



Shaping a more livable world.

Date: November 30, 2021
Subject: Questions and Answers Document to RFA-SOL-001

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

Questions Received by November 10, 2021

1. How is the partnership structured? What do milestones look like and how often are they paid? Is the partner expected to fully fund the activities and then be reimbursed at the end?

MSP will negotiate a milestone schedule with the partner that will try to evenly spread payments across the life of the partnership, while also taking cash flow needs into consideration. Early milestones may include tasks that can easily be done without sufficient investment (e.g. a work plan, market analysis, customer insight surveys, etc.). This will allow early funds to be disbursed so that more substantial activities can begin.

2. Can MSP provide clarification on the timeline of MSP and the partnerships?

MSP is a five-year USAID funded program that designs and implements two-year partnerships with the private sector. The partnerships to be implemented as a result of this RFA will be two years in duration, with an anticipated start date of June 2022.

3. Can proposals focus on carbon capture efforts within the three prioritized crops, but also focused broader forestry conservation efforts?

If the goal of the proposed activities is to expand or improve production or processing in agriculture, the activities would be considered eligible. SI-SCALE is a USAID-funded program with several sub-activities including a component devoted to addressing natural resources management in Malaita (SI-SCALE NRM). The Natural Resources Management (NRM) component is working in forestry management and could be a better fit for a concept focusing primarily on this issue. For more information, please contact implementing partner Winrock International (Michael McGrath Michael.McGrath@winrock.org) for more information.

4. Is the sole focus on MSP funding on Malaita?

Activities may take place in other locations but need to ultimately increase or improve production or processing in Malaita. Please note that increasing regional and international trade is an objective under this RFA and therefore concepts can include operations outside of Malaita that benefit Malaita. For example, a company proposing to source kava from Malaita, but process them in Honiara would be eligible. In this scenario, costs would be expended in multiple provinces but ultimately the greatest development impact on producers would be directed to Malaitan smallholder farmers. Applications must demonstrate anticipated impact to stakeholders in Malaita province.



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5. Can MSP provide more details on the acceleration services referenced in the RFA?

Once concepts are selected, MSP will work closely with partners to identify acceleration or transaction advisory services that would be helpful to both the partnership and the company's long-term growth. MSP will then work with the partner to provide the assistance within the life of the partnership through an acceleration service provider. For example, if a cocoa exporter is looking for greater access to working capital to allow the firm to purchase product and finance the transport, processing, and export before final purchase from the final buyer, MSP could help to facilitate access to acceleration services for the firm to develop a business plan and conduct investor outreach to secure either equity or debt financing to expand their access to working capital.

6. Is there a recording of the webinar?

Yes, a recording is posted to <https://www.mspgrants.com/solomonislands/>.

7. Is there a possibility to extend the deadline?

Yes, there is a possibility to extend the deadline for application submission. Any changes to dates will be done through an RFA amendment and will be posted to <https://www.mspgrants.com/solomonislands/>. Any applicants who are interested in a potential deadline extension are encouraged to contact the grants_nof@msp-fff.org email address indicating your interest by November 30. Extensions will not be granted on an individual basis, but if there is sufficient demand an amendment will be made to the RFA to extend the deadline for all.

8. A potential activity would be phasing out old palms and replanting new trees to increase production. However, a two-year project would not allow time for sufficient results in production. What are necessary outputs required for an MSP partnership?

MSP understands that all three priority crops have a lag time for improving production and therefore showing significant production increase or sales may not be realistic within two years. MSP still sees the value in these types of partnership and will work with successful applicants to design milestones that will show progress and success of the partnership.

9. To what degree can advance payments be made to farmers to cover the cost of replanting?

Through the co-development and partnership negotiation process, MSP will work with successful applicants to design activities that will ensure farmers have the necessary resources. Partnership activities may include in-kind or cash inputs to support farmers to participate in the activity or reduce the burden on producers during a season. However, it is advised that these types of these cash or in-kind inputs packages be budgeted for in the partner firm's portion of the budget

10. With the facilities that were proposed to be built especially those for coconut, cocoa, and kava. Will the facilities have the relevant equipment in them or not?

The SI-SCALE program has three main components which are working in tandem across a number of sectors. This activity – SI-SCALE MSP – will not support construction of facilities. However, it is possible that under the SCALE Architecture and Engineering (A&E) activity, another component of the SI-SCALE program, that processing facilities could be constructed. For more information on the SI-SCALE A&E program, please reach out to implementing partner Green Powered Technology (Tom Mullen tmullen@greenpwr.com).

MSP will not construct facilities, nor can it fund construction activities. MSP defines construction activities as the construction, alteration, rehabilitation, improvement, or repair (including dredging, excavating, and painting) of a variety of structures or facilities. This may include agricultural facilities, such as irrigation systems or other improvements, markets, warehouses, or other types of buildings, roads, bridges, and collection sites. However, MSP funds can be used for the purchase of equipment to be used within a facility.

Questions Received by November 19, 2021

11. What happens if a candidate [is selected for a MSP award to primarily fund processing equipment but is also] awarded one of the [Architecture and Engineering (A&E)] processing facilities and most of the [equipment] items listed for [MSP funding] are included in the [A&E] processing facilities?

MSP will only fund activities which do not rely on infrastructure or equipment that may be granted through another project and potential pending grant. The SI-SCALE A&E project processing facilities are still under development and the exact type and amount of equipment to be provided and the timing of the availability of these facilities is not confirmed at this time. Given the degree of uncertainty to the A&E processing facility opportunities at this time and any other pending grant, MSP requires that any applicant submit concepts which do not rely on the receipt of these facilities and can exist as a standalone business concept.

12. We are a significant exporter of cocoa from the Solomon Islands, sourcing cocoa from all cocoa producing provinces, including Malaita. Our head office is in Honiara...[and] we own and operate a chocolate manufacturing facility in New Zealand. [We would like to request] assistance and partnership in the establishment of 2 to 3 strategically located cocoa seedling nurseries in Malaita... [and] support... for the purchase and installation of a dedicated cocoa butter press, cocoa powder grinding and packaging plant and equipment for the processing of Malaita sourced dry cocoa beans at the dedicated New Zealand facility. Does the project concept and description comply with MSP's eligibility?

Yes, as long as cocoa production improvement would be directed to Malaitan smallholder farmers, the activity is eligible. Please see answer to question 4 for more details.



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13. Can a business entity submit a bid for other sub-sectors or products that are different from cocoa, coconut, and kava as per the attached RFA?

Yes, but proposals focused on cocoa, coconut, and kava will be prioritized.

Questions received by November 24, 2021

14. The RFA states applications are restricted to Malaita Province. We are in Western Province, are therefore we ineligible?

Activities may take place in other locations but need to ultimately increase or improve production or processing in Malaita. See answer to question 4 for more details.

15. Answers to other questions indicate initial funding payments to successful partners would not be made until June 2022 at the earliest. is this correct? If so, why such a delay given MSP already has an established team & the long lead times for payment, delivery, installation and commissioning of imported plant and equipment? When will applicants be advised as to their final status?

Applications are due January 14, 2022 and will be reviewed by an evaluation committee in early February. Applications will be evaluated against the criteria outlined in the RFA and those that score well will be shortlisted for funding. Shortlisted applicants will be notified in February and will enter a due diligence and partnership co-development phase with MSP. This process will assess the financial and organization capacity of applicants, as well as refine the partnership activities, funding, and co-investment. This phase is intended to result in a partnership agreement to be approved by USAID. The process typically takes three to four months, which is why partnerships are not projected to begin until June 2022. For additional details on the co-development and negotiation phase, refer to Section VI of the RFA.