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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNOUNCEMENT

CALL FOR DEVELOPMENT INNOVATION VENTURES PROPOSALS RELATED TO USG HAITI STRATEGY UNDER EXISTING ANNUAL PROGRAM STATEMENT APS No: M/OAA/ GRO/LMA/11-02000

This program is authorized in accordance with Part 1 of the Foreign Assistance act of 1961, as amended.

Through this Addendum to the FY 2011 & FY 2012 Development Innovation Ventures Annual Program Statement No. **M/OAA/ GRO/LMA/11-02000** (the [DIV APS](#)), USAID's Development Innovation Ventures (USAID/DIV), as part of its collaboration with USAID/Haiti, is making a special call for the submission of DIV proposals related to the Post-Earthquake United States Government's Haiti Strategy (USG Haiti Strategy), hereinafter to be referenced as the "Haiti Window."

The specific objective of this Haiti Window is to identify, rigorously test, and scale cost-effective solutions to the development challenges represented by the four pillars of the USG Haiti Strategy.

All application forms and rules are unchanged from the [DIV APS](#), but additional resources will be available for proposals targeting this window. Unless otherwise specifically stated herein, all terms and conditions of the [DIV APS](#) 2.0 apply.

Background

The United States Government has identified four focus areas, or "pillars," of investment critical to achieving economic growth and stability in Haiti. These are outlined in the 5-year USG Strategy for Haiti.

- Pillar A: Infrastructure and Energy
 - Housing
 - Ports and Economic Growth Poles
 - Energy
- Pillar B: Food and Economic Security
 - Agriculture and Nutrition
 - Economic security – Support to Micro, Small, and Medium-Sized Enterprises
- Pillar C: Health and Other Basic Services
 - Health
 - Education and Youth-Focused Services
- Pillar D: Governance and Rule of Law
 - Governance



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- Rule of Law

Applicants are requested to specify the pillar(s) and priority area(s) to which their project contributes within the Technical Narrative of the application. Applicants are strongly encouraged to refer to the USG Haiti Strategy document, which can be found at <http://www.state.gov/documents/organization/156448.pdf>. This document provides detailed descriptions of the priority areas and specifies assistance objectives within each.

Proposals suitable for USAID funding under this window will clearly fit within the geographic and technical scope of the USG Haiti Strategy; identify the specific development challenge being addressed; provide a technical proposal that convincingly demonstrates the project's innovativeness; and provide a clear plan for rigorously measuring impact and cost-effectiveness. Potential applicants are directed to Section 2.2 of the [DIV APS](#) for additional guidance on project suitability, although proposals that will reach scale only within Haiti are also permissible.

Applications addressing any elements of the USG Haiti Strategy are welcome. Examples of the types of challenges for which innovative, cost-effective solutions are sought include but are not limited to:

- **Increasing job skills and earnings of out-of-school youth.** The median age of the Haitian population is 21, and over 50% have not completed primary school. Unemployment is over 40%, and underemployment is widespread. Providing up-to-date, applicable job skills that increase young people's earnings at low cost is therefore a pressing challenge.
- **Placing job seekers in firms.** Information often does not effectively flow between job seekers and firms, resulting in very inefficient job markets.
- **Creating accountability for operations and outcomes in non-public schools.** Over 90% of Haiti's schools are not public, and are run by churches, NGOs, for-profit entities, and others. The government's efforts to license and regulate have been ineffective, resulting in highly variable and on average poor educational quality and outcomes.
- **Providing potable water in a sustainable, cost-effective, environmentally responsible manner for a drought-prone location.** In activities unrelated to this APS, USAID is considering multiple large permanent housing settlements for low income residents in the northern part of Haiti. Test results for water samples from within 5 miles of the settlements indicate that both ground and surface water are limited and contain arsenic, barium, and E. coli.
- **Providing sanitation in a sustainable, cost-effective, environmentally responsible manner where no sanitation services currently exist.** At the sites noted in the prior bullet, water is limited, sewage treatment facilities are non-existent, and land is limited. Additional challenges include the presence of cholera and a high water table.
- **Increasing development impact of remittances.** Remittances equal nearly 20% of Haiti's annual GDP, but many barriers may limit their development impact.



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- **Achieving high rates of farmer utilization of agricultural information to increase productivity.** About 60% of Haitians are employed in agriculture, and productivity has been stagnant or declining for several decades. Efforts to increase productivity require effective methods to achieve high rates of information dissemination and adaptation among farmers.
- **Providing cost-effective and sustainable energy to rural populations.** About 50% of the Haitian population lives in rural areas, where expansion of the electricity grid is likely to be prohibitively costly. Providing low-cost, reliable, and environmentally sustainable power to this population is a significant challenge.

Refer to the USG Haiti strategy for more discussion of the development challenges for which USAID/Haiti is seeking solutions. In addition, examples of innovative solutions that have been rigorously tested elsewhere and found to have cost-effective positive impact, and that could potentially address challenges in Haiti, can be found in Annex 1 of this document.

Application Instructions and Review Process

Applicants are requested to submit proposals electronically to the Agreement Specialist at DIVApplications@usaid.gov using the application forms found at <http://www.usaid.gov/div/apply.html>, and including Haiti in the subject line. For information regarding guidelines and procedures to submit a proposal, please refer to Sections 3 and 4 of the [DIV APS](#) which can be found at <http://www.usaid.gov/div/aps/DIVAnnualProgramStatement2.0.pdf>.

Applications for this Haiti Window will be reviewed according to the process for the [DIV APS](#). Each year from FY 11 through FY14, USAID/DIV expects to issue a new APS which will include this Haiti Window. Applicants can submit proposals to the “core” [DIV APS](#) or to this Window modification. Meanwhile, USAID/DIV retains the right to evaluate any core applicant under this Haiti Window, or any Haiti Window applicant under the core [DIV APS](#). Potential applicants are directed to Section 4.2 of the [DIV APS](#) and <http://www.usaid.gov/div/apply.html> for information on submission deadlines. Note that this special window is fully amendable, without limitation.

Award and Administration Information

Under this Haiti Window, USAID plans to make multiple awards, subject to the availability of funds. Nevertheless, USAID reserves the right to make a single award, to fund parts of applications, or not to make any awards at all. 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 any costs incurred in the preparation and submission of any application. As stated in the [DIV APS](#), USAID anticipates that a grant(s) or cooperative agreement (s) will be awarded as a result of this Haiti Window,



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where USAID will determine the type of award on a case by case basis. For more information about applicant's responsibilities, please see Section 5.1.4 of the APS.

Proposed activities should be consistent with USAID legal and policy requirements including those set forth in USAID's Automated Directives System (ADS) and Other Considerations in Section 6 of the APS and in the Foreign Assistance Act of 1961, as amended, and the Code of Federal Regulations; please consult with the Agreement Specialist for any other questions, at DIVApplications@usaid.gov.



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Annex 1: examples of innovative solutions rigorously tested elsewhere

Reducing corruption:

Corruption in infrastructure is so widespread that many donors shy away from supporting infrastructure projects. However, audits can decrease the amount of money that is stolen during construction. An experiment in which the frequency of government audits increased from 4% of projects to 100% reduced missing expenditures by 8 percentage points in a road construction project in Indonesia.¹

Civil society and health provision

A randomized field experiment on community-based monitoring of public primary health care providers in Uganda found treatment communities were more involved in monitoring the provider, and the health workers exerted higher effort to serve the community. There were also large increases in health care utilization and improved health outcomes, including reduced child mortality and increased child weight.²

Publicizing findings of random audits of Municipalities

In 2003, as part of an anticorruption project, Brazil's federal government began to select municipalities at random to audit their expenditures of federally transferred funds. The findings of these audits were then made publicly available and disseminated to media sources. A rigorous impact evaluation shows that the release of the audit outcomes had a significant impact on incumbents' electoral performance and that these effects were more pronounced in municipalities where local radio was present to divulge the information. These findings highlight the value of having a more informed electorate and the role played by local media in enhancing political selection.³

Proven vocational training for disadvantaged youth

Youth unemployment in Latin America is exceptionally high, as much as 50% among the poor. Vocational training may be the best chance to help unemployed young people at the bottom of the income distribution. A RCT of such a program in Colombia in 2005 measured impacts on the employment and earnings of trainees. The evaluation found that women offered training earn about 18% more than those not offered training, while men offered training earn about 8% more than men not offered training. Much of the earnings increases for both men and women are related to increased employment in formal sector jobs. The benefits of training are greater when individuals spend more time doing on-the-job training.

¹ Olken, Benjamin. 2007. "Monitoring Corruption: Evidence from a Field Experiment in Indonesia." *The Journal of Political Economy*, 2007, vol. 115, no. 2.

² Bjorkman, Martina, and Jacob Svensson. 2009. "Power to the People: Evidence from A Randomized Field Experiment on Community-Based Monitoring in Uganda." *The Quarterly Journal of Economics*, May 2009, pp. 735 – 769.

³ Ferraz, Claudio and Frederico Finan. 2008. "Exposing Corrupt Politicians: The Effects Of Brazil's Publicly Released Audits On Electoral Outcomes." *The Quarterly Journal of Economics*, May 2008.



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Cost-benefit analysis of these results suggests that the program generates a large net gain, especially for women.⁴

Providing point-of-collection water treatment

Diarrheal diseases are the second leading cause of child mortality in the world, and are most frequently spread through water. Low-cost water treatments are widely available in many developing countries, but have achieved low usage rates (below 10% of households purchasing such treatments when available). A RCT in rural Kenya found that free point of collection water treatment systems designed to make water treatment convenient, salient, and public, combined with a local promoter, generated take-up of more than 60% at a cost as low as \$20 per year of life saved (which is comparable to vaccine costs).⁵

Commitment savings accounts:

Many of the poorest people have high return micro-investments available to them but are unable to invest due to lack of savings. Any cash they might have is easily diverted to more immediate needs. But helping commit now to set aside money for the future can have huge effects on saving and investment, for very little cost. Innovative projects in the Philippines raised savings balances by 81% within a year.⁶

After-school projects for basic skills:

Even when children go to school, many end up learning virtually nothing. Schools do not always teach the right things and cannot accommodate the needs of children who fall behind. Concentrating on basic skills can prove remarkably effective. Children who attended a pilot version of the after-school “Read India” project for just three months jumped from simply recognizing letters to reading entire paragraphs on their own, at a cost of no more than \$2.25 per pupil, per year. Additional work is needed to conduct further testing of this approach.⁷

Report cards in Pakistani primary schools: In many countries, parents may not have sufficient information regarding the quality of their school's or children's performance. An experimental intervention examined the impact of providing school and child-level report cards on learning within a randomized sample of schools in Pakistan. The provision of information improved test scores and decreased private school fees by 18 percent. The cost of providing information was similar to the resulting drop in school fees, and the intervention likely raised welfare by increasing child learning and lowering educational costs.⁸

⁴ Attanasio, Orazio, Adrianna Kugler and Costas Meghir, 2008. “Training Disadvantaged Youth in Latin America: Evidence from a Randomized Trial,” NBER Working Paper No. 13931

⁵ Ahuja, Amrita, Michael Kremer and Alix Peterson Zwane, 2010. “Providing Safe Water: Evidence from Randomized Evaluations,” Harvard Environmental Economics Program Discussion Paper 10-23.

⁶ Ashraf, Nava, Dean Karlan, Wesley Yin, 2006. “Tying Odysseus to the Mast: Evidence from a Commitment Savings Product in the Philippines,” *Quarterly Journal of Economics*, May 2006, pp. 635–672.

⁷ Duflo, Esther, Rachel Glennerster, 2010. “Read India: Helping Primary School Students in India Acquire Basic Math and Reading Skills.” www.povertyactionlab.org

⁸ Andrabi, T., J. Das, and A. Khwaja, 2009. “Report Cards: The Impact of Providing School and Child Test Scores on Educational Markets.” Working Paper.