

USAID Climate Finance for Development Accelerator (CFDA)
Addendum 004 to the CFDA General Annual Program Statement (APS No. 2025-0016-APS)
Addendum 004)
Zambia Adaptation Finance Window
Answers to Questions

Section 1. Answers to Technical Questions

Q1:	Will CFDA only consider climate adaptation focused funds or is there willingness to support a sector agnostic investor/investment fund, provided there are clear targets associated with climate adaptation investment in Zambia?
A1:	CFDA will consider applications with clear climate adaptation targets that align with the Program Objectives Outlined in Section II of the Addendum. CFDA encourages concepts from any sector as long as they can address and support climate adaptation investment and meet the program objectives.
Q2:	The Addendum states, “preference will be given to concepts where 50% or more of investment capital will be deployed for climate adaptation investments.” As long as this is true, can proposals include carbon finance as part of the mix of investments?
A2:	See Answer 1. Additionally, carbon finance is considered a climate mitigation tool, so it can be included in the mix of investments but will not contribute to the climate adaptation targets under this project.
Q3:	If the proposed fund’s business model centers on climate mitigation and carbon credits, but funds climate adaptation activities, is it eligible for application?
A3:	As outlined in the Addendum, preference will be given to concepts where 50% or more of investment capital will be deployed for climate adaptation investments.
Q4:	For energy-focused investments, does the fund prioritize specific technologies (e.g., solar, biomass, or battery storage) or geographic regions within Zambia?
A4:	CFDA does not have a specific technology preference for clean, renewable energy solutions, nor is there a geographic preference.
Q5:	How detailed should the pipeline of proposed investments be in the concept note, especially for early-stage concepts?
A5:	The application should plausibly and ambitiously show the pipeline of proposed investments. Real examples and tangible presented SME investment opportunities will reflect positively on the application.
Q6:	What level of detail is expected regarding post-grant sustainability of the fund or instrument?
A6:	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.

Section 2. Answers to Application Requirements and Eligibility Questions

Q7:	Are applicants expected to have established relationships with local businesses and projects, governments, and stakeholders prior to application? How critical is pre-existing local engagement in the evaluation of proposals?
A7:	Pre-existing local engagement is a critical part of the concept note merit review criteria as outlined in Section II Program Objectives of the Addendum. Successful applicants

	will demonstrate that they are launching or scaling a climate fund or investment vehicle that will mobilize and deploy capital for adaptation solutions in Zambia. Regional funds with a significant existing presence in Zambia, or that will use the grant award to expand to Zambia, will also be eligible. Preference will be given to applicants based in or already operating in Zambia or applicants who, though not based in Zambia, have significant focus and/or activity in the country. Applicants are encouraged to provide detail on how capital will be deployed, including potential pipeline, as well as fundraising traction with potential investors. Early-stage concepts are welcome as long as there is a demonstrated path for rapid deployment and thesis for additionality.
Q8:	Are applicants expected to show that they have developed bankable pipeline of projects or SMEs that are ready for investment?
A8:	It is not required but would be reviewed positively if it does.
Q9:	If a concept requires an implementation timeline longer than two years, will USAID consider exceptions for high-impact proposals?
A9:	The period of performance for this award is two years, which is connected to the CFDA contract’s period of performance. Concepts must conform implementation timeline to the period of performance outlined in Section II of the Addendum.
Q10:	Are project proposals for unregistered organizations accepted?
A10:	Please see Part 1, Section II the General APS for more information on eligibility requirements. Applicants must be a registered organization, formally constituted, recognized by, and in good standing with appropriate authorities in their country of operation, and compliant with all applicable civil and fiscal regulations. Additionally, international organizations proposing activities in another country must be able to demonstrate that they are legally operating in the country where grant activities are proposed.

Section 3. Answers to Geographic Scope/Priorities Questions

Q11:	The solicitation states a preference for applicants based in or already operating in Zambia, or those with significant focus and activity in the country. How will this preference be quantitatively reflected in the evaluation criteria? Will locally based fund managers receive additional points or consideration during the assessment process?
A11:	Please review the Geographic Scope and Merit Review Criteria in the Addendum. Locally-based fund managers, local expertise and presence, and local staffing will be scored positively and weighted during the assessment process, in addition to all other merit review criteria outlined.
Q12:	Does CFDA give priority to teams composed predominantly of local professionals and experts? Will proposals with management and operational teams primarily based outside Zambia be considered less favorably compared to those with strong local representation?
A12:	Regional funds with a significant existing presence in Zambia, or that will use the grant award to expand to Zambia, will also be eligible. Preference will be given to applicants based in/or already and operating in Zambia or applicants who, though not based in Zambia, have significant focus and/or activity in the country. Please also see Answers 7 and 11.
Q13:	Will preference be given to investment vehicles that target all three of the Adaptation Results Areas specified in the Addendum or is it acceptable to focus on only two of the three?

A13:	The concept will be evaluated on the merit review criteria and the additional considerations in the Addendum only.
Q14:	Is it required to have an entity in Zambia? Currently our operations are headquartered in the United States.
A14:	Please see Answer 10.
Q15:	Are there specific regions within Zambia that are prioritized for adaptation-focused investment under this Addendum? Are investment vehicles funds that focus on multiple African countries (including Zambia) eligible?
A15:	The geographic focus of this APS Addendum is Zambia, and there are not specific regions prioritized.
Q16:	In reference to Section II – Program Objectives, would an international investor and/or investment fund need to locally register in Zambia or is it sufficient to simply direct meaningful investment into Zambia, provided there is also a local partner for the grant?
A16:	Please see Answer 10.
Q17:	Are international organizations who partner with local organizations eligible to apply?
A17:	International organizations partnered with local organizations are eligible to apply as part of a consortium. 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 sub-awardees. However, 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 see Answers to Questions 7, 11 and 12 for more information.
Q18:	Are local organizations associated with international NGOs eligible as partners to an application?
A18:	Please see Answer 11 and 17.
Q19:	Could you elaborate on any priority sectors or specific adaptation interventions that USAID aims to emphasize under this funding window?
A19:	Please see priority sectors and adaptation interventions referenced in Section II- Program Objectives. Please also refer to the Green Climate Fund (GCF) Integrated Results Management Framework and the Zambia National Adaptation Plan.
Q20:	What types of operating companies are eligible for investment pipeline (i.e. installers, project developers, manufacturers, circular economy companies etc.?)
A20:	CFDA does not specify a comprehensive list of eligible or ineligible operating companies as long as they have – or will be able to secure - the legal authorization to operate in Zambia. CFDA will consider applications with clear climate adaptation targets that align with the Program Objectives Outlined in Section II of the Addendum. CFDA encourages operating companies from any sector as long as they can address and support climate adaptation investment and meet the program objectives.
Q21:	If the concept includes technical assistance or project preparation activities, how should these align with USAID’s preferred outcomes for this funding?
A21:	Please see priority objectives and outcomes referenced in Section II- Program Objectives of the Addendum.
Q22:	For regional funds expanding into Zambia, what proportion of activities and investments should focus on Zambia to ensure competitiveness?

A22:	The primary focus for all grant fund activities and investments should be focused on Zambia. Zambia is the primary geographic scope of this grant award. Please review Section II- Program Objectives of the Addendum.
Q23:	How critical is having local partnerships or team members with direct experience in the Zambian investment landscape?
A23:	This is critical to the award. Please see Answers to Questions 7, 11, 12 and 14 for more information.
Q24:	Can organizations based outside Zambia apply as lead applicants, provided they partner with local organizations?
A24:	Pre-existing local engagement is a critical part of the concept note merit review criteria as outlined in Section II Program Objectives of the Addendum. Successful applicants will demonstrate that they are launching or scaling a climate fund or investment vehicle that will mobilize and deploy capital for adaptation solutions in Zambia. Regional funds with a significant existing presence in Zambia, or that will use the grant award to expand to Zambia, will also be eligible. Preference will be given to applicants based in/or already and operating in Zambia or applicants who though not based in Zambia, have significant focus and/or activity in the country. See also Answer 17.
Q25:	For regional funds expanding to Zambia, are there specific requirements regarding staff presence or office establishment in Zambia?
A25:	Regional funds with a significant existing presence in Zambia, or that will use the grant award to expand to Zambia, will also be eligible. Preference will be given to applicants based in/or already and operating in Zambia or applicants who though not based in Zambia, have significant focus and/or activity in the country.

Section 4. Answers to Monitoring, Evaluation, Learning, and Reporting Questions

Q26:	Are applicants expected to propose their own additional indicators, or will these be collaboratively determined during co-creation?
A26:	Please review Section IV of the Addendum, <i>Reporting, Indicators, and Learning Requirements</i>. Successful applicants will be required to report on activity progress and provide data for performance indicators on a semiannual basis, both those included in the addendum and any additional indicators negotiated during the award stage.
Q27:	Could you clarify the level of detail required in semiannual progress reports, particularly around financial mobilization and climate outcomes?
A27:	See Answer 26. Additionally, grantees will be asked to provide semiannual updating on financial mobilization figures and contributions to climate outcomes based on the objectives outlined in their concept note.

Section 5. Answers to Use of Grant Award Questions

Q28:	Can grant funds be used to provide technical assistance or capacity-building directly to potential investees or pipeline companies, or are the funds limited to covering internal operational costs of the fund manager? Are activities like market assessments, feasibility studies, or regulatory compliance for investees permissible uses of the grant funds?
A28:	Yes, grant funds can be used to provide technical assistance and capacity-building directly to potential investees or pipeline companies in addition to covering operational costs of the fund manager as long as these technical and operational activities support the scope of work as outlined in Section II Program Objectives of the

	Addendum. Additional cost merit review criteria can be found in Part 1 Section IV of the General APS in particular as it relates to the reasonableness, allocability, and allowability of costs toward the project scope of work. Project feasibility studies and market assessments are permitted. Please note, however, that competitive proposals will go beyond feasibility studies and market assessments, and priority will be given to applications that can demonstrate the viability of concepts/business models during the life of the grant agreement.
Q29:	Is there an expectation that all capital raising and deployment activities must be completed within this two-year grant period? Can fundraising and investment deployment continue beyond the grant period, and if so, how will this affect reporting requirements and the evaluation of our proposal?
A29:	Capital raising and deployment activities are not necessarily expected to be completed within the two-year grant period. These activities can continue beyond the grant term, and it's important to outline in the application how they will be managed and funded post-grant. Some of the Monitoring, Evaluation, and Learning (MEL) indicators may require ongoing reporting until the end of CFDA's period of performance. For reporting, specify the expected milestones within the grant period and detail how achievements will be measured and reported after the grant ends to ensure alignment with the project's long-term goals.
Q30:	Can the \$500,000 grant amount be used for a first loss facility in a Fund?
A30:	No, grant funding cannot be used to acquire a debt or equity position in SMEs, including first loss positions.
Q31:	Can grant funds be used to support due diligence or feasibility studies for prospective pipeline projects?
A31:	Project feasibility studies and due diligence of prospective pipelines projects are permitted. Also see Answer 28.

Section 6. Answers to Leverage Requirements Questions

Q32:	Regarding the 1:1 leverage requirement, the solicitation mentions acceptable examples like cofinancing, non-USG donor financing, or investment capital raised during the grant period. Can you clarify whether in-kind contributions (e.g., staff time, existing resources) or prior capital commitments count toward this leverage? Must the leveraged funds be newly raised and deployed during the grant period, or can existing commitments be included?
A32:	Previously committed funding and existing commitments 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. Please refer to the definition and examples of leverage in Section II of the Addendum and Section III of the General APS.
Q33:	In reference to Section II – Program Objectives – Additional Requirement, is the co-financing and leverage requirement intended for CFDA's definition of "Available Funding" (page 2) or in the form of additional direct investment capital raised to be deployed to investees/beneficiaries (in the case of an investor or investment fund)? I.e., assuming 1:1 leverage ratio, does CFDA expect an additional \$500,000 is committed for activities such as "start-up costs, ops expenses, build pipeline..." or actual investment?
A33:	Please see the leverage and mobilization definitions included in Section III of the General APS.

Q34:	Could you provide examples of acceptable sources of leverage funding?
A34:	Please refer to the definition and examples of leverage in Section II of the Addendum and Section III of the General APS and Answer 13.
Q35:	In the breakdown of the budget of the budget slide, does each budget category need to be matched individually on a 1:1 basis or can it be matched at an aggregated level, i.e., the total funding requested can be matched on an aggregated level of minimum 1:1? I.e. some parts are matched at a higher level than 1:1 while others at a different ratio, while the overall is still minimum 1:1?
A35:	The 1:1 leverage match should be aggregated at the overall project level rather than at each budget category level.
Q36:	The initiative we are proposing as part of our application has already received project preparation funding from the Green Climate Fund (GCF). Could you kindly confirm if this funding can be counted towards the 1:1 leverage ratio?
A36:	No. Funding that is coming from another CFDA buy-in cannot be counted in the leverage ratio as it comes from the same source.
Q37:	How does CFDA view overlapping funding sources from other donors? Are there any restrictions or reporting requirements related to coordinating or combining CFDA grant funds with other donor resources?
A37:	For this opportunity, examples of leverage can include co-financing for the concept, non-USG donor financing, or non-USG investment capital that will be raised during the period of the grant. Leverage should be included in the applicant's summary budget for the proposed grant activity.

Section 7. Answers to Budget and Cost Questions

Q38:	Please could I get clarity on the grant funding limits? We are an entity looking to build an investment vehicle for climate financing to SME. The call indicates a preference of funds sizes above USD 10 million, but the Funding Grant limit seems to be around USD 500,000. Would we be applying for the USD 10 million grant or just the leverage funds of USD 500,000?
A38:	Please see Section II: Available Funding in the Addendum. Under this funding window, CFDA anticipates issuing multiple grant awards of up to USD \$500,000. CFDA may consider grants over this value if they present opportunities to mobilize significantly larger amounts of capital for climate adaptation outcomes, but the amount ceiling would not exceed USD \$1 million. U.S. organizations are restricted to awards up to \$500,000.
Q39:	Can you provide a detailed breakdown of allowable and non-allowable costs? Specifically, are costs related to legal fees for fund establishment, regulatory compliance, or market research permissible?
A39:	Please see information on cost reasonableness, allowability, and allocability in Section IV of the General APS. In general, costs will only be considered allowable if the organization would only incur them in order to implement the scope of work included in Section II Program Objectives of the Addendum. Cost-share allocation is possible, and should the organization pass beyond the concept note phase, a full breakdown of any costs will be requested should the organization pass on to the negotiation stage before final award.

Q40:	How do you define demonstration of commitment and sources in the budget slide? Do you simply need a description of the party that matches these costs, or does it need to be proven in some other way?
A40:	To demonstrate commitment and sources in the budget slide, you should include a description of the parties matching the costs. Should the concept note be selected to move to negotiation and award, CFDA will request documented evidence of their commitments. This can include signed agreements, official letters of intent from the contributors, or financial statements that confirm their pledge to the project. This dual approach ensures transparency and substantiates the commitments made in the budget.
Q41:	Is it possible to submit additional documents for a more comprehensive budget? Or will only the budget slide in the template be considered?
A41:	At this concept note submission stage, the only budget document requested and required is Slide 13 of the concept note template. You can review Cost Merit Review Criteria in Part 1 Section IV of the General APS to inform your allocation of costs. However, only a select group of applicants will be invited to participate in virtual oral presentations with the merit review committee, and additional budget materials would then be requested based on the outcome of that oral presentation. Please see Co-Creation in Part I of the General APS.
Q42:	Are there any limitations on the percentage of the grant that can be allocated to operational expenses versus programmatic activities?
A42:	There are not specific limitations on the percentage of the grant allocated between operational expenses and programmatic activities. It will depend on your project and the justification of costs. Please review Answer 39 for information on Cost Merit Criteria.
Q43:	If a concept proposes mobilizing significantly more capital than the \$10M threshold, is there flexibility to request grants exceeding \$500,000?
A43:	See Answer 38.

Section 8. Answers to Application Preparation Questions

Q44:	In case of any issues whilst submitting the application, who is the correct point of contact for support?
A44:	The deadline for applicants to submit any technical and administrative questions for this APS Addendum 04 was Thursday, December 5, 2024, 11:59pm EST. CFDA will not be able to respond to any additional questions or clarifications after this deadline to ensure parity and transparency across all potential applicants. Should the applicant have technical issues submitting the application through the Submission Portal linked at the top of the APS Addendum 04, the applicant can reach out to info@cfdaccelerator.com.
Q45:	Please confirm the submission deadline of January 15, 2024 at 11:59pm EST as another date had been included in an earlier release.
A45:	The confirmed date of submission deadline is Wednesday, January 15, 2025, 11:59 pm EST. The published Addendum overrides any dates referenced in documents released before the final Addendum.
Q46:	The Addendum notes, “CFDA anticipates issuing multiple grant awards of up to USD \$500,000. CFDA may consider grants over this value.” Can we present multiple budget

	scenarios (e.g., \$500k, \$1m) and explain the activities enabled by each? If so, can this be included as an appendix that doesn't count toward the 15-slide limit?
A46:	We cannot accept multiple budget scenarios or documentation beyond the 15-slide limit.
Q47:	For the concept note deck, please clarify if you require or would prefer references to be included for specific facts? If so, can we include references or supporting documents (e.g., letters of intent or no-objection letters) as an appendix outside the 15-slide limit?
A47:	For the concept note stage, we are only accepting the maximum of 15 slides. Organizations have some flexibility in terms of providing additional information to meet all submission requirements within the 15 slide limit. However, the focus at this time mirrors what is in the slide deck template and merit criteria outlined in the Addendum. Supporting information like references or other documents would be solicited during the Co-Creation stage if selected (see “Co-Creation in Part 1 of the APS). No other supplemental information will be reviewed at the concept review stage as set forth in the Addendum.
Q48:	The template deck is 12 slides excluding the cover page. Where a one slide limit is not specified in the template deck, nor the Addendum is it permissible to extend some over more than one slide up to the overall 15-page limit? Is it permissible to change the order of slides that are presented in the template deck if we feel appropriate for content flow or would you prefer the order remains unchanged?
A48:	In order to ensure consistency in concept note evaluations, please do not change the order of slides in the template deck. Also see Answer 47.
Q49:	Following the close date of 15 January 2025 for concept notes, when do you anticipate inviting successful applications to oral presentations, and subsequently selection of awardees?
A49:	CFDA will review applications responding to the Addendum following the closing date for the solicitation, not on a rolling basis, in January 2025. A select group of applicants will be invited to participate in virtual oral presentations with the merit review committee in February 2025, and additional budget materials would then be requested based on the outcome of that oral presentation. CFDA will then undertake due diligence review of these materials with anticipated selection and award in March 2025.
Q50:	For first-time fund managers, would examples of prior team member experience suffice to meet the past performance requirement?
A50:	Applicants must only include the experience and qualifications of team members who will contribute to the implementation of the grant. Current team members' experience with prior organizations can be included, but if the team member is no longer on the project and would not be contributing to this project's implementation, then it would not be possible to include their experience. Please only include the experience and qualifications of individuals who will contribute to the grant and scope of work in the concept note submitted.
Q51:	Can applicants submit more than one concept note for different investment vehicles or funds?
A51:	See Answer 17.
Q52:	Will grant submissions be reviewed/awarded on a rolling basis or will oral presentations & awards only occur after the “close date for concept notes”?
A52:	See Answer 49.

Section 9. Answers to General Questions

Q53:	How important is the integration of themes like gender equity, social inclusion, and locally led adaptation principles when evaluating proposals?
A53:	Please see Concept Note Merit Review Criteria and Descriptions under Section II- Program Description of the Addendum. Concepts must demonstrate an approach that is gender responsive and complies with Do No Harm principles. Preference will be given to organizations that offer a gender lens investing (GLI) approach. Concepts should also comply with the principles for locally led adaptation and the principles and goals outlined in the Zambia National Adaptation Plan. Please also see Concept Note Merit Review Criteria in the General APS.
Q54:	Are there specific gender lens investing criteria or frameworks USAID prefers applicants to follow?
A54:	Please see Answer 53.
Q55:	Can you provide the concept note and budget template?
A55:	The concept note and budget template can be found as Annex A linked on the CFDA Procurement Page. The Annex will download as an attachment automatically, so please be sure to ensure your internet browser allows for downloads. For the concept note stage, the budget template is included in the slide 13. This is the extent of budget information being requested at this concept note stage.
Q56:	What is the url/website for the concept note submission?
A56:	See the cover page of the Addendum.