**ANNUAL PROGRAM STATEMENT (APS)**

**STRENGTHENING AGRICULTURAL MARKET SYSTEMS**

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| Name of Project | USAID Agriculture and Food Systems Development Activity (AFDA) |
| Annual Program Statement (APS) No. | AFDA-2022-01 |
| Date of Issue | July 1, 2022 |
| Closing Date for Receipt of Applications  ***(Late applications will not be considered.)*** | December 30, 2022 |
| Questions on this solicitation should be submitted to e-mail address provided no later than the date indicated. | [**afdamsdf@acdivocamm.org**](mailto:afdamsdf@acdivocamm.org) |
| *(Optional)* The project will hold a briefing for interested parties on the date and location indicated. Those interested should notify the e-mail above of their planned attendance. | No briefing session will be held |

# I. PROGRAM DESCRIPTION AND OBJECTIVES

The United States Agency for International Development (USAID) Feed the Future Agriculture and Food Systems Development Activity (AFDA) advances peace and reduces interethnic tensions by creating bonds of mutual self-interest and urban-rural linkages along production and market value-chains with marginalized ethnic groups in conflict areas. In line with the U.S. Government’s Global Food Security Strategy, AFDA facilitates the transformation of agriculture and food systems by increasing productivity, inclusiveness, and competitiveness of key sectors in the Zone of Influence (ZoI): Shan, Kachin, Mandalay, Sagaing, and Magway.

AFDA will identify existing and potential market opportunities, incentivize firms to invest in their operations and supply chains, while pulling smallholder farmers and rural participants, many in ethnically divided areas, into expanded markets. AFDA will facilitate systemic change by using adaptive management and stakeholder-led processes to facilitate improved conditions and incentives for markets to work better for poor and marginalized populations. This will result in strengthened market linkages and improved service provision, input supply, and post-harvest value addition to meet market demand in a conflict-sensitive manner.

The AFDA will reduce gender gaps and advance women’s empowerment through focused integration of gender-transformative approaches, including improving women’s participation in leadership and management positions across all outcomes. The AFDA youth approach will incorporate youth as both drivers of market system change and promoters of new technology innovations. Finally, AFDA will improve organizational performance and capacity development of producer groups/associations and other institutions in lasting and sustainable ways to better serve members, suppliers, and customers.

**The USAID AFDA intended outcomes:**

**Outcome 1**: Increased economic interdependence among market actors of different ethnic backgrounds

**Outcome 2**: Increased access to agricultural support services

**Outcome 3**: Increased availability of improved inputs

**Outcome 4**: Smallholder supply-chains expand domestic and international market access

The above outcomes are expected to generate the following specific results within the implementation period of the Activity:

* Assisted farmers and firms increase their sales by $42 million
* 3,500 new jobs created
* $20 million new investments in agriculture
* 50% increase in household level social capital
* 125,000 individuals participate in the AFDA programs

USAID AFDA focal crops include:

* Horticulture (fruits, nuts, vegetables, onions/shallot, capsicum)
* Maize
* Pulses and Beans
* Oilseeds

USAID AFDA also places emphasis on the following cross-cutting functions:

* Soil Fertility Management
* Biological Seed Treatment
* Integrated Pest and Disease Management
* Climate Smart Agriculture
* Information Communication Technology (ICT)
* Financial services
* Mechanization
* Gender and Youth

**Objectives of the Annual Program Statement (APS)**

The partnerships anticipated under this APS will address critical constraints preventing access to markets, agricultural services and inputs by smallholder farmers especially ethnic groups, women and youth. Through these partnerships, the AFDA will increase the productivity, inclusiveness and competitiveness of key market segments in the following sectors: pulses and beans, oilseeds, horticulture (fruits, nuts, vegetables, onions/shallots and capsicum), and maize.

**The USAID AFDA will contribute the following resources to these partnerships:**

* Technical Assistance including facilitation, technical, business and marketing expertise, advisory support and coaching, capacity building, strengthening linkages, etc;
* Studies and research to inform market actors as they embark on critical business decisions; and
* Market Systems Development Fund (MSDF) co-investment.

**The Market Systems Development Fund (MSDF)**

The MSDF is a grant instrument intended to support a range of activities that will lead to systemic changes in the market systems in the agriculture sector in the ZOI. The MSDF will be utilized to:

1. Encourage the private sector by de-risking investment in innovative technologies and business models to address systemic constraints limiting smallholder farmers’ access to inputs, services and markets.
2. Mobilize private sector resources to scale up proven business models and technologies to accelerate transformation of market systems across the agriculture sector in the ZOI.
3. Promote inclusiveness through replication of successful business models and technologies in sectors where there is a preponderance of women and youth, and in areas dominated by ethnic communities.
4. To bridge a gap in financing due to insufficiency of resources or collateral of the proponent in combination with other financial products.

**Criteria for eligibility to access the MSDFsupport**

1. Registered as a business
2. Proponent business has a track record of successful experience in the field of the proposed initiative (> 3 years)
3. Leveraged contribution, minimum of 50-50
4. Activity implementation will directly impact smallholder farmers or generate employment within the ZOI
5. If former grant beneficiary from any donor, must show successful utilization of the grant
6. Business or activity is not supported by other donors or if it is, additionality is clearly demonstrated
7. The proponent commits to submit regular progress and monitoring reports to the USAID AFDA

**Ineligible organizations:**

1. Political parties, groupings, or institutions or their subsidiaries and affiliates
2. Organizations promoting anti-democratic policies or illegal activities

*Note: Organizations who have received substantial assistance from USAID and other donors but have not shown successful utilization of the grant/s are not encouraged to apply. Previous recipients of AFDA Grants are eligible if the new submission enhances or expands previous support.*

**Leverage contribution**

Leverage is defined as the total value of in-kind and cash resources brought by the private sector into the partnership.  Leverage counts only new, additional and incremental contribution of resources that specifically align with the proposed initiative.  Leverage includes anything of value that can be measured including loans received to contribute toward the partnership and services or property such as fixed assets. Leverage is an input, or contribution not the output or outcome of the partnership.

Partner leverage contribution must include substantial cash contribution or investment in long life assets such as:

* Construction or renovation of facility
* Procurement of land and/or facilities
* Procurement of machinery and equipment
* Procurement of Inputs
* Other capital expenses, e.g., vehicle
* ICT Apps

**The USAID Agriculture and Food Systems Activity MSDF will not fund the following activities**:

* Construction
* Goods that are ineligible under USAID regulations
* Procurement of real property
* Fee for profit
* Payment of loan interest
* Deliverables of a religious nature

**Applications will be evaluated based on the following criteria**

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| --- | --- |
| 1. Innovation and solutions to systemic constraints | 20% |
| 1. Sustainability/ Scalability | 20% |
| 1. Impact indicators   (eg. number of beneficiaries, jobs created, sales generated, investments made) | 20% |
| 1. Percentage of partners contribution to total budget | 20% |
| 1. Inclusiveness (eg. women, youth, ethnicity) | 20% |

Applications that obtain scores of 60% and above will qualify for the next phase of the MSDF grant award process. Notice of the result of evaluation will be sent to applicants no later than 45 days after completion of evaluation. Applications scoring below 60% may revise their applications and re-apply.

**Partnership Development**

Selected applications that obtain scores of 60% and above qualify for the partnership development phase. During the development, AFDA and the prospective partner will jointly refine and design the activity to determine the objectives, scope, roles and responsibilities of the partners, deliverables of the activity, timelines, milestones and budget.

Part of the partnership development is a pre-award assessment and due diligence process. AFDA will carry out an assessment of the capacity of the applicant to implement the activity, manage the grant funding, and comply with the requirements of USAID.

**Application submission and timelines**

Applications will be accepted starting from the day of the release of this APS. Applications will continue to be accepted until funding is depleted. Screening and evaluation will be done on a rolling basis.

AFDA implements an adaptive management and implementation approach. The APS selection criteria may change at some point as a result of lessons learned and changes in context.

Please submit an electronic copy of the application in English to the USAID AFDA representative at email: afdamsdf@acdivocamm.org with subject of the message “MSDF-Application”.

Notice to ineligible applications will be sent no later than 30 days after determination of ineligibility.

**Grant implementation timeline**

**Condition: Issuance of this APS or submission of an application in response to this APS in no way constitutes a commitment by USAID AFDA or by USAID to execute any agreement or to pay any costs incurred by any applicant for application submissions.**

Please note that the USAID AFDA **will fully respect the confidentiality** of proprietary information of all organizations involve in the program.

Inquiries and requests for information regarding this Annual Program Statement can be submitted by email to [**afdamsdf@acdivocamm.org**](mailto:afdamsdf@acdivocamm.org)**.**

**Annex A. Application Template**

**USAID Agriculture and Food Systems Development Activity**

**MSDF GRANT APPLICATION TEMPLATE**

1. **GENERAL INFORMATION**

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| Date of submission: |  |
| Name of applicant: |  |
| Name of the enterprise/organization |  |
| Address of the organization/enterprise |  |
| Owner of the enterprise | Name: |
| ☐ Male ☐ Female |
| ☐ Age more than 29 ☐ Age 15- 29 |
| Manager  (if different from the owner) | Name: |
| ☐ Male ☐ Female |
| ☐ Age more than 29 ☐ Age 15- 29 |
| Sector of the enterprise |  |
| Contact information | Address, email, phone: |

1. **ELIGIBILITY CHECK**

*Please check all applicable boxes and provide details as requested*

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| **☐** Registered as a business (patent or legal entity)  *Date of registration:* |
| **☐** Proponent (business or person/s) has track record of successful business performance (> 3 years)  *Please provide brief description of your organization from establishment to date.*  *Please provide information on:*  ***Annual sales turn-over in last three years*** *(for businesses/enterprises)*  ***Size of investments/loan portfolio (****for banks or other non-bank financial institutions)*  ***markets/customers, and number of employees:***  ***If Business Service Providers (BSP) please provide:*** *name of clients, size of contracts, significant accomplishments from previous work, number of employees:* |
| **☐** Leverage contribution commitment  *Please specify your intended leverage contribution:*  *Summary of applicant’s cash contribution to the activity (in US$):*  *Fixed assets investment (in US$) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Operating/Working capital (in US$) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Source:* **☐** *Loan* **☐** *External investor* **☐** *Own funds*  *Requested Grant from the MSDF of AFDA (in US$) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Purpose of Grant:* **☐** *Equipment* **☐** *Technical support* **☐** *Marketing support* **☐** *Others*  *If it’s for “Others” please explain:* |
| **☐** Activity implementation  *Please specify location or locations (Regions/State)* |
| Are you a former grant beneficiary?**☐ Yes ☐ No**  *If yes, please state donor source and describe how the grant was utilized and the outcome in terms of additional sales, new markets and new jobs:* |
| Do youcommit to submit regular monthly reports to the USAID AFDA based on the grant agreement and MoU?  **☐** Yes, I commit **☐** No, I cannot commit |
| *Please check if your organization represents or is related to any of the following groups:*  **☐** Political parties, groupings, or institutions or their subsidiaries and affiliates  ☐ Organizations promoting anti-democratic policies or illegal activities |

**Concept Note**

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| **☐** Activity is aligned with objectives of USAID AFDA  *Please refer to Background Section of the APS. Identify the specific outcome/s of USAID AFDA to which the activity will contribute to.*  **☐** Activity will result in growth of the company and those in its market system  *If this proposal receives support what are the benefits to your company and other market actors in your market system? Provide below information:*   * + - 1. *Anticipated annual sales in the next three to four years with this project of your company and suppliers (farmers and other market actors) to your company increase*       2. *Number of individuals who will directly benefit from this project: \_\_\_\_\_\_\_\_\_\_farmers, \_\_\_\_\_\_\_\_company employees and \_\_\_\_\_\_\_ others (suppliers or service providers)*       3. *Number of new jobs that will be generated in the next three years*       4. *New investment (excluding grant requested) that will be generated for agriculture from this project*       5. *Other benefits of this project relating to your ’organization’s ability to achieve its goals* |
| **☐** Activity addresses a critical constraint and will result in systemic and sustainable change in the market systems and increase inclusiveness  *What systemic constraint is being addressed?*  *What is the solution proposed to address the systemic constraint?*  *Evidence of viability and sustainability of the solution: provide market information, annual sales of the company in the last three years, supply contract or purchase orders, experience of managers.* |
| **☐** Activity will pilot an innovative or new business model or technology   * What is new or innovative about the business model or technology? * Explain the potential for scaling up |
| **☐** Activity will promote inclusion of women, youth and/or different ethnic groups  Explain how the activity will promote women and youth inclusion.  If it will promote inclusion of ethnic groups, identify which ethnic groups and how will these promote their inclusion or promote inter-ethnic transactions. |