently conducted financial audits, and provide any other relevant information such as funding sources, etc.
5. Describe the overall management capability and leadership structure, including operations, procurement, personnel, etc.
6. Describe the organization's overall implementation capacity, i.e., technical expertise, relationships, certifications, presence or capacity to deploy or establish operations in targeted geographies.
7. Indicate whether the entity has an active registration in [System for Awards Management \(SAM\)](#) and/or the Peruvian Agency for International Cooperation (APCI) system. Registration in APCI is desirable but not required to respond to this RFI. A registration in these systems is mandatory to respond to future solicitations.
8. Identify any needs the organization has for organizational capacity building (management, strategic planning, etc.) support.

9. Provide the names and contact information of up to five international and/or local institutions you have partnered or collaborated with in the past, or that you can partner with to successfully implement this activity.

SECTION II. NEW ACTIVITY INFORMATION

The U.S Agency for International Development (USAID)/Peru may use feedback and comments from this RFI to refine a future solicitation. If a solicitation/funding opportunity is issued, USAID/Peru intends to make one award with an estimated duration of five years in length, and a Total Estimated Amount not to exceed \$12M. The type of instrument (Acquisition or Assistance) has not yet been determined.

Activity Name:	Government Accountability and Effectiveness.
Prime Partner:	Local (Peru) Entity
Award Number:	To be Determined
Implementing Mechanism Type:	To be Determined
Source Agency:	U.S. Agency for International Development
Implementing Agency:	U.S. Agency for International Development
Planned Funding:	up to \$12,000,000
Period of Performance:	5 years from award date

I. DRAFT ACTIVITY DESCRIPTION

1. Context:

Challenges

Peru faces a dramatic increase in poverty (10 percent increase of monetary poverty from 2019 to 2020 based on the Encuesta Nacional de Hogares (ENAH) of the National Institute of Statistics (INEI), 2020.) Historically, the ability of the Peruvian government (national and subnational) to deliver basic public services has been deficient. The problem is more severe in rural and isolated municipal governments, where USAID focuses most of its interventions.

Peru started a new decentralization process in 2002, and since its implementation this process has never been completed and progressively is collapsing. Roles, competencies, and institutional frameworks are incomplete, especially fiscal decentralization. Subnational governments are constrained by uneven capacity, widespread corruption, little knowledge about accessing central government funding, a lack of scientific analysis and citizen feedback to better plan the future of their localities.

The lack of intersectoral and intergovernmental coordination, especially in the planning and budgeting processes, causes duplication, inefficiencies, misuse of public funds, and ineffective service delivery.

Systemic corruption at all levels of government has increased social and economic gaps throughout Peru. In September 2021, the Office of the Comptroller General reported that at least 12.6 percent of the executed budget at national level is lost due to state corruption and public officers' functional misconduct; and more than 22 regional governors (out of 24) are currently implicated in corruption investigations.

Strong influence of illicit activities – like narcotrafficking, illegal logging, and illegal mining – in political processes and government decisions at national and subnational levels undermine public management and service-delivery.

Political crisis, corruption scandals and poor-quality services have led to high levels of political apathy and citizen frustration. This absent or limited citizen engagement in local politics and governance reinforces the vicious cycle of poor government-citizen relationships in Peru.

Opportunities

In contrast to this context, Peru shows positive economic management. Peru's tax revenue in 2021 increased by 44.4 percent compared to 2020 and 19.2 percent compared to 2019 (before the pandemic). Maintaining an effective tax system will contribute to closing these gaps in public services. Economic management must go hand in hand with efficient public management.

The recent announcement by the Organization for Economic Cooperation and Development (OECD) about the formal acceptance of Peru into the accession process is another indication of the positive strides the country has made in recent history. The accession process represents both a milestone and presents an enormous challenge for Peru on its modernization path, especially in the current dynamic political context with significant democracy and governance setbacks.

There have been initial efforts made by the Ministry of Economy and Finance (MEF) to implement a territorial public investment focus nationwide. This focus will demand greater sectoral coordination with and among all levels of government to effectively address the closing or reduction of social and economic gaps.

Building on previous and current efforts

A USAID activity in districts affected by illegal coca cultivation is currently working with the MEF to validate the territorial focus in public investment and to bring sector investments to these isolated areas, with positive results.

Evaluations of previous USAID decentralization activities have demonstrated the need to improve the provision and management of public services at the local level. This is only possible when the national systems and processes are improved with a systemic approach. Horizontal and vertical linkages among national government and subnational entities enable achievement of nationally defined goals.

USAID is currently implementing DEVIDA's Institutional Strengthening Activity (FID), which includes the provision of technical assistance to selected rural districts that have been affected by drug trafficking to improve both the quality and the level of execution of public works. Another current USAID activity is the Transparent Public Investment Activity (TPI), which focuses on reducing corruption in public procurement processes at the regional level using OECD international standards. The new Government Accountability and Effectiveness activity will build on the lessons learned and tools developed by the ongoing and previous USAID projects¹

¹ https://pdf.usaid.gov/pdf_docs/PA00TCP2.pdf (ProDecentralization III Program Final Performance Evaluation)

Assessments² of several prior USAID interventions indicate that civil society participation in oversight and decision-making processes strengthens government accountability and is more effective when building collaborative relationships with local authorities. This new activity will incorporate and implement proven tools and methodologies as appropriate.

2. Problem Statement:

Public service delivery in target regions is deficient and influenced by illicit activities and corruption.

3. Theory of Change statement:

IF subnational governments in the target regions strengthen their institutional capacity to effectively implement an inclusive governance approach; and

IF the national government improves the legal and institutional framework for subnational governance; and

IF civil society organizations strengthen their capacity to participate in and oversee public decision-making processes;

THEN, the target governments will deliver public services to citizens and the most vulnerable populations in an increasingly efficient, effective, transparent, inclusive, and accountable manner.

4. Magnitude of Change:

With the proposed US government funding, USAID intends to obtain the following goals over five years of intervention.

End Goal: Social and economic gaps are reduced by 30 to 40 percent over five years in target regions.

Some key expected outcomes are the following:

- % increased and improved public investment in targeted subnational governments.
- % reduction in gaps of public services (water, sanitation, electricity, connectivity, etc.)
- x number of target governments consistently improve their planning and budgetary systems using the MEF gap reduction methodology for priority services such as: education, health, roads, water and sanitation, solid waste management, and digital services.
- Entities of the central government such as Minister of Economy and Finances(MEF), the Supervisory Organism for Public Procurement, the Comptroller General, the Secretary of Decentralization and the Secretary of Public Integrity, improve responsiveness to subnational governments in terms of policy reforms and funding priorities to facilitate greater efficiency and transparency in delivering public services in target regions.
- % of target governments effectively implement the standards of the Capacity to Prevent Corruption Index measured by the Secretary of Public Integrity.
- Target governments improve their internal control systems and close integrity gaps.
- Target governments effectively implement the Risk Management Strategy for Public Procurement developed by the Supervisory Public Procurement Agency (OSCE)

² https://pdf.usaid.gov/pdf_docs/PA00Z663.pdf Peru Civil Society Study

- Target governments develop innovative and inclusive tools for all citizens to facilitate access to public information and compliance with open government and open data commitments.
- Citizen perceptions on the performance of their local authorities in target regions improve annually.

Consistent with the agency localization policy, this activity proposes a rigorous approach to collaborative design that includes a holistic institutional capacity building approach of different actors. It would involve government, civil society, and private sector entities to generate local capacities and progressive institutional autonomy.

The activity will incorporate approaches to address cross-cutting themes, such as mitigating and adapting to climate change, gender equality and women's empowerment, bridging the digital divide, strengthening private sector engagement, addressing the concerns of Indigenous populations, and incorporating youth perspectives into policymaking.

SECTION III. DEFINITION

Local Entity:

An individual, a corporation, a nonprofit organization, or another body of persons that— (1) is legally organized under the laws of; (2) has as its principal place of business or operations in; (3) is majority owned by individuals who are citizens or lawful permanent residents of; and (4) managed by a governing body the majority of who are citizens or lawful permanent residents of a country receiving assistance from funds appropriated under title III of this Act. For purposes of this section, "majority-owned" and "-managed by" include, without limitation, beneficiary interests and the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the organization's managers or a majority of the organization's governing body by any means."

DISCLAIMER:

This RFI is issued solely for gathering information and market research for design planning purposes and does not constitute a Notice Of Funding Opportunity (NOFO) or a Request for Proposals. Responses to this RFI are not applications or proposals.

This RFI must not be construed as the U.S. Government commitment to issue a solicitation. Respondents are directly and fully responsible for bearing all incurred expenses associated with preparation and submission of their RFI responses.

USAID reserves the right to use any, all, or none of the information submitted in response to this RFI in a future solicitation/funding opportunity. Thus, respondents must clearly mark or label all proprietary information contained in their submission. USAID will not disclose proprietary information. Failure to properly mark or label proprietary information may result in an inappropriate use of such information.

If a solicitation/funding opportunity is issued, it will be announced on www.sam.gov and/or www.grants.gov at a later date, and all interested parties must respond to that Solicitation/funding opportunity announcement separately from any response to this announcement.

END OF RFI No. 72052723RFI00001