

Questions and Answers

General Annual Program Statement (APS) Addendum 001

Nature-Based Solutions for Agricultural Resilience Window (NBS4Ag)

Technical

- 1. Section II outlines that "priority will be given to applications that align with USAID geographic priorities, strengthen local climate finance ecosystems, support climate-vulnerable communities, and have a strong possibility for replication or scale." Can you please define what strong possibility for replication or scale means in the context of this opportunity?
 Applicants are encouraged to explain how they think about and plan to achieve scale. Concepts that clearly demonstrate a path to meaningful scale (e.g., across multiple countries or regions, within a global value chain, or across a company's global purchases of a commodity) will be most competitive. CFDA will prioritize concepts that have identified a committed corporate partner to offtake the agricultural commodity and/or co-finance the implementation of the concept. The participation of a corporate partner is one, but not the only, consideration for how a concept could be replicated or scaled. See question 2 for a clearer definition of corporate partner.
- 2. What does the USAID Climate Finance for Development Accelerator (CFDA) mean by partnering with corporate partners? "CFDA envisions partnering (1) directly with corporate partners whose agricultural commodity supply chains extend to markets where USAID works or (2) indirectly with corporate partners through intermediaries that are supporting the financing or implementation of aligned projects or technologies" Are you targeting fund managers and accelerators and alliances, etc. OR, are you targeting even companies like agroprocessors, agritechs, irrigation companies, etc? For the purposes of this solicitation, a corporate partner is defined as:
 - An offtaker with the ability to purchase a sustainably produced agricultural commodity at scale, such as a multinational agrifood company, a large national supermarket chain, etc.; or
 - A large multinational company that offers financing through its philanthropic arm, such as a foundation; corporate social responsibility investment; or Beyond Value Chain Mitigation and other climate commitments (e.g., a technology company investing in a landscape for restoration, to stop deforestation and preserve biodiversity).

Concepts that lack one or more pre-identified, committed corporate partners are not expected to be competitive. See question 1. CFDA welcomes applications from fund managers, accelerators, or alliances if they include committed corporate partners and support all four objectives listed in Section II of the Addendum.

- 3. Does CFDA envision grant funding specifically being allocated to seed a financial vehicle? Or is it broader than that e.g. funding the work to develop a financial vehicle, or even broader to develop a strategy to scale initiatives that fit under the scope of the addendum, even if no specific financial vehicle is planned to be established?
 - The purpose of this window is not targeted specifically on deploying grant funding to seed or launch a financial vehicle. The addendum is intentionally flexible to allow for the most innovative and impactful concepts to be considered for potential award. A financial vehicle could be part of the concept, but it is not necessary. To be competitive, applicant should focus on (1) the

alignment of your concept with all four objectives listed in the addendum and (2) the participation of a specific corporate partner (or partners) to support the implementation and scaling of your concept. Also see questions 1 and 19.

- 4. Is adapting a current business model to a different social context considered an 'innovation' for this funding opportunity? How do we account for increased physical safety of adolescent girls and young women from a financial impact perspective? If our farm impact innovation is primarily focused on increasing farmer income, income diversification, and income 'smoothing' over seasons, including through climate shocks such as droughts or floods, but does not directly increase food security through food productivity, will our innovation still meet the criteria for this opportunity?
 Yes, a current business model adapted to a different context in a way that achieves significant social and environment impacts could be considered an innovation. Please keep in mind that CFDA is soliciting concept notes for innovative business models that can achieve all four objectives listed in Section II of the Addendum. Among these objectives is social inclusion. To be competitive, we expect applicants to promote equitable participation and benefits sharing, such as through inclusion of women, youth, indigenous peoples/local communities, and/or other vulnerable/underrepresented groups in the supply chain and decision-making processes, and positive social and financial impacts on vulnerable groups in the supply chain.
- 5. Does parametric insurance qualify for this grant? CFDA is soliciting concept notes for innovative business models that can achieve all four objectives listed in Section II of the Addendum. It is not apparent that a parametric insurance product, in isolation, could achieve all four objectives. However, parametric insurance models that are directly tied to a business model that achieves conservation outcomes and increases agricultural productivity may be considered.
- 6. Are bioenergy projects that create land use change for agriculture and forestry (AFOLU) allowed in this program?
 CFDA is soliciting concept notes for innovative business models that can achieve all four objectives listed in Section II of the Addendum. Please also see Question 1.
- 7. Would agriculture biomass waste utilization to create livestock fodder banks as an adaptation resilience initiative that includes forest landscape management to create carbon dioxide removals (CDR) qualify?
 CFDA is soliciting concept notes for innovative business models that can achieve all four objectives listed in Section II of the Addendum. Please also see Question 1.
- 8. Does the NBS4Ag window primarily focus on funding direct projects, such as specific forest restoration initiatives or agricultural practices?
 CFDA is soliciting concept notes for innovative business models that can achieve all four objectives listed in Section II of the Addendum. Please also see Question 1.
- 9. Could you explain how USAID defines "additionality" in this context? Would an existing biochar project that aims for scaling be favorable, or is the program focused on entirely new initiatives?
 CFDA is seeking concepts that achieve impacts that would otherwise not occur without USAID investment. Using USAID funding to scale a proven model would be viewed favorably.

- 10. Are there any sectoral limitations for this window? Would initiatives around the soy sector in Brazil be allowed?
 - CFDA is soliciting concept notes for innovative business models that can achieve all four objectives listed in Section II of the Addendum. Please note that concepts that work with certain crops such as sugar, soy, and palm oil require U.S. government approval. The Bumpers Amendment explicitly restricts USAID from supporting the cotton sector; concepts that include cotton are not eligible. See Section II Additional considerations in the Addendum for more information. If selected, CFDA is open to working with applicants and USAID to seek special approval.
- 11. What type of additional approval will concepts focusing on soy be required to attain? Concepts related to soy production will need to demonstrate that USAID support will not have a significant impact on U.S. exporters and/or cause substantial injury to U.S. producers. Please refer to USAID ADS 225 and 312 and the USAID Commodity Eligibility Listing for more information.
- 12. The Addendum notes that "concepts that work with certain crops such as sugar, soy, palm oil, cotton, and others require U.S. government approval." Please can you confirm with "other" crops are being referred to? Could you also please clarify if this requirement effectively excludes landscapes that have value chains focused on these crops, even if the proposed initiative does not exclusively focus on those value chains?
 - At this time, CFDA is not aware of any additional crops that require special U.S. government approval beyond those listed in the addendum. CFDA will prioritize concepts in countries where USAID operates with geographies/landscapes under threat of biodiversity loss. If selected, CFDA is open to working with applicants and USAID to seek special approval. In terms of the second part of the question, no, landscapes that have value chains focused on these crops are not excluded. CFDA will prioritize concepts in countries where USAID operates with geographies/landscapes under threat of biodiversity loss. See questions 10 and 11 for additional information.
- 13. For the products that need US government approval (e.g. palm oil or palm kernel oil), what safeguards will they be looking for? Should we include mention of these in the proposal?

 See question 11.
- 14. The Addendum notes that "CFDA is not targeting models that depend exclusively or primarily on carbon finance." Please confirm that you will consider models that include carbon finance in the mix of sources of investment return, and if possible, please indicate an upper limit % of investment return attributable to carbon finance that you would be comfortable to support.
 CFDA will consider models that include carbon finance in the mix of sources of investment return. However, concepts should not rely primarily on carbon finance revenue (i.e., 50 or more percent of revenue). Also, please see question 1.
- 15. Please provide a detailed definition of the meaning and provide examples of "corporate partners". In the conference, it was mentioned that this was not the same as private sector partners and it appeared corporate partners were only seen as entities that buy farm commodities from small holder farmers. This would exclude partners that provide inputs or provide technical services to farmers. See question 2.

- 16. Are "corporate partners" only multinational firms and thus not local or regional firms? See questions 1 and 2. Corporate partners could be local or regional firms such as grocery store chains or consumer packaged goods (CPG) companies. In the evaluation process, CFDA will prioritize the participation of corporate partners that have financial resources and/or business operations to help scale the concept.
- 17. How are corporate partners different to private sector partners?

 Private sector partner is a broad term that could include many actors in the agricultural supply chains targeted through this activity. Corporate partners fall within the definition of private sector partner. See questions 1 and 2 for a specific definition of corporate partner in the context of NBS4Ag.

Application Requirements and Eligibility

- 18. Is CFDA targeting new partners under this funding opportunity?

 This funding opportunity is unrestricted and, therefore, open to both new and existing USAID partners. However, please note that CFDA will prioritize concepts from new partners or partners who are not already receiving USAID funding. Please review the updated "Merit Criteria Descriptions" in Section II of the Addendum.
- 19. Is it possible for funds or intermediaries to receive funding under NBS4Ag? If so, what criteria or requirements must these entities meet to be eligible?
 See question 2. CFDA envisions partnering (1) directly with corporate partners whose agricultural commodity supply chains extend to markets where USAID works or (2) indirectly with corporate partners through intermediaries that are supporting the financing or implementation of aligned projects or technologies. CFDA is prioritizing grant awards to organizations with pre-identified committed corporate partners that are bringing financing to the concept. Please reference Part 1 of the CFDA General APS for information on eligibility.
- 20. If a private company and NGO apply together, does their application qualify to be a multistakeholder application?
 - The term multistakeholder in the Addendum refers to the possible participation of different private sector entities, producer organizations, community groups, donors, investors, etc. in the financing and implementation of the concept. The term "multistakeholder" does not refer specifically to the composition of a consortium. However, yes, CFDA is accepting applications from consortia. Applications should clearly delineate the lead (or "prime") implementer and explain a clear management approach. Note that for the purposes of grant awards, if selected, lead implementers will be the award recipient. Other partner(s) included as proposed awardees in the concept budget will be subawardees.
- 21. Can a stakeholder apply for multiple grants, e.g. once as an individual and once again together with one or more applicants?
 - Yes, although CFDA will only review one application per registered entity as the lead applicant. More specifically, an organization may submit an application as the lead applicant and again as part of another consortium. Please also see Question 20.
- 22. Can a stakeholder apply for multiple grants under different topics?

No, CFDA will only review one application per registered entity as the lead applicant. However, an applicant may include multiple options for landscapes or agricultural value chains/ commodities within a single application. Please note that each application must make clear how each potential landscape/value chain aligns with the geographic priorities outlined in the Addendum (i.e., explaining how the target landscapes face the threat of biodiversity loss). The expectation is that CFDA and the applicants will select a specific landscape (or landscapes) and crops/commodities before executing a grant award. CFDA reserves the right to provide feedback and request clarification on the target landscapes and crops/commodities before entering cocreation with applicants.

- 23. Do universities qualify as a stakeholder, and if so, do they qualify for a larger amount than a non-university NGO?
 Universities are eligible to apply for a grant award under NBS4Ag. Universities do not qualify for a greater grant award than non-university stakeholders/NGOs. CFDA anticipates making three or more grant awards valued at \$500,000 USD.
- 24. Are private projects permitted?

 Yes, applications from private sector organizations are permitted.
- 25. Can a company and a university team to develop a specific large scale high impact project? **CFDA** is accepting applications from consortia. See question 20.
- 26. Does union Territory of Jammu & Kashmir in Indian Himalayas qualify for this call? India is a USAID presence country. Stakeholders registered in India are eligible to apply for NBS4Ag.
- 27. Are NGOs eligible?
 - Yes, NGOs are eligible to apply to NBS4Ag. Please reference Part 1 of the CFDA General APS for information on eligibility. See questions 1 and 2.
- 28. Does this program recognize the Consortium of Private Organizations and Local government as applicant for grant?

 Local government organizations are ineligible to receive grant funding from CFDA.
- 29. Does this program require Social Welfare recognition of the applicant team?

 CFDA does not understand this question. CFDA requires proof of legal registration and evidence that the organization can operate legally in the country where activities are proposed.
- 30. We are headquartered in the US with a country office registered under the NGO Affairs Bureau in Bangladesh. Could our country office submit an application for this funding opportunity?

 Yes, a country office registered in Bangladesh may apply for a grant award under NBS4Ag.
- 31. Can we submit a proposal in partnership with the private sector? If yes, as an INGO, should we take on a prime role or a sub-recipient role in this partnership? Applications may include multiple implementing partners. CFDA does not have a preference for which organization assumes the lead role. See question 20.
- 32. Can International Organizations such as the UN Agencies apply?

UN Agencies or other international autonomous organizations cannot receive CFDA grant awards.

- 33. Can we apply with any cooperating partner?

 Applications may include multiple implementing partners. See question 20. Applications should clearly delineate the lead implementer. Please reference Part 1 of the CFDA General APS for information on eligibility.
- 34. Regarding the call for concept notes for the NBS4Ag initiative, could you kindly confirm if a commercial bank is eligible?
 Applications from commercial banks are eligible. Please refer to Section II of the Addendum for more information. Also, see question 19.
- 35. What is the eligibility criteria for NBS4Ag?

 Please refer to Section II of the Addendum for more information on this funding opportunity.

 Please reference Part 1 of the CFDA General APS for general information on eligibility.
- 36. Can an international NGO apply as the lead organization for this program, and is it possible to include multiple countries in a single application?
 Yes, an international NGO is eligible to apply for this funding opportunity. Concepts may be proposed at the global, regional, multi-country, or individual country levels in a single application. Please also see question 22.
- 37. We are a digital bank. Will USAID consider partnership to scale affordable capital for farmers? Yes, a digital bank is eligible. CFDA is soliciting concept notes for innovative business models that can achieve all four objectives listed in Section II of the Addendum. Please also see Question 1.

Geographic Scope/Priorities

- 38. We are considering targeting multiple regions across USAID Feed the Future countries in Africa and Asia. Could you clarify if proposals spanning multiple regions are prioritized, or if single-country proposals are equally considered?

 Applications will be assessed using the merit criteria in Section II of the Addendum. As noted in the criteria, "Priority will be given to applications that align with USAID geographic priorities, strengthen local climate finance ecosystems, support climate-vulnerable communities, and have a strong possibility for replication or scale." See question 1.
- 39. The Addendum notes that prioritization is given to models in geographies within "USAID's biodiversity conservation priority areas", please can you confirm these areas?

 See Section II of the Addendum. CFDA will prioritize concepts in countries where USAID operates with geographies/landscapes under threat of biodiversity loss, especially the degradation or loss of intact ecosystems. More information about USAID's biodiversity priorities can be found here. Preference will be given to concepts that align with U.S. Government Feed the Future geographies and USAID's biodiversity conservation priority areas. Relevant countries can be accessed here.
- 40. Does the program have to be from an environment that is severely degraded or unproductive?

Concepts do not have to be implemented in an environment that is severely degraded or unproductive, but the geographies/landscapes must be under threat of biodiversity loss. See question 39.

41. Can you please confirm what countries are eligible for funding under this opportunity?

See Section II of the Addendum. CFDA will prioritize concepts in countries where USAID operates – with the exception of Nicaragua, Venezuela, China, and Syria – with geographies/landscapes under threat of biodiversity loss. Preference will be given to concepts that align with U.S. Government Feed the Future geographies and USAID's biodiversity conservation priority areas. Relevant countries can be accessed here.

Monitoring, Evaluation, Learning, and Reporting

- 42. How frequently would financial and impact reports need to be submitted, and are there specific milestones we should set during the project timeline?
 Implementing partners submit monitoring, evaluation, and learning reports to CFDA semi-annually. Specific milestones and contractual deliverables will be determined during the co-creation process.
- 43. Does NBS4Ag have any specific risk mitigation strategies regarding environmental or social risks that should be integrated into the project design?
 Every CFDA activity, including NBS4Ag, requires an Environmental Mitigation and Monitoring Plan (EMMP) that identifies mitigation strategies for both environmental and social risks, in alignment with USAID's environmental compliance and social safeguard policies. The Environmental Documentation Form (EDF) and EMMP template are used to screen awards, and activities once fully defined, identifying any potential adverse environmental or social impacts. If such impacts are found, the template provides a framework to develop an activity-level EMMP to guide mitigation and monitoring throughout the project's duration. The EDF is developed during co-creation and integrated into the project design. CFDA is responsible for preparing environmental compliance (EC) requirements and establishing mitigation measures to address potential risks.
- 44. Could you provide example of success or performance indicators from prior financed projects if available? What specific metrics or indicators would best demonstrate the sustainability and scalability of our agroforestry initiative?
 Please reference Section IV of the Addendum for indicators and reporting requirements.
 Applicants must select at least three (3) indicators from the list in Section IV that are reflective of climate adaptation and/or mitigation, sustainable agriculture, and biodiversity outcomes.
 CFDA welcomes applicants to include additional or complementary metrics to ensure concepts are impactful and sustainable. Successful applicants will be expected to report to CFDA after the grant award on whether the concept was replicated/scaled.
- 45. What level of scale are you aiming for? Are you expecting indicators at the farmer level, country level, or both? Could you also clarify the types of units or metrics we should be focusing on?
 Please see questions 1 and 44 and reference Section IV of the Addendum for indicators and requirements.

- 46. We plan to include a robust monitoring framework to track biodiversity and agricultural resilience outcomes. Could you provide more specifics on what indicators are expected for tracking biodiversity impacts? Are there particular indicators USAID would prefer to see integrated into our project?

 See question 44. Please reference Section IV of the Addendum for indicators and requirements.
- 47. Our project includes impact-evaluation mechanisms to assess agroforestry as a conservation tool. Are there specific monitoring and reporting frameworks or tools that NBS4Ag prefers or recommends for agroforestry-related projects?

See question 44. Please reference Section IV of the Addendum for more information including definitions and frameworks.

Use of Grant Award

48. Are project feasibility studies permitted?

Project feasibility studies are permitted. Please note, however, that competitive proposals will go beyond feasibility studies and priority will be given to applications that can demonstrate the viability of concepts/business models during the life of the grant agreement.

- 49. Can a grant under this program provide initial funding for a project which can then raise commercial funding to enhance and expand the project?
 - Yes, however, applications must demonstrate a minimum 1:1 leverage for every dollar contributed by USAID.
- 50. Can a grant be used to acquire or develop land?
- 51. Can a grant be used to develop agriculture related IT infrastructure?
- 52. Can a grant be used to grow food locally? Can food grown locally under the grant funded project be sold to a USAID food aid program that is importing food aid from international sources?
 CFDA is soliciting concept notes for innovative business models that can ideally achieve all four objectives listed in Section II of the Addendum. Please note that this funding opportunity is targeting agricultural producers and corporate offtakers, not USAID food aid programs. USAID is not purchasing commodities or providing food aid through this opportunity.

Leverage Requirement

- 53. Does this allow the co-financing of lesser than 20% in implementation?

 Applicants are expected to adhere to a minimum 1:1 leverage ratio for any grant funding received through CFDA. Co-financing is not the only way to meet the minimum 1:1 leverage ratio. Please refer to the definition and examples of leverage in Section II of the Addendum and Section III of the General APS.
- 54. For the 1:1 leverage requirement, would funding from other partners that has already been committed to develop the concept count if funding is ongoing through the CFDA time period? Or this requires new co-funding to be secured in parallel with USAID funding?

 Previously committed funding can count toward the 1:1 leverage requirement if that funding has

recently been secured, is part of an active agreement directly related to the concept and has not

been expended. If the concept has received and spent previous funding, CFDA cannot count that funding as leverage.

- 55. Co-funding allowed to be counted from other U.S. government agencies?

 Yes, other U.S. government agency co-financing can be included in the 1:1 leverage requirement.

 However, U.S. government funding should not be the only source of financial support to achieve the 1:1 leverage requirement.
- 56. What kind of commitment is required to evidence leveraged funding from corporates or the private sector?
 If an applicant is not a corporate itself, the applicant should describe the status of their discussions with corporate partners to successfully implement the proposed concept. CFDA reserves the right to engage corporate partners named in the application before or during the cocreation process to better understand the role and commitment of that partner. See question 1 and 2.
- 57. At what point during the 2-year grant award does the leveraged funding need to be secured by?

 Applicants are expected to demonstrate investment or a commitment to leverage at least \$1 of capital for every dollar contributed by USAID in their concept note submission. By the end of the period of performance (maximum of 2 years), all of the leverage funding must be secured.
- 58. The initiative we are proposing as part of our application has already received project preparation funding. Could you kindly confirm if this funding can be counted towards the 1:1 leverage ratio?

 See question 54.
- 59. Are construction costs able to be included in the leverage component? **Yes.**

Cost

- 60. Please confirm the largest amount a private company can apply for under this grant.

 Under this funding window, CFDA anticipates issuing three or more grant awards valued at \$500,000 USD each. US-based firms are restricted to awards up to \$500,000. There is no specific budget limit on grant applications from non-US entities. Please note, however, the minimum 1:1 leverage requirement. See the "Current Funding" detail in Section II of the Addendum for more information on the funding.
- 61. Please confirm the largest amount an NGO can apply for under this grant. **See question 60.**
- 62. What is the upper bound (highest dollar amount) available for multi-stakeholder applications?

 See questions 20 and 60. See the "Current Funding" detail in Section II of the Addendum for more information on the funding.
- 63. Is it true that the fund cannot be used to finance construction or infrastructure? Even if we add it as part of our own contribution.
 - The grant award cannot be used to directly finance construction. However, construction or infrastructure costs may be included as part of the leverage secured (see question 59). Please

also note that the grant award could be used to finance costs associated with construction, such as feasibility studies.

- 64. Is there a minimum project budget?
- 65. Where our model has material funding needs, in the budget we are considering presenting you with options for three different levels of grant funding (\$500k, \$1m, \$1.5m) and the additional activities these would catalyze. Would this be acceptable? If yes, could we share the detailed budget for the proposed levels of grant funding in the appendix that would be excluded from the 10 slide max limit. Applicants should present a single budget that best fits their submitted concept (not inclusive of leverage commitment obtained). No appendices will be reviewed or accepted as part of the concept submission. Final budgets for selected grantees may be refined in the co-creation stage. If the applicant proposes a budget significantly above \$500,000, CFDA requests that the applicant indicate whether the concept could be viable at lower funding levels. See the "Current Funding" detail in Section II of the Addendum for more information on the funding levels.
- 66. Slide 10: Could you please provide us the list of qualified/authorized expenses that might be included in the budget?
 Please refer to "Section IV. Cost Merit Review Criteria" in the CFDA APS No. 2024-0016-APS
 General Annual Program Statement, under which this Addendum was released, for information on the required criteria for budget expenses.
- 67. During the conference you mentioned that grant funds cannot be used for construction or infrastructure. Would you be able to provide more information on what this would include? Our project focuses on the establishment of regional service deliverable hubs, so I imagine we will need to clearly differentiate between construction and non-construction costs in the budget.

 See question 63.
- 68. Following from this, how would you advise presenting the budget to reflect the eligibility and noneligibility of these costs? Should we exclude construction costs completely?

 Applicants should only include construction costs if they are part of the leverage secured (see
 "Demonstration of commitment and sources of a minimum 1:1 leverage" column on slide 10 of
 Annex A). Otherwise, applicants should exclude construction costs from their budget entirely.
- 69. The online resources stipulate a minimum grant amount of \$500,000 but in the conference recording you mentioned that smaller amounts will also be considered. Do you have any recommendations about this? Our project is easily scalable so we can adjust the size and therefore the budget of the project as required.
 - See question 64. We cannot provide recommendations beyond this.
- 70. Do we have to start our budget planning with a minimum funding of \$500,000 or is it possible to be less (example: \$300,000, \$250,000)?

 See questions 60 and 64.
- 71. What is the total financial support available for this intervention? **See question 60.**

- 72. Can funding be used as concessional investment capital (e.g. first-loss) or to mobilize further private sector investment (e.g. credit guarantees)?
 CFDA strongly prefers that its grant capital is used to fund operating expenses (salaries, consultants, travel, legal services, procurement, etc.) and that any first-loss or other catalytic capital be provided by the applicant or other partners through leverage contributions. See question 1 and 19.
- 73. Would "non-U.S. based partners" eligible for grant amounts above \$500K include organizations based in non-U.S. developed markets or only organizations based in countries where USAID has presence? Yes. The \$500,000 limit only applies to U.S. registered entities. Non-U.S. based partners include organizations registered in developed and developing markets. See question 60. At CFDA's discretion, outstanding, impact-driven, and scalable concepts will be considered for funding of \$1,000,000 USD or more. If the applicant proposes a budget significantly above \$500,000, CFDA requests that the applicant indicate whether the concept could be viable at lower funding levels.
- 74. Can a grant from the NBS4Ag window be used to cover ongoing business expenses incurred by a company while developing and launching a fund for which it is applying for a grant under this program (e.g., employees currently dedicated to the fund's development)?
 Yes, these costs are eligible although CFDA did not launch NBS4Ag with the intention to launch new investment funds. Please read question 1 and 19 carefully to confirm that your concept aligns with NBS4Ag's priorities.
- 75. We are doing cocoa in agroforestry systems. Would the purchase of equipment related to the processing of cocoa (post-harvest activities) be considered an allowable cost under this grant? Yes. Purchasing processing equipment is eligible under CFDA.
- 76. Since construction-related costs are ineligible, could you confirm if small-scale infrastructure improvements (e.g., water management for agroforestry, renovation of drying and fermentation centers) would fall under this category, or if they would be permissible?

 See USAID's Mandatory Standard Provision "Limiting Construction Activities" (M19) to determine applicability to your activity. Any "small-scale infrastructure improvements" that fall under USAID's definitions are ineligible.
- 77. Are audits required (financial etc.) by the end of the project and should we budget it?

 Chemonics reserves the right to conduct an audit of the project at any time during and directly following the period of performance. However, audit costs do not need to be included in budget proposals. During the co-creation and grant negotiation process, CFDA will work with selected grantees to perform a financial and administrative due diligence review, which may include review of audited financial statements, if available. Other financial and administrative documentation may be requested to ensure the selected grantees have sufficient capacity to responsibly manage USAID grant funds.

General

78. Is the 2024-0016-001-APS Addendum - NBS4Ag a separate grant from or an addendum to the 2024-0016-APS - Climate Finance Annual Program Statement General Call?

The Nature-Based Solutions for Agricultural Resilience Window (NBS4Ag) is Addendum 001 under the General Annual Program Statement (APS). While NBS4Ag sits under the umbrella

General APS mechanism, it is considered a separate funding opportunity from the General APS mechanism. Please see instructions and eligibility requirements under <u>Part 1 of the General APS</u> for additional information.

Application Preparation

- 79. For the concept note deck, please clarify if you require or would prefer references to be included for specific facts, and if so, can this be included on a slide that would not count towards the 10-slide max limit?
 - Applicants may include hyperlinks or footnotes within the slide deck. References included on a separate slide will count toward the page limit.
- 80. Can we include, in an appendix, supporting documentation such as no objection letters from relevant countries we have engaged with, that would be excluded from the 10-slide max limit?

 CFDA will not review slides beyond the 10-slide max limit (not including the cover page).

 Additional supporting documentation is not permitted and will not be evaluated. Applicants are encouraged to demonstrate commitment of co-financing within the 10-slide limit.
- 81. Under which section/slide of the application should we clarify what our intended use of the proceeds is?
 - Please review the concept and budget template provided in Annex A. Applicants are welcome to use their own branding/design so long as concept notes and budget meet the requirements in Section III of the Addendum.
- 82. Do we have to provide photos of staff who will be involved in the project?
- 83. Slide 5: We do not understand what is meant through and how to address it: "This slide should include the expected leverage ratio total from the proposed activity."

 See Section II of the Addendum: "Applicants are expected to adhere to a minimum 1:1 leverage ratio for any grant funding received through CFDA, where awardees will be expected to invest or raise at least \$1 of capital for every dollar contributed by USAID." This slide should include the leverage ratio from the proposed activity this ratio should be 1:1 at minimum. However, priority will be given to concepts that exceed the minimum leverage requirement and crowd-in additional stakeholders (see the Merit Review Criteria Descriptions in Section II of the Addendum).
- 84. Slide 10: Do we have to present the budget of the whole project including the contribution of USAID, the promoter (us), and the local beneficiaries? We do not understand how to address the information in this column "Demonstration of commitment and sources of a minimum 1:1 leverage". How should we demonstrate the commitment and sources?

 Slide 10 should include the budget you are requesting from this grant award. "Demonstration of commitment and sources of a minimum 1:1 leverage" should include the leverage expected to be secured by the end of the period of performance. This can include financial or in-kind contributions by the applicant, other funders, or project partners. The leverage does not need to exclusively co-finance the activity budget. If, for example, an applicant plans to achieve the leverage target through an offtake/forward purchase agreement from a corporate partner or an equity/debt investment, applicants should add a line to the budget to demonstrate this source of

leveraged funds. Applicants are not required to demonstrate leverage for each line item as long as a total minimum 1:1 leverage is clearly demonstrated.

Grant Development Process and Award

- 85. Are there any expectations or guidelines you could share regarding timing (how many months/years) for the proposed budget for grant funding, and for how long the co-creation process is expected to run?
 - CFDA seeks to move as quickly as possible, but the co-creation process depends on the partner, their concept, USAID approval processes, and other factors not entirely within CFDA's manageable control. Note that applications from consortia will require subawards which entails some additional requirements to finalize awards. CFDA believes it will be possible to sign at least one grant agreement by the end of January 2025 and hopes at least three grant agreements will be signed by the end of March 2025.
- 86. Could you describe in a bit more detail what the co-creation process looks like and the Accelerator process more broadly, and what kind of (non-financial) support we might expect from USAID through the Accelerator program if successful?
 Once the awardees have been selected, CFDA will engage in a co-creation process through which USAID/CFDA and the finalist will validate and, if necessary, refine the concept to ensure maximum alignment with NBS4Ag requirements and objectives. CFDA expects to include engagement of corporate partners in the co-creation process. The co-creation process also includes a due diligence process and review of additional relevant documents, as well as refinement of the project scope, including the development of a milestone table and a final substantiated budget. CFDA will work with the selected grantee to ensure all required
- 87. Starting date: finalist notified on December 13, 2024 but when the financing will start if we are eligible?

as well as support in managing the subaward process for consortia.

CFDA expects to notify finalists on or about December 13, 2024. See question 85 and 86 for a breakdown of the co-creation process and timing. Funding will be disbursed according to the final grant award terms as project milestones are achieved.

documentation is understandable and will support in development of any materials as needed,