

Questions Regarding RFA-FLW-001

Each question will be answered in English by the MSP team. Answers will be posted weekly, every Tuesday from October 4 - December 6, 2022, and then again from December 20, 2022 - January 17, 2023

October 7, 2022

Q 1: I am in Cameroon and the President of the Association: Partners for Agriculture and Community Development (PACDEV). I wish to know if we can submit our application.

A1: Thank you for your interest. To confirm, proposed business ideas and activities must be operating Bangladesh, Kenya, Nepal, Niger, Nigeria, and/or Tanzania and as stated on page 4 of the RFA, "Applicants must be legally registered to operate in Bangladesh, Kenya, Nepal, Niger, Nigeria, and/or Tanzania at the time of award." Concepts focused on other countries are not eligible for consideration this time. There is a chance that USAID will allocate additional funding for this opportunity that would open the opportunity to additional countries. If that occurs, MSP will modify the RFA and publicly announce the change, specifying any additional countries that might be eligible.

Further, even for a concept focused on one of the six named countries, the applicant must be registered to operate in the country(ies) on which the concept is focused by the time that the award is finalized, which will be on/about May/June 2023.

October 25, 2022

RFA-FLW-001 Applicant Conference Q&A Monday October 17, 2022

Q1: Can we apply as a consortium?

A1: MSP allows for consortiums to apply, but there must be a lead fiduciary applicant that is a private sector entity.

Q2: We are currently in Nigeria and about to start in Tanzania in November. Can we apply for both countries?

A2: As long as you will be registered in the country(ies) covered by the concept by the date that the award would start (estimated May 2023), then you can submit a proposal covering one country, a proposal covering multiple countries, or two separate proposals covering one country each. MSP can consider two applications from the same organization.

Q3: What would qualify as nutrient rich value chains?

A3: Nutrient rich refers to nutrient-dense foods that are rich in vitamins, minerals and other nutrients important for health, without too much saturated fat, added sugars and sodium. They include fruits, vegetables, dairy products, fish and seafood, unprocessed meat and poultry, nuts and legumes. They do not include grains even if they are biofortified or fertilizers even if they are used to produce nutrient dense products.

According to the World Health Organization, nutrient profiling classifies and/or ranks foods by their nutritional composition in order to promote human (and/or animal) health and to prevent disease. Ranking by nutrient density is one such nutrient profiling strategy. Ordering foods by nutrient density is a statistical method of comparing foods by the proportion of nutrients in foods. Some such comparisons can be the [glycemic index](#) and the [overall nutritional quality index](#).

When the density is defined in proportion to energy contents, nutrient-dense foods such as fruits and vegetables are the opposite of energy-dense food (also called "empty calorie" food), such as alcohol and foods high in added sugar or processed cereals. Beyond its use to distinguish different *types* of food from each other, nutrient density allows comparison to be made for different examples or samples of the same kind of food. Nutrient density is correlated with soil quality and mineralization levels of the soil, although the relationship is complex and incorporates other dimensions.

Q4: Please in Nigeria, do you have selected states/region or not?

A4: No, MSP has no preferred selected states/regions within Nigeria. Applications can be from any area within the geographical countries of the RFA.

Q5: It is quite hard to estimate costs when budgeting for a new idea or a new venture, how do applicants go about this?

A5: MSP recommends referring to the RFA for budgeting guidelines as well as the instructions tab included in the Excel budget template, but we encourage applicants to do cost research and to carry out the same budgeting process that they would when planning a new activity and/or expansion internally. The budget is subject to change during the co-development. Items included in the budget should be itemized to the greatest extent possible.

Q6: I want to ask if business startups in Agric can apply for this grant?

A6: Any business concept including new business ventures that meets one of the RFA objectives stated on page 4 of the RFA is eligible.

Q7: Is the production of fertilizer eligible?

A7: The production of inorganic fertilizer does not fall within the scope of the present activity. The production of organic fertilizer as part of or the focus of a concept could be eligible if it is part of a circular economy approach, i.e. compositing the edible and/or inedible parts of food to avoid waste

and create economic opportunities while enriching soil organic matter and averting Greenhouse gas GHG emissions.

More broadly, the eligibility of an application that includes producing fertilizer as an activity is contingent upon whether the activity meets industry environmental, safety and efficacy standards and the RFA objectives. It should be noted that to be considered, the inputs to the fertilizers must be included in the applicant's co-investment contribution (not requested as part of MSP/USAID funding). In addition, should the Technical Evaluation Committee approve the application to move forward with the co-development process, the proposed activity would then need to be screened and included in MSP's supplemental initial environmental examination (SIEE), which would include an Environmental Mitigation and Monitoring Plan (EMMP) that would likely require a safe use action plan among other environmental mitigation measures. MSP's ability to fund this activity is contingent upon the applicant's ability to adequately address/meet environmental requirements and ultimately subject to USAID's approval of the grant.

Q8: Is there a cap/limit to the application amount for an organization.

A8: MSP will issue performance-based grants ranging between \$250,000 - \$500,000 United States Dollar (USD) to establish partnerships with firms and/or investors for meeting the RFA objectives. It should be noted that this range is a target, so applicants should aim to fall within it, but concepts with budgets that fall slightly outside that range can still be considered.

Q9: Are the costs of agricultural machinery like harvesters and tractors included?

A9: MSP will make decisions on farm equipment on a case-by-case basis per USAID and US government regulations, but new tractors for agricultural use are permitted in MSP agreements.

Q10: If we want the fund to be used for building cashew nut processing factory, will it qualify?

A10: Any business concept that meets one of the RFA objectives stated on page 4 of the RFA is eligible. The building of a new plant is considered as construction and hence an ineligible cost. However, the operationalization of equipment, the outreach to local farmers, and the conducting of market research all could be included. It should be noted that all concepts will still need to demonstrate an impact on reducing food loss and/or waste.

Q11: Could you clarify the 5:1 investment requirement for loans?

A11: The RFA refers to this in terms of co-investment: "When activity funds are used for loans or equity investments MSP requires a co-investment 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 firm providing credit for inputs or other services to agricultural producers who are suppliers to that supply chain. The firm 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."

Q12: We are an Australian registered tech startup operating in Kenya (e.g., deploying our products). We are not registered as a business in Kenya. Are we eligible?

A12: As described in Pg 6 of the RFA, "Applicants must be **legally registered to operate** in Bangladesh, Kenya, Nepal, Niger, Nigeria, and/or Tanzania at the time of award, which we estimate will be May 2023. Companies registered in additional countries may be added if funding becomes available; an amendment to this RFA will be issued should that be the case."

Q13: Is there a minimum period you need to have been in operation for you to be eligible?

A13: There is no minimum period of operation. MSP welcomes applications that meet the RFA guidelines, responds adequately to the questions in the application, and is feasible during the 2-year period of performance of any partnership.

Q14: Can you please clarify more on co-investment; you said can be cash in kind. Does it mean any property like land, cars or premises that the company has would fit as co-investment?

A14: Co-investment must be new costs incurred during the life of the partnership, no pre-existing or already purchased material can be included in the co-investment budget. For example, if a company already owns a piece of equipment, then it does not count as co-investment, but if the company plans to purchase a piece of equipment with its own funds during the partnership period of performance, then it would count as co-investment. All partner co-investments must be included and itemized in the proposal budget.

Q15: Does the program accept the existing value of capital assets as a matching contribution for the grant? especially when funding requested is for expansion?

A15: Refer the answer on Q14

Q16: Can a company not necessarily in the food/agriculture space apply? But it is part of the value chain in one way or another.

A16: Any business concept that meets one of the RFA objectives stated on page 4 of the RFA is eligible. A firm doesn't have to be in the food/agriculture space as long as it mitigates food loss and waste.

Q17: Is the grant amount repayable within 2 years from date of award?

A17: The expectation is that the full grant amount will be awarded and paid within the two-years partnership as per the milestone payments that will be agreed by both parties before awarding. Also note that MSP offers grants not repayable grants to all partnerships.

Q18: Please is a weather forecast and climate smart agriculture advisory provider to smallholder farmers that is based in Ghana but provide services to farmers across West Africa qualified?

A18: Refer Answer to Q6 and Q12.

Q19: What is the total funding available for this pot?

A19: The total pool available now is \$ 1,000,000 which may increase in future, and if that happens, we will issue the amendment to the RFA.

Q20: Is there a minimum we can apply for?

A20: The minimum target value for this RFA is \$250,000.

Q21: We are working in Post-Harvest Loss Management Sector in Nepal. Are we eligible to apply?

A21: Refer Answer to Q12.

Q22: Please can we get a copy of this recorded session?

A22: Yes, a recording will be shared on MSP's grants website, mspgrants.com/flw.

Q23: Hello, for the cost share should the business have the amount in full in the bank? say if its \$250,000 be available all at once? or can the business distribute the cost in the FLW period?

A23: You will need to allocate the funds throughout the life of the project not necessarily to have all the co-investment fund in the bank at the time of the award. Applicants must budget out and commit to 1:1 partner co-investment over the life of the grant, but MSP does not expect partners to have or demonstrate the immediate availability of that funding.

Q24: sorry I missed the areas of company's operations eligible for funding

A24: Refer Answer to Q12

Q25: If it's a company manufacturing and distributing post-harvest equipment does production inventory count as cost share or can it be funded

A25: If these costs are a normal cost of your operations, it would not be countable in co-investment; however, if this is a vital part of an expansion or new business concept/venture, this could be considered.

Q26: Is re-using agro-waste for the production of new products eligible? This would be a circular economic approach.

A26: As long as it meets the eligibility and objective of the RFA it is eligible.

Q27: If a VC invests in an ongoing project of a start-up in sustainable agriculture, can that be considered in the MSP co-financing model?

A27: If this is an innovation or start-up, this could be considered. As long as the business concept aligns with the objectives it can be considered.

Q28: If I get you clear, you will be paying per milestone, for instance if it involves machinery, do we have to procure, install and start operating it, before you can pay?

A28: MSP and selected organizations will develop mutually agreeable milestones through the co-development process after concepts are submitted and evaluated, and payment will be made once milestones are achieved. For the specific example, a milestone that is related to the purchase of equipment will always focus on the result of that equipment purchase in terms of the operationalization and/or certification. Payment would not be made against proof of purchase alone. MSP will work with selected applicants to establish early milestones to establish cash flow under the partnership.

Q29: Where can I find the application form?

A29: The application form is available on <https://www.mspgrants.com/flw/>

Q30: If a concept involves expansion in terms of geography and/or business model, could MSP contribution cover operational costs?

A30: This would need to be assessed on a case-by-case basis, but operational costs could be considered if the concept involves establishing entirely new operations whether in a new location or in the form of a new line of business, those costs are completely segregated from other operational costs, and the applicant can demonstrate how it will sustainably support those costs following the close of any partnership with MSP.

Q31: Do you have an office in each country of operation?

A31: MSP is a global project and does not have any permanent in-country presence. DAI (the firm implementing MSP) has an in-country presence in some of the countries.

Q32: We would like to get clarification regarding the contribution of 50% as a matching grant when applying. We are just checking to confirm if, vehicles, office blocks, warehouses and other auxiliary

equipment that are in place/ at the site and in line with the idea we are applying for can be valued and stand as our contribution of 50%?

A:32: Existing capital assets cannot be used as partners contribution.

November 15, 2022

Q1. Our organization wanted to clarify the eligibility for applying as part of a consortium. Are NGOs eligible to apply as part of a consortium with a private sector entity as the lead?

A1. Yes, the lead fiduciary agent/applicant must be a private sector firm and may include NGOs as a part of their consortium. RFA Amendment #1 regarding the Not-for-profit inclusion was issued and can be found on the MSP grants page under the “Download RFA Amendments” button

Q2: Do you have a requirement for organizations that are ideated as part of a venture building studio?

A2: All applicant organizations are subject to the same requirements per Section III “Eligibility Information” of the RFA. They must be for profit businesses or social enterprises with a proposed concept that is aligned with one or more RFA objectives and have the capacity to meet the investment matching requirements described in the RFA. If loans or equity investments are included in partner activities, MSP requires a 5:1 matching investment. Please see page 8 of the RFA regarding the applicant contribution requirements.

Q3: We are farming tomatoes on a large scale up to 200mt/day. Due to glut and slow movement of the product in the local market, we are losing up to 50Mt daily both in supply chain and second grade tomatoes that may not be appealing to the customer but its good tomato that can be processed. This has necessitated a process that extends the shelf life to reduce food loss and waste as well. We have done research and reviews on how to reduce loss and waste and we have settled on setting up a tomato paste and tomato source processing plant. Kindly advise of purchase and installation of such a plant fit within the scope of this co-investment grant.

A3: Any business concept that meets one of the RFA objectives stated on page 4 of the RFA is eligible. Potential applicants should be advised that partnerships cannot include construction costs as either under the MSP funding or partner contribution. USAID defines construction costs as the construction, alteration, rehabilitation, improvement, or repair (including dredging, and excavating) 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. MSP can fund activities such as environmental assessments, building design, and feasibility assessments for construction projects. MSP can also finance processing equipment and its installation, as long as the structure to house the equipment is already built, any necessary power or water sources are already present and functional, and installation does not require any of the activities described above.

November 22, 2022

Q1: If the additional money we were to receive was through loan/equity instead of money that came from our own company bank account, does the 5-to-1 matching ratio mean we'd have to demonstrate that we'd have 5X as much money at least from our bank account that would go into this project as we are requesting from USAID?

A1: The 5:1 ratio applies only if the applicant plans to use MSP funds to make equity or debt investments in an outside entity (e.g., make an equity investment in a supply chain partner, offer input finance to smallholder suppliers, etc.) as part of the activities under the proposed concept. If the applicant does not plan to extend debt or equity investment to an outside entity, as part of the partnership concept, and partnership funds are channeled only to an applicant's own assets or to its own business activities, then the 1:1 ratio applies—regardless of whether the applicant already has cash in hand or must take a loan to finance their financial contribution to the MSP partnership. Applicants must allocate co-investment throughout the 24-month life of the partnership and do not necessarily need to have all the co-investment funds in the bank at the time of the award.

Q2: To confirm, the minimum amount we can ask for is \$250,000?

A2: Yes, this RFA is targeting a minimum amount of funding of \$ 250,000.

Q3: I wanted to ask a question regarding eligibility: are companies that source seafood and honey eligible or does that not count as agriculture?

A3: Companies that source seafood and honey are eligible so long as their business concept meets one of the RFA objectives stated on page 4 of the RFA. Companies do not necessarily need to be in the agricultural sector as long as they propose a concept that can clearly mitigate food loss and/or waste.

Q4: *"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"*

My company is funded through multiple channels, does the above statement mean that any cash contribution from my company to the project counts as matching funds, regardless of the source? Source of funds could be; other donors, shareholders, working capital etc.

A4: Only equity investment or debt investment that is financed by a non-US Government (USG) source can count towards the eligible match. If the funding source is from the USG (including USAID) then it cannot count as an applicant contribution. In cases where applicants seek to leverage an eligible third-party investment, the applicant will be required to provide written documentation to

demonstrate that this donor-financed debt or equity investment capital, or private capital, has been secured.

December 20, 2022

RFA-FLW-001 Second Applicant Conference Q&A

Thursday December 15, 2022

Q1: We are the largest poultry manufacturer in Bangladesh (Chicken, eggs, feed, organic fertilizer). We are planning for carrot cold storage in our business wings. Can we apply for this MSP grant?

A1: As long as the application meets the eligibility criteria and RFA's objective it is eligible.

Q2: As you mentioned that you only fund \$1,00,000 and the funding range is \$2,50,000 - \$5,00,000. So only 2 or 4 participants can get the funding with that investment range. Maybe from the 1st slot you can have your expected applicants. So, is it necessary to arrange a second-slot presentation? is there any possibility of getting funding from the 2nd slot? Can you give your comment about availability of funds?

A2: We are currently evaluating Group 1, which will determine how much funding will remain or be available for Group 2. Keep looking on the <https://www.mspgrants.com/flw/> through the end of January 2023, the available funding will be communicated.

Q3: Can the grant contribute to: -purchase of equipment, -staff travel, -training, and -salaries

A3: The eligibility of these costs would be assessed on a case-by-case basis, but they must be directly allocable to a concept that contributes to attaining the FLW RFA Objectives.

Q4: As you mentioned that only \$1,000,000 is available for funds. Is it only for SME?

A4: Funds are available for all applicants who meet the eligibility criteria stated in Section III of the RFA.