

Questions Regarding RFA-MOZ-001

For each section of questions, the questions will be answered in English up until December 20, 2022. The deadline for submitting questions is December 20th, 2022.

November 8, 2022

Q1: We would like to work on digital financial services (insurance) for smallholder farmers supplying buyers (off-takers) in the tobacco value chain - is this allowable under USAID funding? As an alternative, we are considering the cotton value chain - can you kindly confirm cotton would be a permitted value chain for USAID funding?

A1: Any business concept that meets one of the RFA-MOZ-001 objectives stated on page 1 of the RFA is eligible. USAID's Tobacco Policy: 210.3.1.3 Cease Support of Tobacco Growth and Promotion, "USAID will not support the growth of tobacco as a cash crop, nor will it support agribusiness activities contributing to tobacco production, promotion, and use." Tobacco, therefore, cannot be considered under MSP's partnership facility.

Q2: We would like to contribute funds received by our organization as a repayable grant from another donor towards our co-financing requirement. Would this be acceptable under the cash contribution requirement at a rate of 1:1 or would this be considered under the 5:1 co-financing / leverage requirement?

A2: Only equity investment or debt investment that is financed by a non-USG donor can count towards the eligible match. In such a case, the partner will be required to provide written documentation to demonstrate that this donor-financed debt or equity investment capital has been secured. No programmatic grants from any donor or government can count as an eligible match.

November 15, 2022

Applicant Conference November 8, 2022

Q1: Does the applicant need to provide a UEI at the time of application or award?

A1: Obtaining a Unique Entity ID (SAM) and registering in SAM can take at least 3 weeks but up to two months or more. Therefore, applicants are strongly encouraged to initiate the process to obtain a Unique Entity ID (SAM) and register in SAM prior to submitting an application. If an applicant is selected for award but does not have a Unique Entity ID (SAM) and/or is not registered in SAM, DAI reserves the right to deem the applicant ineligible for award or apply additional conditions in any resultant award.

Q2: Can the budget change due to unexpected circumstances during implementation?

A2: Under this performance-based grant, the budget is negotiated and agreed upon prior to the award and a payment schedule is developed to issue payments for results-based milestones. Budgets are not typically amended under a Fixed Amount Award, increases to the fixed ceiling will be rare, documented in a formal amendment to the grant agreement, and only upon Recipient's submission, DAI's acceptance and USAID approval of documented justification for an increase due to circumstances beyond the control of the Recipient such as natural causes or political upheaval.

Q3: Is tobacco one of the products that can be considered for implementation? This is because some donors are mindful of its ethical side

A3: As per USAID's Tobacco Policy: 210.3.1.3 Cease Support of Tobacco Growth and Promotion, "USAID will not support the growth of tobacco as a cash crop, nor will it support agribusiness activities contributing to tobacco production, promotion, and use." Tobacco, therefore, cannot be considered under MSP's partnership facility. Furthermore, all applications must support the overall objectives of the RFA.

Q4: When providing a budget, will the finances be for the whole project, or should it be divided in phases?

A4: The budget template provided on the webpage should be used. Budgets are to be submitted for the entirety of the project, divided across two years.

Q4: Would you co-fund EDM (Electrical company) line construction for cold chain project expansion? Or co-fund Solar for the cold chain?

A4: As per Attachment 2 of the RFA, any cost related to construction — including building renovations — cannot be funded under this RFA, neither through the grant nor as part of the one-to-one co-investment contribution.

Q5: How or what is required to prove the \$250-\$500K co-fund amount?

A5: MSP will work with the grantee to verify that all costs are reasonable. This will include a Partnership Budget (refer to Attachment 2) and Cost Narrative (refer to Attachment 3) as part of the application. Subsequently, during co-development, the grantee must present quotes for individual line items above \$5,000, among other requests or specifications requested by MSP.

The Partner will also be required to submit semi-annual co-investment reports. These reports will be submitted to MSP by April 5th and October 5th of each year of the Grant. Supporting documentation of co-investment will not be required semi-annually; however, MSP reserves the right to request supporting documentation at any point to confirm Partnership contributions.

Q6: Can rehabilitating facilities for agro-input distribution in new rural areas be supported? Can agro-processing industries be in scope?

A6: So long as the application meets one or more of the RFA objectives (see Section 1 of the RFA), the concept will be eligible.

Q7: Does the agro-processing industry fall on the scope?

A7: Refer the answer to question 6.

Q8: What if you want to expand to new ideas or the same ideas in a new area?

A8: This can be supported so long as the application meets one or more of the RFA objectives.

Q9: Is the \$500K the top end of the grant?

A9: At this time under this RFA, MSP funding for one award will not exceed \$500K.

Q10: Can MSP's award be combined by two organizations? Can the co-investment fund come from other grants of the applicant?

A10: Consortiums are eligible for the application so long as the lead applicant is a fiduciary agent and an eligible business. Only equity investment or debt investment that is financed by a non-USG donor can count towards the eligible match. In such a case, the partner will be required to provide written documentation to demonstrate that this donor-financed debt or equity investment capital has been secured. No programmatic grants from any donor or government can count as an eligible match.

Q11: Are there site visits?

A11: Yes, MSP will perform at least one due diligence site visit during the co-development process. Additionally, throughout the life of the partnership, it is expected that MSP and USAID will visit to ensure compliance with the award contract.

Q12: How will the applications be evaluated?

A12: Applications will be reviewed by a Technical Evaluation Committee based on specific criteria. For details on the requested application criteria, please refer to the *Technical Application* subsection in Section IV of the RFA. For further information on the scoring process, please refer to Section V of the RFA.



November 29, 2022

Q1: I would like to double check if startup companies without any seed funding like the 250K you have mentioned, can still apply for MSP funding?

A1: MSP allows start-up projects from applicants so long as they meet one or more of the RFA objectives (see Section 1 of the RFA). It should be noted that the RFA's selection criteria will remain the same for all activities including co-investments. MSP requires at least one-to-one matching investment from applicants (50% of total investment).

Q2: I does not have a registered company, but I do have my business idea on how to improve food security by greenhouse production and home-made biogas production and organic fertilizer so I wanted to know whether individuals can also apply for this funding program.

A2: As per page 3 of the RFA, an individual is ineligible unless an individual is a legally registered sole proprietor business entity.

Q3: I would like to understand if this is Open for startups or need to be a company founded years ago? Because I do have an idea to implement, and I think it's suitable.

A3: Please refer to the Answer to Q1.

Q4: 5:1 required if proposed activities include loans or equity investments). Can you give me more information?

A4: 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 (as part of their proposed activity) for inputs or other services to agricultural producers who are suppliers to that firm. An example of Equity Investment is when a firm issue shares to the public and acquires operating capital/equity. If proposing this type of engagement, the firm would need to contribute co-investment five times greater than the USAID (MSP) contribution for the loan portion of the co-investment. The higher contribution requirement only applies to concepts which include loan or equity investments.