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Date: November 2, 2023
Subject: Questions and Answers to RFA-SAR-003

Questions and answers have been listed in the order they were received.

Questions Received by November 2, 2023

Q: We would like to have better clarification on the statement "If loans or equity investments are included in partner activities, MSP requires a five to one matching investment." Does it mean that instead of 1 to 1 investment, MSP will invest 5 and the partner 1? Or the other way around? Or does it mean that the investment on the partner's side should be on the ratio 5 of own capital and 1 of loans or equity?

A: The 5:1 co-investment ratio and equity investment are no longer applicable under this RFA and should not be included in the partnership. Please check RFA Amendment #1

Q: Will the recording be shared?

A: Yes, we will post it on the opportunity page <https://www.mspgrants.com/southernafrika3/>

Q: In these two criteria, is it referring to South Africa as a country or region?

- Increase agricultural trade from regional countries to South Africa;
- Increase agricultural investment from South Africa to the region;

A: This refers to the country of South Africa.

Q: Does this (above) criteria mean you already need to have activities/trade with South Africa?

A: Not necessarily, that could be the objective of the partnership. If you are currently exporting locally, it could be the objective of the partnership to expand exporting to South Africa.

Q: Is the funding of USD \$300,000 - \$1M is it per country/per project? What if we have multiple countries to trade with South Africa?

A: This refers to the size of the grant. Each grant must be at least \$300,000 and no more than US \$1M, regardless of the number of countries covered.

Q: What is MSP's relationship to/overlap with ATI?

A: We coordinate with them closely but are separate programs. Both are implemented by DAI.

Q: There was a similar grant request put out under ATI which we submitted a proposal for. Will this be considered by MSP?

A: You would need to submit separately to MSP. They are different solicitations.

Q: Can an individual farming entity apply directly? Or is this for companies that support farmers?



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A: This depends on the concept, MSP has worked with individual farms, but this would be on a case-by-case basis.

Q: This seems nearly identical to the ATI grant proposal. Could you please explain the difference. Is it the same donor?

A: MSP is technically similar to ATI in that we are facilitating trade in the region, with similar purposes and objectives. The donor for both MSP and ATI is USAID.

Q: As follow up, is the expectation that there will be awards for both or just under one?

A: Both programs will issue awards based on the timelines and criteria laid out in each solicitation.

Q: Is this grant a fixed fee as the ATI project? Grant is given based upon milestones delivered and reimbursed and project not funded upfront to implement activities?

A: These are milestone-based grants, MSP does not require receipts or invoices during implementation, and you will be reimbursed as you achieve milestones, grantees are not paid upfront.

Q: Would you kindly recap or summarize in the chat what leads to a 5:1 vs 1:1 applicant contribution. It is very critical and I want to make sure that I have the specifics clear.

A: The 5:1 co-investment ratio and equity investment are no longer applicable under this RFA and should not be included in the partnership. Please check RFA Amendment #1

Q: If the applicant contribution will be funding the loans or equity to farmers (not using grant funding for it) would that still require 5:1?

A: The 5:1 co-investment ratio and equity investment are no longer applicable under this RFA and should not be included in the partnership. Please check RFA Amendment #1

Q: Is there a list of value-chains that are interesting for import to US from Southern Africa region?

A: No specific value chain that MSP/USAID are looking to prioritize.

Q: Is this scheme limited to agriculture only?

A: MSP and USAID seek to prioritize agriculture trade, yes.

Q: What is the total size of the MSP budget available (for all proposals)?

A: Ceiling of \$1,000,000. MSP is looking to make awards ranging from \$300,000 - \$1 million. So, 1-3 proposals will be selected.

Q: In any agricultural project submitted under MSP funding, which items are not eligible?



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A: There is no agriculture product that is ineligible, but certain commodities such as seeds, soil, fertilizer, would need to be on the applicant's side of the budget, MSP cannot procure those things. Also remember that MSP cannot do any kind construction in these grants.

Q: Is the procurement of trucks allowed?

A: Yes, but must be on the co-investment side of the budget.

Q: Is procurement of farming implements allowed? Such as tractors?

A: Tractors and other drivable farm vehicles need to be on the co-investment side. Trailers, threshers etc can be funded by MSP.

Q: Is solar power allowable?

A: Solar can be included on either side of the budget. Keep in mind we cannot include construction.

Q: The total fund is only \$1 million? How many applications are you expecting to share a million?

A: Looking to make 1 – 3 awards depending on the top ranked applications and what their requests are.

Q: Could grant funding from another donor/project be considered part of the co-applicant match?

A: No, co investment must be out of pocket from the applicant, we cannot count donor funding as co investment. You are committing to the co-investment over the period of performance, we are not asking that you have that cash in hand up front. This excludes in-kind investment. Something you already own such as a building or a piece of equipment, cannot be included as a co-investment.

Q: Is staff considered as in-kind? If there are additional staff for the work specifically that would be counted as co-investment?

A: Correct, new staff hired specifically for the MSP activities can count as co-investment and existing staff could be counted toward co investment if some of their time is distinctly dedicated to the project with MSP.

Q: I would like to understand the grant support ceiling from MPS, Is the maximum amount for the total project \$1 million, which means you are able to apply for grant funding of \$500,000 and you have to contribute \$500,000, or is the maximum amount of grant \$1 million which means your project cost could be \$2 million with each of the op the partners contributing \$ 1 million each.

A: The maximum amount an applicant is able to request from MSP is \$1 million. This will require an application budget that reflects at least \$1 million in co-invested funds. The advertised ceiling of \$1 million is the total amount of money MSP has available to fund partners.

Q: What happens if the total project is above this amount? As the total project cost requires a certain scale or size to ensure viability and sustainability. Is it possible to apply for funding which is larger than the \$1,000,000 maximum that is stated in the brief that was supplied.



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A: Per Section III – Eligibility Information, MSP will only consider applications that fall within the \$300,000-\$1,000,000, MSP only has funds available to fund 1-3 partner/s in the amount of \$1 million. . There is no limit to partners’ co-investment contribution.

Q: Can a project that be consider that is agriculture related but will not produce food for instance production of bio ethanol from Sugarcane for export markets?

A: Applications will be considered on a case-by-case basis, but in theory, an application focusing on an agricultural value chain that does not produce food may be eligible if it satisfies at least one of the RFA objectives. Please see Section II – Funding Opportunity Description.

Q: Would a sustainable forestry project be considered for a grant that has a maturity of 8-10 years?

A: See the above answer, but if the application responds to at least one of the RFA objectives, it will be reviewed.

Q: The second objective is to increase South African agricultural investment to the region. Kindly explain the types of investment the program most seeks and comment upon this investment type: South African investors are investing in a regional fund; that fund is investing in the proposed project. Does this fulfill the objective?

A: Investment is defined as capital flowing from South Africa to the economies of the region, so for example, a South Africa feed manufacturer expanding production and opening a facility in another, regional country and engaging with farmers there. MSP will need to see developmental impact, in agricultural value chains and on participating farmers through these partnerships.

Q: Does the program management have a multiplier on expected returns by a date? If yes, is that date fixed to the end of the program period, or might the returns be allowed to develop fully after the current end of the program. The language seems to suggest the latter. What kinds of evidence of development that trade to RSA and USA is in progress and adequate? And the same question for investment?

A: Please reference Section VII of the RFA - Permitted Uses of Program Income¹: The grantee will inform MSP of any program income³ generated under the grant and agrees to follow USAID’s disposition requirements for such program income, which is in accordance with 22 CFR 226.24. Program income earned under this agreement shall be applied and used in the following descending order:

1. Added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives;

¹ Program income means gross income earned by the non-US entity that is directly generated by a supported activity or earned as a result of the US Government (USG) award during the period of performance. Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under USG awards, the sale of commodities or items fabricated under a USG award, license fees and royalties on patents and copyrights, and principal and interest on loans made with USG award funds. Except as otherwise provided in USG statutes, regulations, or the terms and conditions of the USG award, program income does not include rebates, credits, discounts, and interest earned on any of them.



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2. Used to finance the non-Federal share of the project or program; and
3. Deducted from the total project or program allowable cost in determining the net allowable costs on which the federal share of costs is based.

If the terms and conditions of the award do not specify how program income is to be used, then number 2 shall apply automatically. Grantees who are commercial organizations may not apply Option 1 to their program income. MSP will provide additional guidance regarding program income during the co-development and final award negotiation phases.

Q: Can the applicant use existing resources - land, equipment, buildings as own contribution?

A: No, all co-investment must be procured during the life of the partnership, MSP will not count in-kind contributions.

Q: Can applicant use the bank letter (a letter from the bank that states that we will finance you to X\$ of the grant value) or need physical cash in hand before submitting the grant proposal?

A: There is no expectation that the applicant must have all co-investment cash on hand, so such a letter would be acceptable.