

USAID Climate Finance for Development Accelerator (CFDA)
Addendum 1 to the CFDA General Annual Program Statement (No. 2024-0016-APS)
Nature-Based Solutions for Agricultural Resilience Window (NBS4Ag)

Funding Opportunity Title	Nature-Based Solutions for Agricultural Resilience Window (NBS4Ag)
Announcement Type	Addendum 001 (Amendment 1) under the CFDA General APS
Issuance Date	September 23, 2024
Deadline For Questions	October 7, 2024, 9:00am EDT
Virtual Bidders Conference (Pre-registration required, see Section III)	October 2, 2024, 9:00-10:00am EDT
Close Date for Concept Notes	November 4, 2024, 9:00am EST
Submit Concept Notes	Submission Portal

Section I – Background

Agrifood production systems face significant threats from climate change. Extreme weather events related to climate change, such as intense heat, droughts, and floods, adversely affect agriculture in emerging and frontier markets where USAID operates. Developing countries, already grappling with decreasing yields, are particularly vulnerable to these climate shocks and weather events. As temperatures rise and weather patterns become more unpredictable, these challenges are expected to intensify, leading to increasing economic losses, production costs, and threats to food security.

Agricultural practices are often *accelerating* climate change and biodiversity loss. Agriculture is a major contributor to greenhouse gas (GHG) emissions and biodiversity habitat loss including through deforestation and other land use changes. Modern and intensified farming practices can result in severe land and soil degradation and contribute to GHG emissions and biodiversity loss through slash and burn clearing, overgrazing, monocropping, and overuse of chemical fertilizers and pesticides.

Although there are growing regulations and corporate commitments aimed at transitioning to nature-positive, climate-resilient, low-emissions agricultural value chains, investors and local producers often lack the technical expertise and financial support needed to adopt sustainable practices. Consequently, the development and adoption of approaches that lead to greater resilience, reduced GHG emissions, store more carbon, and integrate biodiversity conservation with agricultural production are crucial.

To support the transformation to climate- and nature-positive agrifood systems, a significant financing gap must be closed. Current financing comes mainly from the public sector, and some estimates indicate that financing from philanthropic, public, and private investments must increase tenfold to meet all needs.^{1,2} USAID is seeking opportunities to support diversified models that leverage corporate and supply chain finance where producers and communities are incentivized to sustain models for climate- and nature-positive agriculture.

¹ [Global Alliance for the Future of Food](#)

² [Climate Finance for Low-Emission Agriculture in Sub-Saharan Africa: Climate Finance Innovation for Agriculture Report](#)

To remove financial barriers and mobilize greater private finance for climate- and nature-positive agriculture and agricultural landscapes in developing countries, the USAID Climate Finance for Development Accelerator (CFDA) is launching the Nature-Based Solutions for Agricultural Resilience Window (NBS4Ag).

Section II – Program Objectives

NBS4Ag seeks to accelerate the transition to nature-positive, low-carbon, and resilient agrifood systems by capitalizing on: (1) ambitious corporate and philanthropic commitments – made through groups such as the Global Alliance for the Future of Food – to accelerate regenerative agricultural practices, sustainable forestry, and biodiversity initiatives, (2) emerging landscape and jurisdictional approaches that adaptively manage multiple stakeholders, production models, land uses, and other objectives within landscapes, and (3) relevant country-level commitments made through Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and National Biodiversity Strategies and Action Plans (NBSAPs).

NBS4Ag intends to strengthen or scale a set of promising private-sector led models for financing climate- and nature-positive agriculture and agricultural landscapes. CFDA envisions partnering (1) directly with corporate partners³ 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. Please note that CFDA is not targeting models that depend exclusively or primarily on carbon finance.

Awardees are expected to support nature-based solutions that build resilience in agrifood systems as well as reduce deforestation and degradation of critical landscapes and native vegetation and promote adoption of regenerative agriculture, climate- and water-smart agriculture, and/or landscape-level approaches for conservation. While regenerative agriculture practices generally tend to support biodiversity, priority will be given to concepts that go deeper on conservation outcomes - for example, integrating regenerative agriculture with efforts to actively conserve high-value ecosystems and promote land restoration. **Priority will be given to concepts that have identified a committed corporate partner to offtake the agricultural commodity and/or co-finance the implementation of the concept.**

CFDA is soliciting concept notes for innovative business models that can achieve the following objectives:

- Increased food security, resilience, and agricultural productivity of systems through adoption or intensification of climate smart, regenerative and/or low GHG practices.
- Increased conservation that creates climate and nature benefits in biologically significant areas with a focus on biodiversity habitats and native species, reduced threats to biodiversity (such as, but not limited to agricultural expansion, deforestation, and degradation of land and native vegetation), and effective management of conservation schemes
- Equitable participation and benefits sharing, such as through inclusion of women, youth, indigenous peoples/local communities, and other vulnerable/underrepresented groups in the supply chain and decision-making processes, and positive social and financial impacts on vulnerable groups
- Increased access to capital or financial incentives for implementing and scaling sustainable activities

Priority will be given to applications that meet all four objectives. Applicants should concentrate on sustainable farming practices, including whole-of-farm strategies for mixed-use agriculture and regenerative techniques. They are expected to prioritize zero deforestation, minimize or reverse land and soil degradation, and reduce

³ For the purposes of this solicitation, a corporate partner is defined as: (a) An offtaker with the ability to purchase a sustainably produced agricultural commodity at scale, such as a multinational agrifood company, a larger national supermarket chain; or (b) A large multinational company that offers financing through its philanthropic arm (such as a foundation), corporate social responsibility investment, or Beyond Value Chain Mitigation (BVCM) and other climate commitments (e.g., a technology company investing in a landscape for restoration, to stop deforestation, and preserve biodiversity).

the use of chemical pesticides, fertilizers, and other harmful methods. Additionally, they should implement climate-smart nature-based solutions and landscape-level approaches that safeguard and enhance biodiversity and food security. Projects should not increase emissions from deforestation or land-use change either directly or by displacing other agricultural activities into sensitive areas.

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. For NBS4Ag, examples of leverage include co-financing for the concept, donor funds, investment capital, or forward purchase agreements (e.g., a corporate commitment to purchase a sustainably harvested agricultural commodity). Applicants may propose new or existing projects/approaches that meet the requirements in this Addendum.

Period of Performance

The anticipated period of performance for the activities outlined above is up to two years from the date of grant award. Applicants should propose a timeline commensurate with their technical approach.

Geographic Scope

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. 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. Concepts may be proposed at the global, regional, multi-country, or individual country levels. More information about USAID’s biodiversity priorities can be found here.

Current Funding

Under this funding window, CFDA anticipates issuing three or more grant awards valued at \$500,000 USD each. Applicants should present a budget that best fits their submitted concept (not inclusive of leverage commitment obtained). Outstanding, impact-driven, scalable, multi-stakeholder concepts will be considered for funding of \$1,000,000 USD or more. US-based firms are restricted to awards up to \$500,000. There is no specific budget limit on grant applications from non-US entities.

Eligibility

Please reference Part 1 of the CFDA General APS for information on eligibility.

Concept Note Merit Review Criteria

All applicants will be assessed using the merit review criteria below:

Merit Review Criteria	Points
Feasibility and impact	45
Additionality	15
Management approach	15
Gender equity and social inclusion	15
Financial leverage	10
Overall Rating (out of 100 points)	100

Merit Review Criteria Descriptions:

- 1) **Feasibility and Impact:** Presents an innovative and feasible concept that is expected to achieve significant climate mitigation and/or adaptation impacts, commensurate with the size of the grant, through a private-

sector led model that supports nature-based solutions and sustainable agricultural practices and will maintain or restore biodiversity and ecosystem services. Concepts should have a well-articulated business case or model that is likely to be achieved or tested within the timeframe of the grant award. 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.

- 2) **Additionality:** Incentivizes or de-risks private sector investments, commitments, or initiatives unlikely to occur (or unlikely to occur at the same speed, scale, or level of impact) without USAID/CFDA's involvement. On impact, additionality includes the extent to which the desired results for biodiversity conservation, climate adaptation and/or mitigation, and gender equity and social inclusion will occur as a result of USAID financial assistance.
- 3) **Management approach:** Includes a sound and realistic management approach with comprehensive measuring and monitoring of climate and biodiversity impacts. The selection process will consider the capacity of the applicant and any implementing partners to successfully implement the concept in the target geographies. **Priority will be given to management approaches that are led by local partners or partners new to USAID. Significant participation of local stakeholders based in target geographies is expected.**
- 4) **Gender Equity and Social Inclusion:** Benefits and demonstrates engagement and inclusion of social, economic, and environmental concerns from highly climate vulnerable populations, including women, indigenous peoples and local communities, youth, or other marginalized and/or underrepresented groups.
- 5) **Financial leverage:** Demonstrates corporate or other private sector commitment to meet the minimum 1:1 leverage (see [General APS Part I, Section III](#)). Priority will be given to concepts that demonstrate a realistic path to mobilizing additional private sector capital during or after the period of the grant award. Preference will be given to concepts that exceed the minimum leverage requirement and crowd-in additional stakeholders (donors, corporates, and civil society).

Additional Considerations

Concepts that support relevant solutions in U.S. Government Feed the Future countries and USAID biodiversity conservation countries and regions are encouraged ([see list here](#)), though concepts are welcome for all USAID presence countries. Please note that concepts that work with certain crops such as sugar, soy, **and palm oil cotton, and others** require U.S. Government approval. Please refer to USAID [ADS 225](#) and 312, and the [USAID Commodity Eligibility Listing](#) for more information. **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. Further, the Bumpers Amendment explicitly restricts USAID from supporting the cotton sector; concepts that include cotton are not eligible.**

Grantees will be expected to contribute to CFDA's learning agenda related to nature-based solutions, adaptation, private sector climate investment, and other relevant themes. Contributions may consist of participating in interviews or events, facilitating access to local partners, collaborating on short technical documents or other learning products, or sharing relevant data. Details of these engagements will be specified during award negotiation discussions.

Section III – Information on Applying

CFDA will manage a streamlined application process that begins with applicants submitting a grant application that includes a concept note and a high-level budget (instructions below). Applicants must propose strategies for the implementation of the program description described above. CFDA will review applications responding to the Addendum following the closing date for the solicitation. Late applications will not be accepted. CFDA will assemble a merit review committee to review applications against the merit review criteria outlined above in Section II. CFDA may engage shortlisted applicants in a co-creation process of the grant application (see “Co-Creation” in [Part 1 of the APS](#)). After this process, applicants will be notified whether their grant application has been rejected or approved, pending a pre-award risk assessment and negotiations.

Concept notes must be completed using the template in Annex A (Concept and Budget Template). Concept notes and budgets must meet the following requirements, or they will not be reviewed:

- Be written in English as a PDF or PowerPoint slide deck.
- Contain a maximum of 10 slides.
- Be a minimum of 10-point font.
- Include the APS and Addendum name and number.
- Include address of organization and point of contact (including contact name and email information).
- Content must include and/or describe:
 - Cover page that includes an activity title, name of the organization, legal representative, country of legal residence of the organization, and Tax ID (TIN) numbers (maximum one slide; does not count toward the slide limit)
 - Executive summary
 - Description of activity context and definition of the problem this activity seeks to address in line with the CFDA objectives as stated in the solicitation. Concepts should note the possible geographic region(s) and biodiversity threat(s) involved.
 - Proposed private sector-led solution(s) to the identified problem and expected impact for both biodiversity and sustainable agricultural outcomes. Applicants may propose solutions in more than one agricultural commodity and/or geography/landscape as applicable to the Addendum.
 - Level, type, and status of private sector co-investment describing (1) to what extent the applicant has made commitments, financial or non-financial, to support the concept or secured commitments and co-investment; and (2) to what extent the applicant has engaged key stakeholders/partners in relevant USAID countries whose buy-in and partnership is critical to the activity's success.
 - Approach to measuring and monitoring climate, community, and biodiversity impacts (including output targets) – see Section IV below
 - Additionality of USAID funding and potential scale of impact
 - Gender equity and social inclusion considerations, including a description of how the proposed activity has or will engage with, consult, benefit, or be driven by local and underserved or marginalized populations, including women, as well as any social and environmental risks and risk mitigation plans, as applicable
 - Organization profile and management approach that includes the track record and gender composition of the team
 - Grant funding requested (summary budget). Summary budgets must be presented in either the local currency of the organization (e.g., applicants from Dominican Republic must present budgets in Dominican pesos) or in USD for international applicants, as well as include demonstration of commitment and sources of a minimum 1:1 leverage (see below) of USAID funding (maximum one slide).
 - Estimated timeline for implementation of activities (maximum one slide).

Each grant application must clearly distinguish between the funding requested from CFDA, funding to be committed to the grant activity by the applicant or other parties (i.e., leverage), and any third-party investment to be mobilized for the applicant's climate solution during or as a result of the proposed activity. Please see the chart in Part 1, Section III of [the General APS](#) for definitions of leverage and mobilization used by CFDA, as adapted from USAID's Private Sector Engagement policy.

Cost Merit Review Criteria can be found in Part 1 of the APS. Please submit all questions concerning this solicitation via the [Solicitation Question Submission Form](#). For general inquiries please email CFDAProcurement@CFDAAccelerator.com.

Virtual Bidders Conference

A virtual bidders conference will be held on Wednesday, October 2, 2024, from 9:00 to 10:00 a.m. EDT. To register for the workshop, please complete [this form](#). This workshop will allow interested applicants the chance to ask questions about the Addendum and receive guidance on how to apply. Participation in the workshop is optional and is not required to apply under this solicitation. The bidders conference will be recorded and shared with the [Climate Finance Investment Network \(CFIN\)](#). CFDA will share amendments, answers to questions, and other updates to contacts registered with the CFIN prior to posting on its procurement page. There is no cost to join, and membership does not involve any commitment or obligation.

Section IV – Additional Indicators and Requirements

Successful applicant(s) will be required to report on activity progress and provide data for performance indicators on a semiannual basis and agree to the requirements listed below. Performance indicators will include CFDA standard indicators, as well as specific climate adaptation indicators. Successful applicants must be able to provide data for the following indicators:

- Amount of investment mobilized (in USD) for climate change outcomes (*disaggregated by climate sector; public v. private resources; investment type; investment source; and country*)
- Percentage of investment mobilized that is inclusive of marginalized and underrepresented groups (*disaggregated by group and mode of inclusion⁴*)

Successful applicants must also provide data for relevant climate change, sustainable agriculture, and biodiversity outcome indicators. A list of USAID priority indicators for this solicitation is provided below. Applicants **must select at least three (3) indicators from this list** relevant for their proposed activity. **Applicants must include one climate change indicator, one biodiversity indicator, and one agriculture indicator.**

Climate Change

- EG 11.5 Number of people supported by the USG to adapt to the effects of climate change
- EG.13-7 Projected GHG emissions reduced or avoided from adopted laws, policies, regulations, or technologies related to sustainable landscapes as supported by USG assistance (*NOTE: This indicator is required for all activities with an expected climate change mitigation outcome*)

Agriculture and Food Security

- EG.3-2 Number of individuals participating in USG food security programs
- EG.3.2-24 Number of individuals in the agriculture and food system who have applied improved management practices or technologies with USG assistance
- EG.13-7 Projected GHG emissions reduced or avoided from adopted laws, policies, regulations, or technologies related to sustainable landscapes as supported by USG assistance (*NOTE: This indicator is required for all activities with an expected climate change mitigation outcome*)
- EG.3.1-15 Value of new private sector investment leveraged by the USG to support food security and nutrition
- EG.3.2-27 Value of agriculture-related financing accessed as a result of USG assistance

Biodiversity

- EG.10.2-2 Number of hectares of biologically significant areas under improved natural resource management as a result of USG assistance

⁴ “Inclusion” is determined based on characteristics of the project receiving investment, such as whether it is owned or led by members of one or more marginalized/underrepresented group; is/was designed by them; employs or otherwise benefits them; etc. Complete definitions are available in the [CFDA Monitoring, Evaluating, Collaborating, Adapting and Learning Plan \(MECLAP\)](#) and in [USAID’s Inclusive Development](#) resources.

- EG.10.2-3 Number of people with improved economic benefits derived from sustainable natural resource management and/or biodiversity conservation as a result of USG assistance

Applicants may propose indicators in addition to those selected from this list for monitoring relevant climate change, sustainable agriculture, and/or biodiversity results from their proposed activity.⁵ CFDA will work with successful applicants to finalize indicators and reporting requirements prior to award.

Section V – Other Notes

The U.S. government acknowledges current gaps in funding for innovative, financially sustainable approaches to addressing climate challenges globally, but particularly in low- and lower-middle-income countries. To augment its contribution to building the pipeline for bankable climate- and nature-positive projects in those contexts, USAID may refer eligible concepts sourced through this opportunity to other U.S. government agencies and/or other donors for their consideration.

⁵ For additional indicator references, please see [USAID's Climate Change Standard Indicator Handbook](#); [Feed the Future Indicator Handbook](#); and [biodiversity program area indicators \(EG.10.2-1 through EG.10.2-6\)](#).