

ANNUAL PROGRAM STATEMENT (APS)

FEED THE FUTURE MARKET SYSTEMS AND PARTNERSHIPS

SOUTHERN AFRICA AGRICULTURAL TRADE & INVESTMENT

SOLICITATION NO. APS-SAR-001

This solicitation is being issued under the Feed the Future Market Systems and Partnerships Activity (Contract No. 7200AA20C00054), implemented by DAI Global, LLC in support of the USAID Southern Africa Mission.

February 18, 2021

ANNUAL PROGRAM STATEMENT (APS)¹
FEED THE FUTURE MARKET SYSTEMS & PARTNERSHIPS
SOUTHERN AFRICA AGRICULTURAL TRADE & INVESTMENT ACTIVITY

Funding Opportunity Title:	Partnerships in Agricultural Trade & Investment
Announcement Type:	Annual Program Statement
Funding Opportunity Number:	APS-SAR-001
Issuance Date:	February 18, 2021
Deadline for Questions:	8:00 PM SAST March 1, 2021
Answers Posted By:	8:00 PM SAST March 4, 2021
Closing Date Concept Papers:	8:00 PM SAST March 31, 2021
Co-Development Period:	Mid-April to Mid-May 2021 (dates may vary)
Closing Date Full Applications:	8:00 PM SAST May 31, 2021
Finalists Recommended for Award:	No later than June 30, 2021
Estimated Start Date of Awarded Grants:	July or August 2021 (dates may vary)
APS Closing Date:	8:00 PM SAST July 31, 2021
Submit Questions to:	grants_nof@ftf-msp.org
Submit Concept Papers to:	Concept Papers must be uploaded to www.mspgrants.com/southernafrika
Submit Full Applications to:	Full applications must be uploaded to www.mspgrants.com/southernafrika

This APS is issued as a public notice to ensure that all interested and qualified organizations have a fair opportunity to qualify for funding. To be considered for award, applicants must respond to all the requirements and instructions of this APS. DAI will review applications on the basis of the criteria and instructions set forth in this APS.

Issuance of this APS does not constitute an award or commitment on the part of DAI, nor does it commit DAI to pay for costs incurred in the preparation and submission of an application. DAI reserves the right to fund any or none of the concept papers or applications submitted. Further, DAI reserves the right to make no awards as a result of this APS.

¹ An Annual Program Statement is a type of solicitation used by USAID and USAID implementers to solicit grant concept papers for potential funding.

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SECTION I – FUNDING OPPORTUNITY DESCRIPTION

Through this Annual Program Statement (APS) via APS-SAR-001, the Feed the Future Market Systems and Partnerships (MSP) Southern Africa Agricultural Trade & Investment Activity (hereinafter referred to as “MSP”), managed by DAI on behalf of the USAID Southern Africa Regional Mission, is offering businesses in southern Africa the opportunity to co-invest with USAID to achieve the following development objectives:

- Increase agricultural trade from regional countries to South Africa;
- Increase agricultural investment from South Africa to the region; and,
- Increase agricultural exports from southern African countries to the United States through the African Growth and Opportunity Act (AGOA).

This Annual Program Statement (APS) is a tool for engaging the private sector in transformational partnerships that advance market-based solutions to achieve private sector objectives and development objectives. Eligible activities include novel

ideas and innovative business models in input distribution, supply chain management, business services and other support services as described in the text box in Section 1.

MSP will leverage South Africa’s advanced economy and financial system to support mutually beneficial trade and investment in the southern African region, or to the United States. MSP will increase the value and quality of products traded in the region and therefore increase incomes for throughout the value chain down to the producers.

Examples of Potential Partnership Areas and Illustrative Types of Partners

- Input distribution, including seeds, fertilizers, and machinery. Potential partners include manufacturers, wholesalers, distributors, and leasing companies.
- Supply chain management including efforts to improve traceability, quality, and efficiency and to reduce costs. Potential partners include aggregators, large-scale buyers, processors, traders, distributors, and retailers.
- Business services including financial, management, and advisory services. Potential partners include incubators, accelerators, advisory firms, banks, venture capital providers, angel investors, funds, non-bank financial institutions, insurance providers, and fintech companies.
- Other support services including marketing, ICT, agricultural technology, extension, mechanization, logistics, and transport services as well as cold-chain or agricultural storage. Potential partners include firms that provide any of these services.

SECTION II – AWARD INFORMATION

Type of Anticipated Investment Funding: MSP will issue performance-based grants ranging between US\$250,000 - US\$1,000,000 to establish partnerships with firms and/or investors for meeting the development objectives stated in Section 1. The total amount of funding available for this APS is approximately US\$5.5 million over two years.

Performance-based grants: Payment under a performance-based grants are made upon accomplishment of predetermined results, referred to as milestones. Milestones are agreed between MSP and the partner prior to the grant being awarded. The specific type of performance-based grant will be a fixed amount award (FAA) agreement under USAID rules. MSP and the applicant will agree to the metrics and verification methods of those milestones during the development of the full application, giving latitude to the partner on how it will accomplish the agreed milestones.

Performance Period: The performance period of partnership grants will be no more than 24-months. In addition, the length of awarded programs may not extend past June 2023, unless explicitly modified in writing by DAI.

Questions: Please submit any questions regarding the APS process or activity before 8:00pm SAST on March 1, 2021 to grants_nofu@ftf-msp.org.

DAI may choose to extend this APS until all funding has been awarded. The number of awards and amount of available funding may be subject to change. DAI may choose to fully fund or incrementally fund selected application(s). DAI reserves the right to make no awards as a result of this APS. DAI will evaluate concept papers and full applications on their respective closing dates.

SECTION III – ELIGIBILITY INFORMATION

Eligible activities include novel ideas and innovative business models in input distribution, supply chain management, business services, and other support services as described in the text box in Section 1.

Eligible applicants:

- Applicants can include financial institutions, investors, businesses, business service organizations, industry/sector organizations, trade or other private sector associations.
- Only applicants legally registered to operate in Angola, Botswana, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Namibia, South Africa, and/or Zambia are eligible to apply. Proposed activities must include a South African or American partner and/or investor and demonstrate an increase of trade to South Africa or the United States from at least one of the aforementioned countries. Multi-country concepts are preferred.
- MSP requires at least one-to-one matching investment from applicants, or five-to-one matching for MSP funding used for loans or equity investments (see cost evaluation below).
- Concepts for commodities that would have significant impact on US agricultural exports may be deemed ineligible.

Ineligible applicants:

- Any organization not legally registered in any of the countries named above;
- Any entity listed in the U.S. government Excluded Parties List;
- Any entity unable to obtain a DUNS number;²
- Any entity excluded in the US Government System for Award Management;
- Any Public International Organization (PIO);
- Any entity affiliated with DAI or MSP directors, officers, or employees;
- Any military organization;
- Any political party organization;

² Applicants can register for a DUNS number by accessing the following website: <https://fedgov.dnb.com/webform/>. Further instructions are also available here: <https://www.grants.gov/applicants/organization-registration/step-1-obtain-duns-number.html>

- Any entity focused solely on religious activities;
- Any labor unions; and,
- Any individuals.

Prior experience with USAID or other US Government entities is not required. DAI encourages applications from potential new partners.

SECTION IV – APPLICATION PROCESS

DAI will apply a streamlined two-stage review and selection process that begins with registering online at the DAI online grants platform (www.mspgrants.com/southernafrica) and submitting a concept paper. Only shortlisted applicants will be sent a Request for Application (RFA) to initiate Stage 2 of the selection process, the full application development and submission. Submitted full applications will undergo a second round of reviews resulting in final award selection.

Technical Selection Criteria: Concept papers and full applications will be evaluated on their responsiveness to the following five criteria.

- **The idea:** Describe the challenge the applicant seeks to address, the proposed partnership focal area or areas (as described on page 1), the novel idea and innovative business model to increase the value and quality of products traded in the region or to the United States and lead to higher incomes for producers. Explain what the applicant proposes to fund, what they are requesting MSP to fund, and how it is outside of business as usual or normal operating expenditures.
- **The objective:** Describe the expected outcome and alignment with one or more of the three objectives stated on page 1.
- **The value of the partnership:** Explain how the proposed concept is a departure from regular business operations and how the MSP grant will be used to reduce risks that are stopping the businesses from trying the novel idea and innovative business model on their own.
- **The future of the business:** Describe how the proposed novel idea and innovative business model can be sustained and expanded beyond the life of the partnership. Explain how the proposed partnership will attract additional private sector investment, if relevant.
- **The business and community impact:** Describe how this novel idea and innovative business model will create positive change in the industry, what the benefits to the applicants will be, and what additional benefits will be created for farmers/producers. Estimate how many farmers/producers will benefit, by how much, and any available demographic information for those farmers/producers (e.g. men, women, youth, etc.)

Cost Evaluation Proposed partnership costs will be reviewed based on cost effectiveness, reasonableness, allocability, and allowability. Costs that do not meet the criteria below will be deemed non-responsive.

- **Are costs effective?** Will proposed costs provide a good value in achieving desired outcomes at a relatively low cost or becoming more cost-effective over time?

- **Are costs reasonable?** Are proposed costs generally recognized as ordinary and necessary and would they be incurred by a prudent person in the conduct of normal business?
- **Are costs allocable?** Do proposed costs have a legitimate justification for the funding amount requested and is the cost clearly captured in the budget and concept paper?
- **Are costs allowable?** Are proposed costs strictly for the achievement of the partnership and are they free of any restrictions or limitations, such as vehicles, alcohol, luxury goods, etc.?
- **Applicant contribution:** Applicants must contribute a cash investment to the proposed activity equal to or greater than the value of MSP's grant. A cash contribution is a transfer of funding from the private sector entity to pay for goods and services that will specifically and exclusively be used to implement activities under the partnership, or a transfer of funding to be used in making loans or equity investments under the partnership. Please note that neither the "Investment from Applicant" nor the "Investment requested from MSP" can cover business-as-usual operating costs.
 - MSP funding used for **loans or equity investments** requires a contribution at least five times greater than the value of the MSP grant. An equity investment is defined as the purchase of shares of a company and a loan investment is defined as the use of funds to provide credit to stakeholders. An example of a loan investment in this context could be a multi-national company (MNC) providing credit for inputs or other services to agricultural producers who are suppliers to that supply chain. The MNC would need to contribute credit five times greater than the USAID contribution to those suppliers if proposing this type of engagement. The higher contribution requirement only applies concepts which include loan or equity investments.
- **Ineligible cost items include:** profit or fee; application preparation costs; payment of debts; political elections; fees for public and elected government officials; fines and penalties; creation of endowments; military equipment, surveillance equipment; commodities and services for support of police and other law enforcement activities; abortion equipment and services; luxury goods and gambling equipment; alcohol; purchases of restricted goods without prior USAID prior approval, such as: agricultural commodities, motor vehicles, pharmaceuticals, pesticides, used equipment, and fertilizer, and purchases of goods or services from any firm or individual whose name appears on the list of ineligible applicants.

Partnership grants will only start after approval by USAID and signature of the grant agreement between the applicant and DAI. Costs incurred before signing of the grant agreement will not be reimbursed.

STAGE 1: CONCEPT PAPER SUBMISSION

Concept Paper Instructions: Applicants are required to submit a technical concept paper using the template provided in Attachment 1 describing the proposed activities addressing each of the five technical selection criteria listed above. Concept papers must address all criteria to be considered for partnership. The concept paper must meet the following requirements, or it will not be reviewed:

- Be written in English.
- Be prepared in Microsoft Word using font type Times New Roman, font size 11, and 1-inch margins. Paper size must be A4.

- Not to exceed a total of 7 pages in length

The cost application must use the attached Excel template (Attachment 2: Proposed Investment Budget) to qualify for partnership. The cost application must clearly distinguish between the proposed investment to be made by the applicant, the investment requested from MSP, and any third-party investment in the proposed partnership activity.

The Concept Paper and Cost Application must be submitted via the online grants platform at www.mspgrants.com/southernafrika, no later than 8:00 pm SAST March 31, 2021 at 8:00pm SAST. No other forms of submission will be accepted. If an applicant is unable to submit using the online platform, they should email grants_nof@ftf-msp.org for help before the deadline. At the discretion of DAI, concept papers received past the deadline may be considered for review. Further attachments to the concept paper are not permitted.

STAGE 2: FULL APPLICATION DEVELOPMENT AND SUBMISSION

Applicants whose concept papers have been shortlisted will receive the full RFA and will begin co-development and due diligence with the MSP team. The RFA will provide detailed templates, instructions, and the requirements for the full technical and budget applications.

Co-Development: MSP will meet virtually with applicants to provide feedback and input to support applicants in their development of the full application, to identify appropriate concrete results (milestones), to further define and develop the specifics of the partnership budget, to define the respective roles of each partner that align with the shared objectives of the partner firm and USAID and identify and share risk and responsibility. Milestone reporting and verifiable metrics will be tracked during implementation. This process empowers the parties involved to design more transformational partnerships that maximize the value of MSP grant funding while supporting firms to reach their business goals. It is not unusual for the ideas offered in the original concept paper to evolve significantly as the applicant determines the best ways to achieve the greatest impact.

Financial and organizational due diligence: All applicants in the RFA process will be subject to a pre-award financial and management questionnaire and review. All applicants must demonstrate that they have adequate financial and monitoring systems in place that ensure auditable systems and records. The review – which may be conducted remotely and on-site – will also ensure applicants have the ability to comply with the award conditions, including measuring and reporting on selected milestones, the ability to contribute the required cash investment, and a demonstrated good record of performance on the management and implementation of partnership activities and grants.

Full Application: Only applicants that complete the co-development process and the due diligence without significant negative findings will be eligible to submit a full application. Full applications will be due no later than 8:00 PM SAST May 31, 2021. MSP requires all applicants to have a current DUNS number and register in the U.S. government's System for Award Management at sam.gov. (DAI is available to assist applicants with this process, but it is the applicant's sole responsibility to fulfill and keep updated this requirement.) Not all full applications will be recommended for award and USAID must approve all award recommendations.

SECTION V – AWARD AND ADMINISTRATION INFORMATION

Post-Selection Information: DAI will inform the successful applicant of their approved award funding. The official authorization document is a notice of award signed by the MSP Chief of Party, which DAI will provide electronically to the successful applicant’s main point of contact. MSP, USAID and the awarded partner will host a kick-off award meeting immediately following signature of the award agreement.

SECTION VI – DAI PROJECT CONTACTS

The points of contact for this APS and any questions during the APS process is grants_nof@ftf-msp.org. For general inquiries about MSP please email msp_information@ftf-msp.org.

Any applicant desiring an explanation or interpretation of this APS must request it in writing by the date listed on page two and in Section II to allow a reply to reach all applicants before the submission of their applications. Any information given to an applicant concerning this APS will be furnished promptly to all other applicants as an amendment of this APS, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other applicants.

SECTION VIII – OTHER INFORMATION

DAI reserves the right to modify by written notice the terms of this APS at any time or to withdraw this APS at any time—with or without a statement of cause—prior to any funding award.

Applicants that receive award funds will be required to comply with USAID required rules and regulations, including:

- **Environmental Procedures:** www.usaid.gov/policy/ads/200. In addition, the partner must comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter will govern.
- **Branding:** www.usaid.gov/sites/default/files/documents/320.pdf All USAID-sponsored assistance awards are required to adhere to branding policies and revised marking requirements for grants and cooperative agreements in accordance with ADS 320.
- **Combatting Trafficking in Persons (TIP):** www.acquisition.gov. For work performed outside the United States, FAR clause 52.222-50, shall be incorporated into grant award agreements with awards above \$500,000 requiring a TIP compliance and training plan.
- **Certifications, Assurances, Other Statements of the Recipient and Solicitation Standard Provisions:** www.usaid.gov/sites/default/files/documents/303.pdf. In accordance with ADS 303.3.8, DAI will require awarded grant partners to submit signed copies of required certifications and assurances.

End of APS