**ANNUAL PROGRAM STATEMENT (APS)**

**FEED THE FUTURE MARKET SYSTEMS AND PARTNERSHIPS**

**CAMBODIA AGRICULTURAL INVESTMENT ACTIVITY**

**SOLICITATION NO. APS-CAM-001**

This solicitation is being issued under the Feed the Future Market Systems and Partnerships Activity (Contract No. 7200AA20C00054), implemented by DAI Global, LLC in support of the USAID Cambodia Mission.

February 24, 2021

**ANNUAL PROGRAM STATEMENT (APS)[[1]](#footnote-2)**

**FEED THE FUTURE MARKET SYSTEMS & PARTNERSHIPS**

**CAMBODIA AGRICULTURAL INVESTMENT ACTIVITY**

**Funding Opportunity Title:** Cambodia Agricultural Investment Activity

**Announcement Type:** Annual Program Statement

**Funding Opportunity Number:**  APS-CAM-001

**Issuance Date:** February 24, 2021

**Deadline for Questions:** 8:00 PM ICT March 15, 2021

**Virtual Applicant’s Conference**  7:00 PM ICT March 17, 2021

**Answers Posted By**: 8:00 PM ICT March 18, 2021

**Closing Date Concept Papers:** 8:00 PM ICT April 16, 2021

**Co-Development Period:** May 1-July 31, 2021 (dates may vary)

**Closing Date Full Applications:** 8:00 PM ICT August 31, 2021

**Finalists Recommended for Award:** No later thanSeptember 15, 2021

**Estimated Start Date of Awarded Grants:** November 2021 (dates may vary)

**APS Closing Date**: 8:00 PM ICT August 31, 2021

**Submit Questions to:** [grants\_nofo@ftf-msp.org](mailto:grants_nofo@ftf-msp.org)

**Submit Concept Papers to:**  Concept Papers must be uploaded to [www.mspgrants.com/](http://www.mspgrants.com/)cambodia

**Submit Full Applications to**: Full applications must be uploaded to [www.mspgrants.com/](http://www.mspgrants.com/)cambodia



This APS is issued as a public notice to ensure that all interested and qualified organizations have a fair opportunity to qualify for funding. To be considered for award, applicants must respond to all the requirements and instructions of this APS. DAI will review applications on the basis of the criteria and instructions set forth in this APS.

*Issuance of this APS does not constitute an award or commitment on the part of DAI, nor does it commit DAI to pay for costs incurred in the preparation and submission of an application.*

*DAI reserves the right to fund any or none of the concept papers or applications submitted. Further, DAI reserves the right to make no awards as a result of this APS.*

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# SECTION I – FUNDING OPPORTUNITY DESCRIPTION

Through this Annual Program Statement (APS) via APS-CAM-001, the Feed the Future Market Systems and Partnerships (MSP) Cambodia Agricultural Investment Activity (hereinafter referred to as “MSP”), managed by DAI on behalf of USAID/Cambodia, is offering opportunities for co-investment with private sector actors in Cambodia to improve:

**Examples of Potential Partnership Areas and Illustrative Types of Partners**

* Scaling farm-level solar-powered micro cold-storage areas that lack access to grid-connected electricity, to reduce loss and to improve farmer access to markets.
* Introducing solar powered near-farm absorption chillers, that turn heat directly into cooling – without any electrical stage – through the vapor absorption cycle for use by agricultural co-operatives to facilitate access to high-value markets.
* Innovating thermal use applications of low-cost and easy access materials, with specific thermal properties, such as wool, for cooling to facilitate cost-effective cold-chain access to off-grid farmers.
* Piloting energy efficient and natural refrigerant-based systems to reduce energy costs and to, in turn, make Cambodian agricultural products more competitive
* Applying temperature sensitive technologies, such as inks, for use in smart labels to ensure quality control during the transport, storage, and shipping of agricultural products.
* Piloting advanced logistics such as last-mile delivery or e-commerce to improve the competitiveness and the reach of Cambodian agricultural products.

1. Cold chain (temperature-controlled supply chain);
2. Agricultural storage capacity (warehouses, deposits, or holdings of farm products); and
3. Logistics (connectivity between production and consumption centers, over space and time, with minimal loss in quality and quantity) in the agriculture sector.

The objective of these activities is to advance the country’s economic competitiveness and inclusiveness by expanding market access for Cambodian agricultural products, improving infrastructure and logistics, enhancing agricultural services, and promoting private sector engagement and investment across the agriculture value chain.

The aim of this MSP activity is to address challenges in Cambodia’s storage and logistics capacity, currently impeding growth of the agriculture sector, which accounts for a quarter of the country’s GDP and employs approximately half of its rural population. MSP will issue performance-based grants to establish partnerships with firms and investors with a required matching investment of equal or greater value. By partnering with firms and investors—focusing strongly on entrepreneurs—to test innovative business models, pilot new technology, or expand into new high-risk markets and scale innovative agricultural storage, cold-chain storage, and logistics technologies, MSP will help to reduce post-harvest losses, increase smallholder incomes, and better integrate women and youth into supply chains. These new MSP partnerships will test and promote the uptake of successful storage and logistics innovations that will ultimately crowd in further private sector investment along Cambodia’s agricultural value chains and increase regional and international trade integration. Illustrative examples of potential partnerships are reflected in the text box above.

# SECTION II – AWARD INFORMATION

**Type of Anticipated Investment Funding:** MSP will issue performance-based grants ranging between US$100,000 - US$1,000,000 to establish partnerships with firms and investors for meeting the development objectives stated in Section 1. The total amount of funding available for this APS is approximately US$3.5 million over two years.

**Performance-based grants:** Payment under a performance-based grants are made upon accomplishment of predetermined results, referred to as milestones. Milestones are agreed between MSP and the partner prior to the grant being awarded. The specific type of performance-based grant will be a fixed amount award (FAA) agreement under USAID rules. MSP and the applicant will agree to the metrics and verification methods of those milestones during the development of the full application, giving latitude to the partner on how it will accomplish the agreed milestones.

**Performance Period:** The performance period of partnership grants will be no more than 24-months. In addition, the length of awarded programs may not extend past June 2023, unless explicitly modified in writing by DAI.

**Questions**: Please submit any questions regarding the APS process or activity before 8:00pm ICT on March 15, 2021 to [grants\_nofo@ftf-msp.org](mailto:grants_nofo@ftf-msp.org).

**Virtual Applicant Conference:** DAI will host a Virtual Applicant Conference open to all eligible and interested applicants scheduled at 7:00 PM ICT March 17, 2021. The virtual conference will be held over Webex and will be recorded. Applicants registered through the website will automatically be emailed the Webex invitation. MSP will conduct a short presentation of the APS program objectives and will provide answers to questions received by the closing date of 8:00 PM ICT March 15, 2021. Applicants will be given a chance to ask follow-up questions at the Virtual Applicant’s Conference. DAI will publish all Questions and Answers by 8:00 PM ICT March 18, 2021 on its website along with the recorded video from the Virtual Applicant Conference. Please register online ([www.mspgrants.com/cambodia](http://www.mspgrants.com/cambodia)) to receive the invitation to attend the Virtual Applicant Conference.

DAI may choose to extend this APS until all funding has been awarded. The number of awards and amount of available funding may be subject to change. DAI may choose to fully fund or incrementally fund selected application(s). DAI reserves the right to make no awards as a result of this APS. DAI will evaluate concept papers and full applications on a rolling basis until the closing date.

# SECTION III – ELIGIBILITY INFORMATION

Eligible activities include novel ideas and innovative business models in cold chain and logistics.

**Eligible applicants:**

* Applicants can include financial institutions, investors, businesses, business service organizations, industry/sector organizations, trade, or other private sector associations.
* Applicants must be legally registered to operate in Cambodia or must demonstrate their plan and confirm that the timeline for achieving the right to work in Cambodia which would not negatively impact the success of the anticipated activity.
* MSP requires at least one-to-one matching investment from applicants, or five-to-one matching for MSP funding used for loans or equity investments (see cost evaluation below).

**Ineligible applicants**:

* Any entity listed in the U.S. government Excluded Parties List;
* Any entity unable to obtain a DUNS number;[[2]](#footnote-3)
* Any entity excluded in the US Government System for Award Management;
* Any Public International Organization (PIO);
* Any entity affiliated with DAI or MSP directors, officers, or employees;
* Any military organization;
* Any political party organization;
* Any entity focused solely on religious activities;
* Any labor unions; and,
* Any individuals.

***Prior experience with USAID or other US Government entities is not required. DAI encourages applications from potential new partners.***

# SECTION IV – APPLICATION PROCESS

DAI will apply a streamlined two-stage review and selection process that begins with registering online at the DAI online grants platform ([www.mspgrants.com/](http://www.mspgrants.com/)cambodia) and submitting a concept paper. Only shortlisted applicants will be sent a Request for Application (RFA) to initiate Stage 2 of the selection process, which requires the applicant to complete a financial and organizational due diligence and co-development process before a full application can be completed and submitted. Submitted full applications will undergo a second round of review resulting in final award selection.

**Technical Selection Criteria**: Concept papers and full applications will be evaluated by a Technical and Evaluation Committee (TEC) based on their responsiveness to the following four criteria, weighted equally.

* **The idea:** Describe the challenge the applicant seeks to address, the proposed partnership focal area or areas (as described on page 1), the novel idea and innovative business model to improve cold-chain, agricultural storage, and logistics in Cambodia. Explain what the applicant proposes to fund, what they are requesting MSP to fund, and how it is outside of business as usual or normal operating expenditures.
* **The value of the partnership:** Explain how the proposed concept is a departure from regular business operations and how the MSP grant will be used to reduce risks that are stopping the businesses from trying the novel idea and innovative business model on their own.
* **The future of the business:** Describe how the proposed novel idea and innovative business model can be sustained and expanded beyond the life of the partnership. Explain how the proposed partnership will attract additional private sector investment if relevant.
* **The business and community impact:** Describe how this novel idea and innovative business model will benefit the applicant, create positive change in the industry beyond the partner’s immediate suppliers/consumers, and create additional benefits for other market actors.

**Concept Paper Technical Evaluation**: Concept papers and full applications will be reviewed and according to their responsiveness to the four criteria, weighted equally and scored using the following evaluation rating descriptions.

|  |  |
| --- | --- |
| **Rating** | **Description** |
| Outstanding | Exceeds expectations by providing information that is comprehensive, thorough, and with outstanding merit, very clearly showcasing alignment with the APS objectives and undoubtedly demonstrating how the proposed partnership will result in efficient, effective, innovative, and shared value, capable of scale. Exhibits no significant deficiencies or weaknesses. |
| Good | Meets requirements and demonstrates an understanding of the objectives and its alignment with the criteria through the presentation of a novel idea or innovative approach. While the applicant demonstrates an ability to fulfill the partnership, there are some weaknesses or deficiencies that need to be addressed. However, these combined weaknesses or deficiencies still represent a manageable performance risk. |
| Satisfactory | Minimally meets basic requirements or demonstrates a limited understanding of the partnership requirements. Implementation of the proposed partnership would likely lead to unsatisfactory performance. Contains deficiencies and significant weaknesses that may negatively affect performance and would be unable to be corrected prior to the start of the performance period of awarded grants. |
| Poor | Fails to address the criteria completely; fails to understand the work necessary to perform the requirements or partnership, fails to follow the instructions of the solicitation. There are irreparable deficiencies and/or gross omissions. |

**Cost Evaluation** Proposed partnership costs will be reviewed based on cost effectiveness, reasonableness, allocability and allowability. Costs that do not meet the criteria below will be deemed non-responsive.

* **Are costs effective?** Will proposed costs provide a good value in achieving desired outcomes at a relatively low cost or becoming more cost-effective over time?
* **Are costs reasonable?** Are proposed costs generally recognized as ordinary and necessary and would they be incurred by a prudent person in the conduct of normal business?
* **Are costs allocable**? Do proposed costs have a legitimate justification for the funding amount requested and is the cost clearly captured in the budget and concept paper?
* **Are costs allowable?** Are proposed costs strictly for the achievement of the partnership and are they free of any restrictions or limitations, such as vehicles, alcohol, luxury goods, etc.?
* **Applicant contribution:** Applicants must contribute a cash investment to the proposed activity equal to or greater than the value of MSP’s grant. A cash contribution is a transfer of funding from the private sector entity to pay for goods and services that will specifically and exclusively be used to implement activities under the partnership, or a transfer of funding to be used in making loans or equity investments under the partnership. Please note that neither the “Investment from Applicant” nor the “Investment requested from MSP” can cover business-as-usual operating costs.
  + MSP funding used for **loans or equity investments** requires a contribution at least five times greater than the value of the MSP grant. An equity investment is defined as the purchase of shares of a company and a loan investment is defined as the use of funds to provide credit to stakeholders. An example of a loan investment in this context could be a multi-national company (MNC) providing credit for inputs or other services to agricultural producers who are suppliers to that supply chain. The MNC would need to contribute credit five times greater than the USAID contribution to those suppliers if proposing this type of engagement. The higher contribution requirement only applies concepts which include loan or equity investments.
* **Ineligible cost items include:** profit or fee; application preparation costs; payment of debts; political elections; fees for public and elected government officials; fines and penalties; creation of endowments; military equipment, surveillance equipment; commodities and services for support of police and other law enforcement activities; abortion equipment and services; luxury goods and gambling equipment; alcohol; purchases of restricted goods without prior USAID prior approval, such as: agricultural commodities, motor vehicles, pharmaceuticals, pesticides, used equipment, and fertilizer, and purchases of goods or services from any firm or individual whose name appears on the list of ineligible applicants.

Partnership grants will only start after approval by USAID and signature of the grant agreement between the applicant and DAI. Costs incurred before signing of the grant agreement will not be reimbursed.

## STAGE 1: CONCEPT PAPER SUBMISSION

**Concept Paper Instructions**: Applicants are required to submit a technical concept paper using the template provided in Attachment 1 describing the proposed activities addressing each of the four technical selection criteria listed above. Proposals must address all criteria to be considered for partnership. The technical concept paper must meet the following requirements, or it will not be reviewed:

* Be written in English.
* Be prepared in Microsoft Word using font type Times New Roman, font size 11, and 1-inch margins. Paper size must be A4.
* Not to exceed a total of 7 pages in length
* All pages must be marked with the APS number marking (APS-CAM-001) in the header.

The cost application must use the attached Excel template (Attachment 2: Proposed Investment Budget) to qualify for partnership. The cost application must clearly distinguish between the proposed investment to be made by the applicant, the investment requested from MSP, and any third-party investment in the proposed partnership activity.

The Concept Paper must be submitted via the online grants platform at [www.mspgrants.com/](http://www.mspgrants.com/)cambodia no later than 8:00 pm ICT April 15, 2021. No other forms of submission will be accepted. If an applicant is unable to submit using the online platform, they should email [grants\_nofo@ftf-msp.org](mailto:grants_nofo@ftf-msp.org) for help before the deadline. Further attachments to the concept paper are not permitted.

## STAGE 2: FULL APPLICATION DEVELOPMENT AND SUBMISSION

Applicants whose concept papers have been shortlisted will receive the full RFA from MSP. The RFA will provide further instructions on how to complete the full application. Before an applicant can submit a full application, however, they must participate in co-development of the application concept and financial and organizational due diligence. By requiring applicants to complete these two steps prior to submitting a full application, DAI is able to identify early in the process applicants that may not demonstrate full eligibility or may prove to be non-responsive in the full technical requirements as concept papers are further refined.

**Co-Development*:*** MSP will meet virtually with applicants to provide feedback and input to support applicants in their development of the full application, to identify appropriate concrete results (milestones), to further define and develop the specifics of the partnership budget, to define the respective roles of each partner that align with the shared objectives of the partner firm and USAID and identify andshare risk and responsibility. Milestone reporting and verifiable metrics will be tracked during implementation. This process empowers the parties involved to design more transformational partnerships that maximize the value of USAID grant funding while supporting firms to reach their core business goals. It is not unusual for the ideas offered in the original concept paper to evolve significantly as the applicant determines the best ways to achieve the greatest impact.

**Financial and organizational due diligence:** All applicants in the RFA process will be subject to a pre-award financial and management questionnaire and review. All applicants must demonstrate that they have adequate financial and monitoring systems in place that ensure auditable systems and records. Applicants will be required to complete a financial and organizational capability questionnaire, furnishing official documents such as country registration, policy manuals, and/or control policies as evidence of completion. The review will also ensure applicants have the ability to comply with the award conditions, including measuring and reporting on selected milestones, the ability to contribute the required cash investment, and a demonstrated good record of performance on the management and implementation of partnership activities and grants. MSP’s Grants Team will lead the due diligence review remotely but may conduct site visits as necessary.

**Full Application:** Only applicants that complete the co-development process and the due diligence without significant negative findings will be eligible to submit a full application. The RFA provides detailed templates and the requirements for the full technical and budget applications. The same evaluation criteria and scoring approach from the concept paper will be used to evaluate full applications. The detailed full-application budget must clearly show the calculations and formulas for each cost item and will require detailed budget notes to describe each of the proposed investment costs, including the basis for each cost, an explanation of unit rates and the number of units proposed, and a justification for why the cost item is needed. Full applications will be due no later than 8:00 PM ICT July 15, 2021 and uploaded to the online grant platform found at www.mspgrants.com/cambodia. MSP requires all applicants to have a current DUNS number and register in the U.S. government’s System for Award Management at sam.gov. (DAI is available to assist applicants with this process, but it is the applicant’s sole responsibility to fulfill and keep updated this requirement.) The TEC will then review full applications and make a recommendation for grant award. Not all full applications will be recommended for award and USAID must approve all award recommendations.

***Receipt of an RFA does not guarantee award funding. Please do not submit a full application unless otherwise instructed by DAI to do so.***

# SECTION V – AWARD AND ADMINISTRATION INFORMATION

**Post-Selection Information:** DAI will inform the successful applicant of their approved award funding. The official authorization document is a notice of award signed by the MSP Chief of Party, which DAI will provide electronically to the successful applicant’s main point of contact. MSP, USAID and the awarded partner will host a kick-off award meeting immediately following signature of the award agreement.

# SECTION VI – DAI PROJECT CONTACTS

The points of contact for this APS and any questions during the APS process is [grants\_nofo@ftf-msp.org](mailto:grants_nofo@ftf-msp.org). For general inquiries about the MSP Activity please email [msp\_information@ftf-msp.org](mailto:msp_information@ftf-msp.org).

Any applicant desiring an explanation or interpretation of this APS must request it in writing by the date listed on page two and in Section II to allow a reply to reach all applicants before the submission of their applications. Any information given to an applicant concerning this APS will be furnished promptly to all other applicants as an amendment of this APS, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other applicants.

# SECTION VIII – OTHER INFORMATION

DAI reserves the right to modify by written notice the terms of this APS at any time or to withdraw this APS at any time—with or without a statement of cause—prior to any funding award.

Applicants that receive award funds will be required to comply with USAID required rules and regulations, including:

* **Environmental Procedures:** <http://www.usaid.gov/policy/ads/200/>. In addition, the partner must comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter will govern.
* **Branding:** [www.usaid.gov/sites/default/files/documents/320.pdf](http://www.usaid.gov/sites/default/files/documents/320.pdf) All USAID-sponsored assistance awards are required to adhere to branding policies and revised marking requirements for grants and cooperative agreements in accordance with ADS 320.
* **Combatting Trafficking in Persons (TIP):** <https://www.acquisition.gov/far/52.222-50>**.** For work performed outside the United States, FAR clause 52.222-50**,** shall be incorporated into grant award agreements with awards above $500,000 requiring a TIP compliance and training plan.
* **Certifications, Assurances, Other Statements of the Recipient and Solicitation Standard Provisions:** <https://www.usaid.gov/sites/default/files/documents/303.pdf>. In accordance with ADS 303.3.8, DAI will require awarded grant partners to submit signed copies of required certifications and assurances.

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End of APS

1. An Annual Program Statement is a type of solicitation used by USAID and USAID implementers to solicit grant concept notes for potential funding. [↑](#footnote-ref-2)
2. Applicants can register for a DUNS number by accessing the following website: <https://fedgov.dnb.com/webform/> . Further instructions are also available here: <https://www.grants.gov/applicants/organization-registration/step-1-obtain-duns-number.html> [↑](#footnote-ref-3)