# attachment 3: Cost Narrative

**Feed the Future Market Systems and Partnerships**

**Cost Narrative Template**

***Background:*** *The template provided gives applicants an indication of the detail MSP requires when reviewing cost proposals.**Numbers, units, and explanations below are* ***ILLUSTRATIVE****. Please use these as guidance in structure only; your costs and cost rationale should be consistent with your activity's needs and your company's policies.*

*A cost narrative, in a Word or PDF file, is a required element of your application. The cost narrative should explain the rationale behind unit and unit costs and be consistent with your application's overall program strategy. Applicants must provide a description and justification for each line item included in the budget, whether it is MSP requested funding, co-investment, or a third-party contribution.* ***Use your company/organization letterhead for the cost narrative.***

**INTRODUCTION:**

The following document captures the cost descriptions and allocation for (*applicant's*) application in response to **RFA-MOZ-001**. The costs below represent all required costs to complete the proposed activity, which is anticipated to be conducted over a (*24-month)* period. All costs are consistent with current prices paid, quotes obtained, or historical precedent, and we understand that cost verification will be required prior to any funds being awarded by MSP. We also understand that should *(the applicant)* be selected as a finalist, the final program description, milestone schedule, and budget will be negotiated prior to any award signature.

**REQUESTED FUNDING**

**MATERIALS & EQUIPMENT:**

*Processing Machine:*

(*Applicant*) will procure one processing machine to increase the capacity at its current factory to meet the increased sales targets under this partnership. The machine has been budgeted at $40,000, inclusive of delivery and installation. This price is consistent with quotes received by (*Applicant*).

**OTHER DIRECT COSTS:**

*Local Transportation:*

Local transportation costs have been budgeted for Technicians to travel to the field to provide after-sale support to producers. On average, Technicians travel 50 kilometers per day at a fuel cost of $1 per kilometer for a total of $25 per day. A total of 25 days has been budgeted for a total cost of $625.

*Training:*

(*Applicant*) has budgeted for quarterly workshops/training under this activity. The technical specialist will conduct training. Topics will include \_\_\_, \_\_\_, and \_\_\_\_, and will increase the adoption of best practices in (focus area) as well as market (*Applicant's*) technology and services to the target communities. The following costs will be associated with training:

*Training Workshops* have been budgeted at one per quarter for two years, for a total of 8 workshops. (*Applicant*) assumes 50 people will attend each training.

* Room Rental is budgeted at $100 per workshop, which is consistent with room rental rates paid in similar trainings.
* Attendee Refreshments are budgeted at $2 per person, per quotations received by local hotels in Tanzania.
* Attendee training materials are budgeted at $2 per person. This cost will cover a notepad and pen during the training.

*Workshop Training Materials* are budgeted at $5 per person. This will cover the cost of a bound training manual which attendees can take home with them and use as reference material.

**CO-INVESTMENT**

***Note to applicant:*** *Cost notes must be included for co-investment at the same level of detail as the applicant's cost notes.*

**PERSONNEL**

***Note to applicant:*** *Staffing is only an eligible cost in applicant contribution.* The applicant's contribution may include select staffing costs of existing or new staff that are specifically committed to implementing the new or expanded business concept.

*(Applicant)* has budgeted for short-term labor under this activity. Per MSP standards, 260 days represents one full-time person for one year of labor.

*Short Term Local Staff***:**

ATBD Marketing Consultantis budgeted at two days per month for 24 months, for a total of 48 days. The marketing consultant will work closely with (*Applicant)* to ensure the local context is integrated into the sales and marketing strategies. This consultant will also be available as needed for training and feedback. This position is budgeted at $350 per day, which is consistent with quotes obtained by (*Applicant*) for similar consulting positions.

**MATERIALS & EQUIPMENT**

**OTHER DIRECT COSTS**

**THIRD-PARTY INVESTMENT** (*if applicable)*

(*Applicant*) will partner with three local companies that will begin local manufacturing and/or distribution of the technology. Their cost notes are attached as addendums to this document. ***Note:*** *Cost notes must be included for all other investments at the same level of detail as the applicant's cost notes.*

**PERSONNEL**

**MATERIALS & EQUIPMENT**

**OTHER DIRECT COSTS**

**OVERALL COST OF PROGRAM:**

The total cost of this activity is a proposed $1,377,954, of which we request $663,396 from MSP and commit $714,558 from (*Applicant*) and third-party resources. This adheres to the one-to-one matching requirement for requested funds versus applicant contributions.