



Southern Africa Trade and Investment Hub Strategic Partnership Fund Annual Program Statement

Amendment 2 – Question and Answer

Funding Opportunity Title:	Strategic Partnership Fund Call for Applications
Announcement Type: Statement	Question and Answer for the Annual Program
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Please see www.satihub.com/spfund for APS modifications and other information.

Introduction to the Addendum:

The Southern Africa Trade and Investment Hub issued an Annual Program Statement (APS) on April 11, 2017. The purpose of this modification is to respond to questions submitted to the SATIH_Grants_Outbox@dai.com before the deadline of June 16, 2017. Below, please find submitted questions and the Southern Africa Trade and Investment Hub's responses. Please note, applicants may submit concept notes at any point between June 28, 2017 and November 19, 2017. We encourage applicants to apply early. All other terms and conditions as stipulated in the original Annual Program Statement remain the same and are applicable.

Q 1. What is the deadline for this grant?

R 1. The application process will take place in two phases. First, applicants are asked to submit a concept note, concept budget, and applicant information summary sheet. Concept notes may be submitted anytime between June 28, 2017 and November 19, 2017. The concept budget and application summary sheet should be submitted in the templates provided on the Strategic Partnership Website (attachments B and F respectively). The Trade and Investment Hub will

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begin reviewing concept notes on June 29, 2017. Concept notes may be submitted through November 19, 2017, and will be reviewed every two weeks in batches.

Second phase will begin when applicants will be notified if their concept note has been short-listed. A full application will then be requested with a specific due date for the full application.

Please note, we will begin shortlisting concept notes on June 29, 2017 and asking for full applications once they have been reviewed and short-listed. We will not wait until the end date of November 19, 2017 to ask for full applications and begin making awards. The funds available, however, are limited and the APS is a competitive process.

Q 2. On the website, it says the deadline for the first wave is on June 28th, however in the presentation it says that the application is rolling.

R 2. Please see Q 1 for clarification on the rolling basis.

Q 3. When is the final date to submit concept notes for this grant?

R 3. The final date to submit concept notes is November 19, 2017.

Q 4. Should the concept note be six (6) or eight (8) pages? There is a discrepancy on page 7.

R 4. Concept notes should be no more than 8 pages comprised of: **Cover Page** (no more than one (1) page); **Technical Approach** (no more than three (3) pages); and **Supporting Information** (no more than four (4) pages).

Q 5. Is match funding required? If so, must it be one-to-one? There is a discrepancy as it says “most, but not all cases” on page 17.

R 5. Yes, matching fund is required. We strongly encourage at least a one-to-one contribution wherein the company or applicant is matching the requested grant with at least as much funding or more. The matching funds can be cash, loans, investments, or other third party contributions (see page xx for detailed instructions). It is not, however, required to be one-to-one. In exceptional cases, smaller matching fund contributions could be considered where significant impacts to many smaller scale farmers or small enterprises will benefit.

Q 6. We are intending to submit a proposal for construction of maize storage facilities, I just want to find out whether a quotation for the construction would be enough or I need to develop a full budget. We want the silos not the money to build the silos. How much are we expected to contribute to the project?

R 6. The grant applications can be for “in-kind” grants, wherein the project procurement team can conduct the procurement on behalf of the grantee. In fact, we prefer in-kind grants for

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equipment purchases. Regarding the submission format, applicants must use the concept note budget template provided in Attachment B available for download on the Strategic Partnership Fund website: www.satihub.com/spfund or www.satradehub.org/spfund. See Q5 for responses regarding contribution. Regarding the basis for the budget numbers, provision of quotations as supplemental information is highly encouraged to justify the amounts requested.

Q 7. In the applicant summary sheet, the last item is value chain. Are we supposed to list all the value chain players?

R 7. The definition of a value chain includes all the types of businesses and stakeholders along the supply chain—such as small-scale or commercial farmers, transporters, warehouses, financial institutions, packaging companies, processing companies, distributors, retailers, and so on. All contributors to the project value chains are welcome to participate in the concept note submission process. Please select and describe the one value chain (the predominant one) which you are contributing to or invested in for your concept note.

Q 8. Reference to the applicant past performance page, I see here that the business owner must show a track record of product delivery. My question is that what if, for example my business just started running and we have not really had a bulk number of products going out. Do we still qualify to apply for this grant?

R 8. The past performance section should reflect the organization's or the management team's performance doing similar activities – both from a technical sector and expertise perspective but also if an organization has received grants prior. If an organization/company does not have past performance, the applicant should explain in detail in the supporting documentation why there are no past performance references. In lieu of corporate references, start-up companies may provide examples of similar activities (with reference contact information) that key management and/or staff members have managed/overseen/developed in their previous roles with other companies. Further supporting information can be provided with the capacity of partners which are committed to collaborating on the proposed project or business concept note.

Q 9. How long should your business have been running for you to apply for this grant?

R 9. There is no minimum amount of time. See Q8.

Q 10. Please clarify where the Standard Provisions can be found for Non-US Recipients. When I used this link it took me to the general ADS page which contains 200 chapters. <http://usaid.gov/policy/ads/300/303mab.pdf>. I then selected the ADS Chapter 300 where I see nothing in the table of contents about Standard Provisions for Non-US Recipients.

R 10. Please see <https://www.usaid.gov/ads/policy/300/303mab>

Q 11. On the APS Information session guide, on page 39, it states that there several problems and opportunities which the Southern Africa Trade and Investment Hub has not yet solved and is open to new creative. ideas. I would like to find out what those problems and/ or opportunities are.

R 11. It is up to the applicant to identify the problems and/or opportunities which you are proposing to solve or contribute to. We are looking for the business community's insights into development or transformative projects and business models which address a specific development related problem or challenge.

Q 12. I would like to inquire about the USAID Southern Africa Trade and Investment Hub funding opportunity.

- a) I understand questions are open to 5 June 2017. Is there any research that has been done concerning which type of business are likely to succeed in Botswana, with regards to farming and manufacturing?
- b) Are there certain types of business ideas that are explicitly not funded?
- c) Are there any business ideas that are particularly encouraged or discouraged?
- d) I personally would like to venture in the manufacturing of needles and syringes (medical and pharmaceutical industry), needles (textile industry), pins, clips, nails, screws and bolts etc. I am still to decide exactly which products to manufacture such that I can provide my products locally in Botswana and also export them. This kind of business would require me to import certain raw materials, manufacture them with specialized machinery and then sell locally internationally.

R 12.

- a) The project has conducted an AGOA Strategy for Botswana which underscores opportunities under AGOA. Other opportunities are articulated within the Botswana Economic Diversification Strategy. Other similar value chain analysis has been done by the EU recently for SADC countries, which included leather/agribusiness, pharmaceuticals and more. Additionally, see Q 11 response.
- b) Applicants must be registered organizations in any of SADC member states or United States, (both for-profit and non-profit), or local government entities. Organizations should be registered under local law. (Unregistered organizations are not eligible for DAI grant funding unless special circumstances warrant specific approval by USAID to that effect). Individuals are not eligible for grant funding, so any microenterprise that applies for grant funding must possess a national Tax Identification Number and any requisite permits, licenses, and registrations required. Applicants must support the objectives and scope of the Southern Africa Trade and Investment Hub project. The complete list of eligibility requirements and restrictions is included in Section III: Eligibility Information of the APS.
- c) It is up to the applicant to propose their own business ideas. However, proposed business ideas should be in line with the Southern Africa Trade and Investment Hub project goals and objectives. Please see response d) below for specific value chains.
- d) The Southern Africa Trade and Investment Hub will not be working the pharmaceutical industry. This APS is restricted to the following types of value chains which are traded to,

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from and between SADC countries, including suppliers (packaging) and service providers (equipment, inputs, financing) to these same supply chains: cereals, pulses, oilseeds, textiles/apparel, leather products, accessories, processed food ingredients (such as nuts, dried fruits, spices, natural products), and specialty foods.

Q 13. Is there a physical office in Gaborone, Botswana where I can go to ask for advice and guidance?

R 13. Yes. The project has regional offices in Pretoria, South Africa and another one in Gaborone, Botswana. However, at this stage in the application process, the Southern Africa Trade and Investment Hub does not provide individual guidance to applicants. It is up to the applicant to develop the concept note independently. To be fair and transparent during the competitive process for this APS, the Trade and Investment Hub cannot provide one-on-one guidance to applicants. Once the grantees have been selected, the project will work very closely with partners to provide technical assistance where relevant and required.

Q 14. On the APS Information session guide it states that there several problems and opportunities. Can you provide background on what those problems are?

R 14. Please see Q11.

Q 15. Can you please confirm to me the deadline to submit concept notes of projects in Southern Africa Trade and Investment Hub Strategic Partnership Fund Annual Program Statement? Is it still the 19th of June?

R 15. It is June 28th. Please see Q1.

Q 16. We would like also to know the minimum and maximum amount of grant that can be requested.

R 16. The maximum amount is the local currency equivalent of US\$250,000. The minimum is the local currency equivalent of \$10,000.

Q 17. I would just like to ask the question when submitting the concept paper do we list the costing inside the concept paper or do we submit it on its own?

R 16. Please use the concept note cost template (Attachment B) in Microsoft excel. This excel document is available on our website: www.satihub.com/spfund or www.satradehub.org/spfund. In the concept note, the applicant is making the business case for the proposed initiative. This may require market information, cost information, or investment information or other data. The concept note can use any information or numbers which best present the opportunities. However, this does not replace the required submission to use the budget/cost template which is noted above.

Q 18. I sent these questions earlier in the week. Your call for proposals indicates that you will answer questions up until the 16 th June. Please let me know if I need to direct my questions elsewhere.

R 18. In an effort to be fair and transparent, all questions will be responded to at once so all applicants have equal access to information, after the deadline for submission. This document represents all questions submitted to the SATIH_Grants_Outbox@dai.com mailbox and submitted in writing in the information sessions.

Q 19. We have a number of questions where we would appreciate your answers.

- a) We would like to move into a kitchen/factory space in one location for 2 years, however, the ultimate plan is to have a factory in elsewhere because of its strategic placement to neighboring countries. Can we include this general progression in our concept paper or should we focus on the costs of setting up in the initial kitchen/factory space only for now?
- b) Are you able to assist us with finding factory/kitchen space through your networks or is this something that we should handle?
- c) We are currently working on the business part-time so the intention is for the team to move into it full-time as soon as possible. On the “Annex B: Concept Note Budget Template” under the “Staff/Consultant” section, is this where we put the salaries? If so, what is the duration? As in do we put salaries for a year or up to 3 years?
- d) Just to confirm, how long (years) are we in partnership with USAID for? Is 3 years accurate?

R. 19:

- a) The Trade and Investment Hub values understanding an applicant/company’s strategic plan and vision. Please include the general progression in your concept paper as background information. However, please be explicit in the actual request for the Trade and Investment Hub’s support.
- b) We encourage the applicant to conduct their own research of needs and related resources to demonstrate that the company’s business plan and strategic vision have been carefully considered. However, the Trade and Investment Hub can assist during implementation should the grant be awarded.
- c) Applicants are allowed to propose that the grant cover salaries, however it is not encouraged. We will not be providing funding for the cost of running the applicant’s businesses. If the applicant includes salaries for employees, the application should be explicit in their sustainability approach as to why this is a good investment of funding and how it will be sustained past the life of the grant. Any costs, including salaries, must be directly related to the proposed activity which the grant would support and be incurred during the life of the grant. Applicant should note costs will be reviewed to see if it is realistic for the work to be performed, whether the costs reflect that the Applicant understands the requirements, and whether the costs are consistent with the technical application. Your proposed activity must be cost effective. Your organization should minimize administrative costs to maximize impact. Programmatic, outreach, and capacity building activities will generally be considered a better value than administrative costs.
- d) The duration of the grant will depend on the proposed activity. However, we discourage proposed activities in excess of 30 months.

Q 20. We deal with food processing, so on the “Annex B: Concept Note Budget Template” under the “Total Equipment Needs”, is this where would include (on top of all the equipment that we need) food testing with independent bodies etc. (i.e. regulatory bodies)

R 20. Yes.

Q 21. *Total Travel, Transportation and Per Diem*- Please may we get clarity here? Does this include daily traveling, and/or traveling for meetings outside the country to connect to other markets/Trade shows/meetings/soliciting business overseas or all of the above?

R 21. All travel costs that are included must be reasonable, sustainable and associated with the proposed activity in the concept note. However, please note, paying for daily transportation to and from residence to work will not be considered a good use of funds. Costs should be directly related to the proposed activity and not to support normal business functions. Please see Q19 for more information about cost efficiency/effectiveness.

Q 22. Does the Concept paper have to be 6 pages or 8 pages? We saw both figures on different documents.

R 22. Please see Q4.

Q 23. *“Past Performance Information: Applicants must provide a list of four contracts, grants, or other initiatives involving similar or related programs during the past three years.”* We are a new company that started this year. In this light, how can we best answer this portion seeing that we don't have the contracts as of yet. We have made contact with a few establishments so that we can supply them, however, it's still an infancy stage.

R 23. Please see Q8.

Q 24. We have been given a lot of media coverage from newspapers/radio interviews/television interviews/Magazine interviews/Speaking events. Can this also support the past performance information section?

R 24. This will not count as formal past performance references. However, please do include it in your discussion of your organization. Please see Q8 for further discussion of past performance.

Q 25. How closely will we be working with USAID? Are we to produce a monthly report or is it bi-monthly?

R 25. USAID Trade and Investment Hub will be an integral member of the partnership. Reporting requirements will include quarterly reports to be submitted by March 15th, June 15th, September 15th and December 15th of each year of engagement and partnership with the Trade and Investment Hub. The reports will include a narrative, success stories, case studies, and a table reporting on all the relevant results indicators referenced in the Performance Monitoring table on the website.

Q 26. Are we allowed to seek funding elsewhere if the opportunity comes up whilst we are enrolled in the program? i.e. other grants

R 26. Yes.

Q 27. Does match funding 'in kind' reduce our chances of being award the grant over companies that come with monetary resources? Examples of 'in-kind' would be providing personnel, finding office/kitchen/factory space, producing and creating the product/ delivering the product to the local market.

R 27. No, in-kind contributions are equally valuable. However, please note that creating products to local markets will not count as in-kind. In-kind contributions must be directly related to the proposed activity and occur during the duration of the grant. Matching fund contributions may also include loans, investments, and buyer contributions.

Q 28. Once awarded the grant, how will the funds be administrated? Do we get the lump sum, or do we request for funds whenever we need to make a purchase/travel/salaries etc.? How is this process handled?

R 28. The type and frequency of grant disbursements depend on the type of activity and corresponding award. However, in most cases, grantees will either be awarded funding based on a deliverable schedule (where the grantee receives funds per deliverable based on a set of scheduled deliverables), receive in-kind support (where the Southern Africa Trade and Investment Hub procures services or equipment for the grantee), or a combination of both.

Q 29. It's not too clear when funds will be awarded. Is it safe to say it will be November/December 2017?

R 29. Timing of awards will depend on when an organization submits their concept note as well as the level of accuracy and detail provided in the budget, and other supporting documentation required upon submission of the full application in the event you are selected. (Please see Q 1 for further information on the application process.) The entire process, from concept note submission to final, make take 60 to 120 calendar days, although there will be exceptions to this general guidance.

Q 30. Should we include the costings for the Concept Note in Dollars (\$) or Botswana Pula (P)?

R 30. Concept note budget costs should be submitted in US Dollars (\$). However, disbursements will be made in local country currency.

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Q 31. We believe that we have a product that is almost ready for global markets. Once this is completed, and once awarded the grant, on average how soon can a company start utilizing/making use the AGOA opportunity?

R 31. a. AGOA can be utilized at any time. No certifications are required for AGOA utilization which is simply based on the customs Harmonized Tariff schedule of codes –which can be found online. However, the US Food and Drug Administration requires a short online registration of the company. And shipping products requires “prior notification” online as well. These are well understood by many professional freight forwarding agents as well.

Q 32. We will be enrolling in other business and mentoring programs. Does USAID provide any industry specific training and guidance during the duration of the program?

R 32. Applicants are welcome to include training and mentoring needs as part of their proposed activity for the Southern Africa Trade and Investment Hub. The Trade and Investment Hub provides training and technical assistance to targeted value chain actors on a regular basis. Please do continue to check our website for updates. www.satihub.com

Q 33. It states that the Concept Note is due on the 28th June 2017, when is The Full Application due?

R 33. Once selected, short-listed concept notes will be given 20 - 45 business days to respond with a full application depending on the complexity of the proposed activity. Please see Q1 for more information on the application process and rolling applications.

Q 34. Is the UN World Food Programme eligible to apply? I did not find WFP, specifically, in the International Public Organizations’ list. Just, broadly, the United Nations. However, UN FAO is included.

R 34. Per the stated eligibility requirements in the APS, Public International Organizations (PIO) are not eligible under the APS. For more information about Public International Organizations, please see ADS Chapter 308. The UN World Food Programme is considered a (PIO). However, the project would be pleased to work closely with the WFP and UNDP or other PIOs as partners. PIOs can also have partnerships with other applicants, where the applicant is a private company or an industry association.

Q 35. We are preparing a concept note for submission and have the following questions:

- a) ENVIRONMENTAL ASSESSMENT
 - Who is the regulatory body ("BEO") referenced in paragraph 3, B. Environmental Procedures (p16)?
 - Should we understand that an EIA and environmental license (when required) from the host country be completed (or in course) before a grant can be approved?

- b) CONCEPT NOTE BUDGET

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- Can you please advise on the level of detail required for the Concept Note budget? The presence of the "daily rate/ unit cost" column implies that a fairly detailed budget may be expected.

- In contrast, we note that the CN Budget format includes some but not all sections described on pages 12-14, potentially implying that less detail could be required. For example, "Materials and Supplies", "Communications", "Subcontracts", "Other direct costs", etc. are left out.

- In our case, and perhaps for others, we are looking at costs (i.e. machinery) that could feasibly be grouped as a single line, or presented per component (10+ lines). If presented per component, we would be able to provide at this stage a mixture of exact unit costs from existing quotations and estimated costs, where we have not yet concluded our review of available suppliers. Please advise as to your expectations.

c) TIME LINES FOR REVIEW OF CONCEPT NOTES AND PROPOSALS

- As the close date is 28 June for Concept Notes, can you advise on the "turnaround time" required to review and advise on success of Concept Notes?

- If a CN is approved, what then would be the approximate "turnaround time" required to review the full proposal after submission?

- If a proposal is approved, how quickly would funds be available?

d) REVENUE AS COUNTERPART FUNDS

Do we understand correctly from "n. Program Income" (p14) that revenue generated during the course of the program can be considered as counterpart funds? (i.e. If company makes and reinvests sales revenues of \$50,000 during the program, this could be considered company investment against DAI matching funds?)

e) ELIGIBILITY AS A STARTUP

- Please advise as to the eligibility of startup companies for this program.

- We note that past financial records are a requirement, but would not be possible for a new company. What track record from partners/shareholders would be useful to showcase in the context of a startup?

R 35.

a) The Bureau Environmental Office is the primary environmental compliance decision maker at USAID. Should both the concept note and full application be successful, the Trade and Investment Hub will work with the potential grantee to ensure environmental compliance.

b) Pages 12-14 of the APS refer to the cost application under the full application process. This is not required at the concept note stage. We request that you complete the concept note budget template (Attachment B) in as much detail as possible at this stage. In the case of multiple pieces of machinery, please include a line item for each piece. Costs from existing costs and similar estimates are sufficient at the concept note stage. Should the applicant be successful, more detailed/exact costs will be requested at the full application stage.

c) The Trade and Investment Hub will begin reviewing concept notes on June 29, 2017. "Turn around time" will depend on the volume of concept notes submitted by June 28, 2017. Please see Q1, Q29, and Q33 for clarification on timelines.

d) It could be considered as matching fund contribution if it is linked to the activity in the concept note.

e) Start-up companies are eligible for funding. Financial records are not part of the required documentation. During the last phase, the Trade and Investment Hub may request specific

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documentation to determine risk and any mitigation measures required for award. However, those documents will be requested at a later stage.

Q 36. What do you consider a partner? Please define: For the Fund? For the project?

R 36. The Strategic Partnership Fund will be used to support the business community within Southern Africa which is focused on trade and investment. Partners may include industry associations, private sector, or others. We work with partners in many ways, including Strategic Partnership Funds, trade promotion, market linkages, investment facilitation, conferences, trade shows, training programs and more. Please see Q12 on eligibility requirements.

Q 37. Most of your forms assume the organization routinely runs projects, which is not the case with a private-sector, commercial enterprise whose socially responsible business can address the SPF goals.

- a) How does a business respond to Attachment G? Ask customers for a reference?
- b) How does DAI consider new applicants?

R 37.

- a) Please see Q8 for past performance information.
- b) Yes, the Trade and Investment Hub encourages new applicants.

Q 38. If applying as a for-profit business, who would be adequate as a project director? That is, how advisable is it to bring on a consultant to serve as project director?

R 38. It is up to the applicant to determine the scope of work (job description) and candidate for the Project Director or any other technical consultants or advisors, however, consultants are not preferred as Project Directors unless there is clear technical expertise need as this is not a sustainable approach. However, we highly recommend that any project have a specific person which is responsible for ensuring the success of the proposed business expansion plan, project or initiative. It is also worth noting that having qualified staff and/or management are key to the selection of viable concept notes and projects.

Q 39. We have some questions. We work with a number of value chains, including sugar, macadamia, essential oils, and some value chains that are small producers like citrus and biomass and some subsistence agriculture that could be further developed. Our efforts focus on strengthening the value chains to create trade, both national and inter regional. The organizations that we work with are all legal entities and have been in production for many years. Is the approach that we are taking in line with your strategic direction?

R. 39. Yes, your approach is in line with the Hub's scope. However, for the concept note to be successful, you need to prove a business case and sustainability. If you are providing a technical service, your beneficiaries need to be able to pay for the service for example, or be paid members of an organization, or demonstrate another type of matching fund contributions. Please also see Q12 for further information on selected value chains.

Q 40. We are preparing our concept note the above call for applications. We have the following question:

- a) In terms of matching funds contribution, does this have to be \$1 for \$1 received? For example, if we apply for \$250,000, do we need to have \$250,000 already as a matching contribution to be eligible to apply?
- b) In addition to the questions below, I was wondering if a company can submit two concept notes for the same country? Would both projects be reviewed, or do we have to pick one to submit?

R 40.

- a) A one-to-one matching contribution is strongly encouraged, but not mandatory.
- b) Applicants may submit multiple concept notes and each will be considered in its merits.

Q 41. We also need to confirm what's the maximum the Southern Africa Trade and Investment Hub? Taking in consideration that the company will match fund Southern Africa Trade and Investment Hub, is it the maximum that can be requested from Southern Africa Trade and Investment Hub US\$250,000 or, as stated on the APS, is this subject to change?

R 41. The Trade and Investment Hub's maximum contribution is US\$250,000.

Q 42. Please would you be good enough to provide advice on the following in respect of the application requirements:

- a) The opportunity requires trade within the SADC region. However, in terms of craft (not shoes or leatherwork), clearly SADC countries will produce their own craft and it is unlikely that visitors to Botswana or Namibia, for example, will purchase craft from South Africa when they are looking for a product from the country they are visiting. We have, therefore, had no success in exporting hand-made craft to SADC countries but we are having success with exporting craft to Europe – and hopefully the US. Does this disqualify us from submitting an application on craft development?
- b) The application required demonstration of a concrete market opportunity. In terms of craft, it is usual procedure that Purchase Orders are received for a particular product. A guarantee of purchase is not the norm. In view of this, can we still submit an application?
- c) The deadline for submission of questions is indicated as Monday June 16 2017. This is a Friday. Is the deadline Monday 19 June?

R 42.

- a) The USAID Southern Africa Trade and Investment Hub supports any trade to, from or within the SADC region, including exporting products to Europe, the US or any other global market. The scope of the APS covers the same scope as the project.
- b) Demonstrated market opportunity can be done through letters of intent of buyers, MOUs with distributors, partnership agreements, or market research/studies. A track record of supply to a specific market or an email exchange with a buyer requesting upgrades also demonstrates the market opportunities. Purchase Orders may be used but are not required.
- c) Questions were due Friday, June 16, 2017. All submitted questions are included in this document.

Q 43. We will be submitting a Concept Note to the Strategic Partnership Fund - through this email, and in response to your latest published revised APS, I would like to confirm the required Attachments to be submitted with the Concept Note are:

1. Attachment B – Cost Breakdown Template
2. Attachment F – Application Information Summary Page

Besides the required information in the Concept Note guidelines – please confirm these are the only two required attachments.

R 43. Confirmed. Each submission should be a total of three documents: 1) Concept Note 2) Attachment B 3) Attachment F.

Q 44. We produce marula oil for export to the US and globally. We are completing improvements to an existing warehouse where we are currently manufacturing the oil.

- a) Do ongoing operating expenses count as matching funds for an expansion project?
- b) Does investment into land-lease count?
- c) We may have funding available from a source pending court outcomes later in 2017. Can we use these funds toward matching funds as we build such a factory?

R 44.

- a) Ongoing operating expenses that are directly related to the proposed activity AND occur during the life of the grant may be counted as matching funds for the expansion project. However, regular costs of doing business that would occur with or without the grant funding do not count as matching funds.
- b) Yes, however applicants may be asked to provide supporting documentation at a later stage in the application process such as the lease.
- c) Yes, however, this assumes the applicant will receive additional capital later this year. In the event that this other source of funding does not materialize, the successful grantee will still be held to their proposed matching contribution – meaning it will be up to the grantee to find another source of funding in order to meet their matching contribution responsibilities.

Q 45. Our company has an agricultural project. We are considering to submit a concept note and by reading your brochure I understand that this opportunity is based on the Matching fund contribution from Applicant. Can you clarify if previous investment in the project from our organization, such as equipment, would be match funded by this fund? This is very important to know because just recently our company acquired equipment such as tractors, agricultural implements, irrigation systems etc. for this project and want to include those on the application.

R 45. Matching funds must be directly related to the proposed activity in the concept note and be incurred during the life of the grant. Depreciation on equipment acquired previously must be used directly in support of the proposed activity to be considered matching. However, equipment that was purchased and is being used by your company as a normal part of business operations not related to the grant activity do not count as matching fund contribution. It should be noted that the intent of the Strategic Partnership Fund should be new areas of business expansion or new technologies.

Q 46. Is there a cap or preference regarding the scale of projects (in terms of budget cap?)

R 46. Please see Q16. The maximum contribution from the Hub is USD \$250,000.

Q 47. The APS refers regularly to Matching Funding, to which I have two questions:

- a) Is the Matching Funding on a \$1 to \$1 ratio? Or is there a scale of some sort depending on the focus area, country, applicant type, etc.?
- b) Will there be any allocation for entirely granted funding concept notes? (i.e. no match funding)

R 47. Please see Q5.

Q 48. When submitting the budget templates, what currency do we use and if so US Dollar what exchange rates must be used?

R 48. Please see Q 30.

Q 49. Can matching funds be contributed from multiple sources.

R 49. Yes.

Q 50. There seems to be a confusion between section iv (1) and iv (2). 1 says " not more than 6 pages" while. 2 says " ...no longer than 8 pages"

R 50. Please see Q4.

Q 51. Does the address section include the name of business?

R 51. Yes.

Q 52. If a business has just restarted following suspension of operations (not due to failure) and there is evidence to that, can one submit evidence beyond three years and explain.

R 52. Yes, but an explanation must also be submitted.

Q 53. The APS says that 'Industry associations, Medium, Small, and Micro Enterprises (MSMEs), cooperatives, civil society and other entities are encouraged to apply.' What is your definition of a Medium Enterprise?

R 53. All size enterprises are welcome and encouraged to apply provided they meet the other eligibility requirements listed in the APS. There is no limitation on size of organization applying.

Q 54. The APS says that you will ‘follow USAID/Zimbabwe local vetting requirements for grants implemented in Zimbabwe or by Zimbabwean grantees’ – can we read the local vetting requirements?

R 54. No assistance under the APS can be provided to the Government of Zimbabwe (GoZ) or any department, ministry, or organ of the GoZ, including entities or parastatals owned in whole or part by the GoZ unless specifically approved, in advance, in writing by USAID. No assistance shall be provided under this APS directly or indirectly, to any person or entity included on the U.S Department of Treasury Office of Foreign Assets Control’s sanctions list. During final discussion with prospective grantees, the Trade and Investment Hub will provide more detail to relevant organizations.

Q 55. Should the Concept Note be 6 or 8 pages? There is conflicting information on page 7 of the APS.

R 55. Please see Q4.

Q 56. The APS says that ‘Applicants must provide a list of four contracts, grants, or other initiatives involving similar or related programs during the past three years.’ We have similar activities in our sister companies in Zambia and Uganda (all managed from the same HQ in Germany) – can we share those examples?

R 56. Applicants may only share other companies’ (including sister companies’) past performance information if the application is being submitted by a consortium. Applicants are also reminded of the eligibility requirements that companies must be legally registered in the U.S. or a SADC member country. Organizations which are neither SADC nor US registered companies may apply and be considered on a case by case basis, and will require a waiver to be awarded.

Q 57. The APS says ‘In accordance with 2 CFR 200.307 (e)(2), program income earned under this award may be added to funds committed by DAI and the recipient to the project or program with prior approval and used to further eligible project or program objectives’ and ‘Potential for-profit applicants should note that DAI policy prohibits the payment of fee/profit to the recipient under grants. Forgone profit does not qualify as matching fund contribution or leveraging.’ What does this mean exactly?

R 57. Applicants are prohibited from charging a fee or profit as part of their submitted budget for the application process. Proposed costs should only include the applicant’s actual anticipated cost to perform the work/activity with no additional amount included as fee or profit.

Q 58. If we are currently growing potatoes, for example, and want to start value addition to produce potato chips/French fries, could we include all the equipment/machinery expenses for the Fund to cover, and we would contribute all the staff time to manage the business?

R 58. Yes, this would be considered as a matching fund contribution. The Trade and Investment Hub’s scope is targeting specific businesses operating in value chains/supply which are traded

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across borders in SADC. Potatoes are not in the specified scope at this time, nor are French fries. However, food oils and oilseeds are possible to include. There is a limit to what the fund could contribute. The applicant might consider approaching a financial institution to fund a component of your capex requirements. The project does have a finance and investment team which works on sourcing financing for good business opportunities which are involved in trade around the region, or internationally. This can be done through or independently of the APS Concept Note process. It should be noted that our Finance and Investment team facilitates investment as has no investment capital itself. In most cases, the Finance and Investment team would refer the applicant to a partner bank to assist with your financial needs or if a larger transaction, our team will evaluate if it is possible to refer the applicant to other private equity or debt investors. Please see Q12 for the list of selected value chains.

Q 59. Is the maximum grant US\$250K per country/per project, or per company? For example, could I submit one application for US\$250K for Zambia and one application for US\$250K for Zimbabwe?

R 59. The maximum Trade and Investment Hub contribution is US\$250,000 per award.

Q 60. I just wanted clarification on the budget template for training details, what exactly is required of us applicants? Is it the training we will have to conduct to our staff in the quest of acquiring machinery? Can you please clarify.

R 60. The budget line items in the Concept Note Budget Template (Attachment B) are illustrative. Applicants should tailor the lines to match the proposed activity. Therefore, if training is not a component of your proposed activity, you may delete that section and replace it with detailed line items describing your costs related to each proposed activity or intervention.

Q 61. I support the Industry Growth Strategy of the Ministry of Industrialization and Trade. One of our steering committee members for metal fabrication came wants to invest in a galvanizing facility. Is he eligible for funding under the Strategic Partnership Fund?

R 61. Yes, he is certainly eligible. The applicant would however need to prove the impact of the support to the creation jobs, sector competitiveness and exports. He may have a business plan which could also be reviewed by the Finance and Investment Team if there is sufficient capital and interest to justify a foreign investor.

Q 62. Having received and reviewed the call for applications to the Strategic Partnership Fund (http://www.satradehub.org/images/Documents/APS_Brochure.pdf) and being our organization currently in the closure/evaluation of a program to which we would like to get funding for its replication and expansion to other areas in Mozambique, that we believe could be used to contribute for the achievement of the goals and expected results of USAID under the “USAID Southern Africa Trade and Investment Hub”.

- a) Willing to submit a proposal that would bring partnership between UN Agencies, local actors and government on empowering the local communities for self-sustenance, we would like to know if WFP as a Humanitarian Agency can apply or submit a proposal for the Fund.

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- b) What are the terms and conditions and limits for the application?
- c) Would you be able to let me know if initiatives similar to the USAID Strategic Partnership Fund for Southern Africa exist in Asia?

R 62.

- a) Please see Q34.
- b) Terms and conditions have been included in the APS.
- c) Please refer to USAID's websites on USAID's work in Asia for more information.

Q 63. Must a US registered nonprofit organization also be registered locally to apply for a grant (as prime awardee) under this APS? Work would involve supporting local institutions in the SADC region that are fully eligible and locally registered?

R 63. No, a US organization register in the US is acceptable as long as that organization is in compliance with law of the local/host country in which they are operating.

Q 64. Does USAID still have a waiver for working in the wine industry in South Africa? USAID had such a waiver under the SAIBL programme. Is wine still not allowed or is it allowed?

R 64. At this time, the Trade and Investment Hub does not foresee working in the wine industry.

Q 65. I applied on the 29 April 2017 for your Funding Opportunity SATIH-APS-PRE-017-001. I would like to take this opportunity to ensure that you did in fact receive my application. I would also like to enclose an Addendum for clearer explanation of project, since after submission to yourselves, I have had some other entities ask me certain questions. So could you kindly add this to the application.

R 65. The Southern Africa Trade and Investment Hub has not received any concept notes to the SATIH_Grants_Inbox@dai.com mailbox as of June 21, 2017. All concept notes and corresponding attachments must be submitted to SATIH_Grants_Inbox@dai.com. If you wish to modify your submission, please submit the complete concept note including any addendums to the above email address in one submission email.

Q 65. Kindly inform us if the incubation project for rural enterprises linked to seed development is eligible.

R 65. Yes, they are. USAID Feed the Future Seed Trade Project is also accepting applications for their Strategic Partnership Fund. We recommend contacting the team for more information.

Q 66. I would like to know if one company is allowed to apply for different projects, as in send in more than one application.

R 66. Yes.

Q 67. Being a relatively new enterprise, we do not have programs that were funded by other donors in the last three years. Can we then include programs that we have implemented on our own as promoters of the business as long as they are in line with our proposed intervention? Can we also include programs that we have implemented as employees in other organizations? And what happens if we do not have the required minimum number of references?

R 67. Please see Q8.

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