



## Climate Finance for Development Accelerator (CFDA)

### Annual Program Statement (APS) 011 – Addendum 01 Adaptation Finance Window

#### Answer to Questions

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1. The Adaptive Finance Window Addendum mentions that CFDA is soliciting concept notes from private-sector enterprises for innovative concepts. My question is are nonprofits eligible to apply as a consortium with private sector enterprises? Can US based nonprofits and private sector enterprises based outside of the target market be eligible to apply?

Please see the eligibility criteria in Amendment 1 to the APS, which clearly indicates that non-profits are eligible to apply. Further, consortia are allowed, but Chemonics has a strong preference for applications from single organizations. For those who decide to apply as consortia, there should be no more than two organizations involved in the implementation of a single grant activity and there must be a clear lead organization serving as the prime implementer of the grant.

2. Would CFDA accept proposals under Priority Area 2 that help businesses and farmers adapt to climate impacts that are financial in nature but not related to the development or scaling of parametric insurance products? Examples of such mechanisms include training for effective erosion control, or soil regeneration techniques.

Training for erosion control or soil regeneration, while relevant to climate adaptation, does not align with Priority Area 2's focus on parametric insurance. Applicants must accurately classify their proposals when submitting through the proposal portal. As noted in the Addendum, applications in other sectors of private-sector-led climate adaptation are welcome and will be reviewed as funding becomes available.

3. What is the period of performance for grant applications?

The duration of the grant's period of performance should be two years or less.

4. Will CFDA require standard USAID indicators in its agreements? If yes, will applicants be able to choose which indicators will apply to its programming?

Yes, successful applicants will be required to work with CFDA to incorporate select custom and standard USAID indicators into grant agreements. Successful applicants will work with CFDA to select indicators which are most relevant and appropriate for their programming.

5. Related to leverage as defined by APS: CFDA defines leverage as “matching funding or in-kind contributions or services provided by the recipient or third parties that directly contribute to the objectives of the grant activity.” Will CFDA accept private lending disbursements that are supported by CFDA-level interventions as leverage under this grant opportunity?

Yes, private sector lending disbursements or other investments that directly contribute to a concept proposal could be included as leverage under this grant opportunity. However, to meet the minimum 1:1 requirement, please note that leverage must be secured and deployed while the grant agreement is ongoing and before CFDA’s grant funding has been fully disbursed. Please see amended definition of leverage in Annual Program Statement 0011 – Amendment #2 page 5.

6. What award type will be issued under this addendum (i.e. fixed amount or milestone-based awards)?

Chemonics plans to issue fixed amount awards (FAAs) under Addendum 1. Under an FAA, grantees will only be paid a set amount (called a “milestone payment”) on completion of specific milestones spelled out in the grant agreement.

7. USAID can confirm that each organization must be able to provide 50% of the total cost it requests?

Organizations must provide a 1:1 leverage. This means that for a \$500,000 grant request, the applicant must be able to leverage an additional \$500,000 for the implementation of the grant activity. As a reminder, leverage consists of matching funding or in-kind contributions or services provided by the recipient or third parties that directly contributes to the objectives of the grant activity. Please also see response to Question 5.

8. Is a locally established and economically disadvantaged small business eligible to submit a concept note for this opportunity by covering its contribution by the cost of labor or part of the salary of its staff involved in the project?

Please see eligibility criteria in Amendment 1, which clarifies eligibility considerations both in the APS and Addendum 1. U.S. and non-U.S. non-governmental organizations, including for-profit or non-profit entities, may apply. Please also see Section III – Definition of leverage. Leverage can include many forms, including in-kind salary contributions.

9. Is a project idea proposing hydroelectricity eligible for this opportunity?

No. A hydroelectricity project does not fit with the types of water-related climate adaptation projects that CFDA seeks to support through the Adaptation Finance Window and would not be considered eligible for funding under this window.

10. Can USAID clarify this please? CFDA funding may cover the costs of investment in construction of facilities, but the actual cost of construction can NOT be covered by CFDA funds.

Recipients cannot use grant money received from CFDA to finance direct purchase of construction materials or services. In other words, the applicant cannot use CFDA grant funding to directly manage construction activities. Indirect support for construction activities (e.g., providing investment support, conducting feasibility studies) is allowed.

Also, it is important to emphasize that the Adaptation Finance Window is an initiative of the USAID-funded Climate Finance for Development Accelerator (CFDA), which is implemented by Chemonics International, not USAID.

11. Section II, Eligibility Requirements, bullet 3: “Applicants may only submit one application per prime organization under each Addendum.” How is “prime organization” defined? We are a technical service provider and have been approached by various organizations that are interested in partnering with us. They will lead the relationship with USAID and the application process. Are we eligible to partner with various organizations and be listed as a partner on multiple applications?

The prime organization is defined as the lead applicant for the grant who holds ultimate responsibility for the implementation of the grant activity. Further, yes, applicants can partner with multiple organizations, as long as they are not the prime organization on more than one concept.

Please also see answer to question #1.

12. Is it possible to submit an initiative by a consortium of institutions?

See response to Question 1.

13. Does the submitting organization have to be registered in the country where the initiative will be implemented?

No.

14. Is it possible for all leverage to be in-kind?

Yes.

15. Is it possible to present a concept note for a regional initiative?

Yes, as long as all countries are USAID presence countries.

16. What is the level of commitment required at application submission for the capital / contribution of partners? Does funding need to be guaranteed at the application time towards the 1:1 leverage commitment, or can intent of contribution be shown?

Financial leverage must be achieved during the period of the grant award, before all CFDA grant disbursements are made. Full financial commitments do not need to be achieved prior to or at the submission of the concept. See response to Question 5.

Applicants should note, however, that the evaluation criteria include considerations to private sector co-investment and the evaluation committee could penalize a proposal for which there is low confidence in the applicant's ability to meet the minimum 1:1 financial leverage requirement.

17. Does a reduced fee from a provider count as a commitment of commercial capital? E.g.: if an insurance provider agrees to take X% premium less than their typical rate, can this count towards our overall leverage commitment?

Yes, a reduced or subsidized fee from a provider can be considered against the 1:1 leverage target.

18. Similarly, does internal development time contribute to deploying the product count towards contribution matching? E.g.: if we spend X hours of internal engineering to implement this solution, does that count towards our leverage?

Yes, in-kind contributions can be used to meet the leverage requirement.

19. What are the exact start and end dates for the deployment of the solution?

The grant agreement will be for 2 years or less. However selected concepts/solutions should demonstrate a path to be self-sustaining and last beyond the duration of the project.

20. Are specialized agencies like African Risk Capacity allowed to be sub-recipients? This is in reference to the below requirement from the Addendum: 6. "Grant support may not be extended to non-U.S. government implementing entities including an office, organization, or body at any level of a public administration system (i.e., ministry, department, agency, service, district, or municipality)."

Public sector entities are prohibited from receiving grants under CFDA. Please also see question #1.

21. For the 1:1 leverage, we understand that we can use our live projects as long as they have the same objectives as this funding opportunity. Can you confirm this is correct? Also, does the funding need to be running concurrently with this grant to qualify, or will work undertaken before or after the grant funding window qualify?

This question is unclear. If we are interpreting it correctly, no, an applicant cannot meet the 1:1 leverage requirement by including costs incurred on a separate, unrelated project that happens to have objectives aligned with Addendum 1. Please also see response to question #5. Any costs incurred during

22. Can you confirm that the funding amounts are for matched funding, for example, the maximum \$500,000 grant would be matched to \$500,000 of leverage, giving \$1,000,000 towards the objectives?

Yes, this is correct. See question #7.

23. Do you accept submissions from consortiums?

See question #1.

24. For this Addendum, would you consider proposals related to readiness work, for example, value chain mapping and tailored risk assessments leading to the development of solutions in line with themes defined by the terms of reference?

Concepts must have a clear pathway to becoming financially self-sustaining (as demonstrated in a business plan, for example). For CFDA to evaluate whether an application could be financially self-sustaining, there needs to be a clearly identified solution. If value chain mapping and risk assessments are part of a clearly identified solution that is or could be financially self-sustaining and is in line with the themes of the Addendum, it will be considered.

25. Please confirm that a U.S. non-profit organization is eligible to apply for the Addendum 001 Adaptation Finance Window.

Yes, see response to questions #1.

26. Is there a preference for for-profit organizations to apply for Addendum 001 Adaptation Finance Window?

No, there is not a preference for for-profit organizations. Please note that all proposed concepts must demonstrate that the solution has a clear path to becoming financially self-sustaining.

27. Are eligible organizations allowed to form consortiums to apply for Addendum 001 Adaptation Finance Window, with any other eligible organizations?

Yes, please see question #1.

28. For Addendum 001 Adaptation Finance Window, are both a 5:1 mobilization target (as indicated in the Addendum) and a 1:1 leverage commitment (as indicated in the APS) required?

Yes

29. For Addendum 001 Adaptation Finance Window, may Concept Notes include funding to go toward activities in more than one country?

There is no restriction on the number of countries as long as they are USAID presence countries.

30. Can CFDA provide a template, or identify the required level of detail, for the summary budget?

The template is provided in Annex A.

31. Are organizations able to propose any duration for the grant award as long as it is no more than three years? Does CFDA have a preference for the length of the grant award?

Please see response to question #3.

32. Within the list of ineligible cost items, are technical assistance and feasibility studies for infrastructure activities considered to be part of the “investment” referenced that is considered eligible?

Yes, technical assistance and feasibility studies can be considered eligible cost items and are not considered infrastructure or construction costs.

33. Would USAID be willing to finance insurance programs which would require a continuous premium subsidy to be sustainable over time? Note: this premium could be partly or fully funded by other donors than USAID

Selected concepts must present a path for financial self-sustainability beyond the life of CFDA grant support. Concepts may use CFDA grant support to subsidize a premium; however, concepts will need to demonstrate a pathway to reducing and eventually removing donor subsidy to be considered financially sustainable.

34. Would concept note about developing innovative climate insurance for Nature, such as sargassum or seagrass aquaculture insurance could be considered by USAID?

Applications are encouraged in other sectors of private-sector-led climate adaptation, but will be reviewed as additional funding becomes available.

35. Should the concept note be focus on one specific developing country, or could it be about a more broader region if assigned at all ?

Please see question #29.

36. Please can you confirm that reinsurance capacity can be counted as private capital deployed for this project?

If reinsurance capacity can be quantified with a dollar value, and is being provided by either the applicant or a third party then it can count towards the 1:1 leverage requirement. Please also see question #16.

37. What is the funding scope for adaptation finance windows?

Please see APS Addendum #1 “Current Funding” section.

38. Which adaptation processes are considered under the adaptation finance window?

Please see Section II of the Adaptation Finance Window Addendum.

39. How much funding will Bangladesh receive?

There is no guaranteed set aside for any specific country under the Adaptation Finance Window Addendum.

40. Is there any funding opportunity for research targeting adaptation methods?

At this time we do not have information to share about future funding windows.

41. Are there any funding opportunities for innovative agro-based work under the adaptation finance window?

Applications are encouraged in other sectors of private-sector-led climate adaptation. These applications will be reviewed as additional funding becomes available for this Window.

42. How can local organizations participate in the adaptation finance windows for Bangladesh?

Please see eligibility criteria. Local organizations are welcome to submit concepts as long as they meet eligibility criteria.

43. When will the request for proposal open?

CFDA is currently accepting proposals under Addendum #1 of the Annual Program Statement 011. Concepts are due October 20<sup>th</sup>.

44. Are there any funding opportunities available for adaptation finance windows?

Please see answer above to question #43

45. What does a 1:1 leverage requirement mean in easy terms?

Please see Section III of the Annual Program Statement – “Matching funding or in-kind contributions or services provided by the recipient or third parties that directly contribute to the objectives of the grant activity. It can be a variety of forms including anything of value that is measured, such as financial contributions, third party contributions, or donated services or property.”

46. How can co-creation help improve a concept note?

As appropriate, CFDA may engage shortlisted applicants in a co-creation process as part of the application process.

47. What are the advantages of becoming an approved member of CFDA's Climate Finance Investment Network (CFIN)?

Potential applicants are encouraged to join the partnership portal to receive timely CFDA-related updates. All communications about this and future calls for concepts will be primarily communicated via the CFIN. There is no cost to join the CFIN, and membership does not involve any commitment or obligation.

48. How many farmers does one need to enroll as a minimum for parametric insurance in the pilot?

This is for the applicant to determine in their concept note. There are no minimum enrollment requirements, although proposals that have greater reach will be evaluated favorably.

49. Which perils will be covered by the parametric insurance during the pilot? Is it just rainfall?

This is for the applicant to determine in their concept note.

50. Are there any particular regions or crops to be focused during the pilot?

As long as they are USAID presence countries, this is for the applicant to determine.

51. For registration on SAM.gov, is it limited to companies based in the United States?

Both US and non-U.S. entities can register on SAM.gov and must do so before a grant award can be finalized. Please note that entities do not need a SAM.gov registration at the time of submitting a proposal. However, successful applicants will need to be registered with SAM.gov before any grants are executed.

52. Is the Unique Entity Identifier a number generated at the time of registration in SAM.gov?

Yes, a Unique Entity Identifier is generated as part of the registration process at SAM.gov. For more guidance on registering and requesting a UEI, please visit SAM.gov

53. A certification signature is required to receive the grant, ADS 303.8. ADS Chapter 303 | Document | U.S. Agency for International Development. How should this certificate be signed? Is it necessary to print the document, sign it, and send it? Via DocuSign?

Either manual or electronic signature will be fine for selected applicants to sign the grant agreement.

54. In this type of projects, is it intended that they focus on mitigating/solving impacts generated by climate change in cities or rural areas (farms)?

The geographic focus is to be determined by the applicant.

55. If the company applying for the grant is a Mexican company, can the tax ID assigned by Mexican authorities be used?

Yes, please share the Tax ID from the country you are registered in.

56. Is Annex A the only document that needs to be submitted?

Yes, Annex A is the only document that will be evaluated by the Technical Evaluation Committee.



57. What is expected with the "minimum management capabilities required to handle US government funds, as well as environmental and social due diligence"?

Prior to a grant award, each selected grantee will be subject to a pre-award risk assessment, which also includes checking references of the grantee in relation to past performance. Please refer to ADS303mak for more information on the types of information CFDA will assess for each selected grantee. <https://www.usaid.gov/about-us/agency-policy/series-300/references-chapter/303mak>

58. In the summary budget (slide 10 of Annex A) the last two columns show “Total with CFDA contribution” and the “Total minus the CFDA contribution”. Are these columns meant so we can show the 1:1 leverage or the 5:1 mobilization?

These columns in the summary budget are meant to show the 1:1 leverage, not the 5:1 mobilization.

59. Does CFDA have a view on concepts developed by two organisations working together? Is it preferable to have one lead for engagement purposes, or is a joint venture arrangement preferable?

Please see question #1.

60. Would the payout from a parametric insurance product triggering count as mobilizing private sector investment?

Yes, a payout from a parametric insurance product could count as mobilizing private sector investment since it would be private sector money going to countries where USAID works to help individuals or small businesses deal with climate related shocks.

61. Can the USAID grant be used to subsidize a parametric insurance premium?

Yes, a grant can be used to subsidize a parametric insurance premium. See also, response to question #33.

62. Can the USAID grant be used to explore/structure an Insurance-Linked Securities (e.g., a locust ILS)?

If the concept results in the creation of new or expanded parametric insurance products that support climate adaptation objectives then we will evaluate it.

63. Does CFDA have a prioritization of perils there [Africa] to be covered?

CFDA does not have that information to share at this time.

64. Is there a preference for a concept that is innovative in solving new problems, or a concept that can be scaled for which proof of concept may already exist?

The concept will be evaluated on the evaluated criteria provided in the APS and the additional considerations in the Addendum only.

65. Is there any kind of linkage on the counterpart investment?

There is not enough detail in this question to respond.

66. Can the consideration be 100% in kind, or must it be in some percentage in cash?

See question #14.

67. Are there any expenses that cannot be included in the match?

See question #7.

68. P.3 “Eligibility Requirements” & P.6 “Concept Note Evaluation Criteria”, CFDA APS: USAID/CFDA states that “Applicants must be able to demonstrate successful past performance in implementation of activities related to the proposed Activity”, yet no under the Concept Note Evaluation Criteria, past performance is not included in the evaluation criteria, nor is it included as a section in the concept note template. Can USAID/CFDA clarify whether applicants must include past performance in the concept note?

The eligibility requirement for demonstrating past performance was removed in APS Amendment #1.

69. P.3, Additional Considerations, CFDA APS: Addendum 001: USAID/CFDA states that proposals should demonstrate “a clear pathway to a financially sustainable business model.” Can USAID/CFDA please define sustainable business model?

Please see question #33

70. P.3, Current Funding, CFDA APS: Addendum 001: USAID/CFDA state that “CFDA may consider grants over this value (\$500,000) if they present opportunities to leverage significantly larger amounts of private finance for adaptation outcomes”. Can USAID/CFDA please clarify what a “significantly larger” amount of private finance would constitute in this context?

This is at the discretion of USAID. We cannot provide additional clarity at this time.

71. P.5, Definitions of Leverage and Mobilization, CFDA APS: USAID/CFDA states clear definitions of leverage and mobilization, however it is not clear if both direct and indirect costs are applicable to the 1:1 leverage requirement and 5:1 mobilization. Can USAID/CFDA please clarify whether both direct and indirect costs are considered when calculating leverage and mobilization?

Both direct and indirect costs are considered when calculating leverage. Leverage requirements will be based on the total amount of funding requested.