



Overview of the West Africa Trade and Investment Hub's Research and Development Fund

The following provides a brief overview of the USAID-funded West Africa Trade & Investment Hub and outlines eligibility criteria for applicants seeking co-investment opportunities with the project via grants under the Annual Program Statement (APS) for research and development (R&D) in Nigeria. This also provides information on the funding application process. We strongly recommend reading through a more complete description of the Trade Hub program and the regulations governing the APS, as well as additional information on the program and its terms. A link to the APS is provided below.

What is an Annual Program Statement?

An APS is a grant solicitation tool that USAID uses to support creative and innovative solutions to challenging problems in developing countries. Via co-investment agreements using grant funding, it helps stakeholders and USAID work together to build transformational partnerships that foster and leverage market-based approaches to solve critical business and development challenges.

The Trade Hub - Background

The Trade Hub is a five-year trade and investment facilitation program to improve private sector competitiveness in West Africa. Through a \$60 million Co-Investment Fund, the Trade Hub will provide financial support and technical assistance to innovative and results-focused companies working in strategic sectors, including agriculture, apparel, services, energy, and water and sanitation services.

Under this Notice of Funding opportunity for R&D, the Trade Hub is soliciting applications from private sector companies, non-governmental organizations, and research organizations with proven and marketable technologies and innovations to improve smallholder farmers' productivity and livelihoods in Nigeria for the production of maize, rice, soy, cowpea, and aquaculture.

Trade Hub's priorities include activities that will:

- Contribute to large-scale jobs, exports and investment, particularly with strong demonstrated or potential links to U.S. companies, investors, or suppliers
- Engage large numbers of smallholders and/or outgrowers in regional supply chains
- Promote women and youth empowerment

Trade Hub's High-Level Indicators related to R&D Grants

- Yield of targeted agricultural commodities among program participants
- Number of hectares under improved management practices or technologies
- Number of individuals in the agriculture system who have applied improved management practices or technologies
- Number of new jobs created (especially for women and youth)

Illustrative Activities That Could be Eligible:

- A research institution and agribusiness lead the piloting of a tool that detects aflatoxin in maize at a large scale to help improve product quality and standards;
- A food processing company wants to introduce a new line of bio-fortified soy/maize flour;
- A company promotes innovative mobile money solutions to formalize key payment streams and incentivize the use of digital financial services for farmers within our seven targeted areas;
- A women-owned business sells solar-powered units to women farmer organizations to assist in processing flour;
- A company invests to develop and pilot use of portable mini solar grids for fish drying and enhancement of food safety and freshness in traditional markets;
- All other dynamic and innovative activities that align with Trade Hub project objectives.

Estimate of Funds Available and Number of Awards

The total value of the Co-Investment Fund allocated to R&D grants for Nigeria is \$10.8 million. The final grant/co-investment amounts will be subject to negotiation, but it is expected that they will range from \$250,000 to \$2 million (approx. ₦90,000,000 to ₦720,000,000). Grant sizes of smaller or larger amounts may be considered should the proposed activity meet the objectives of the APS.

Cost Sharing/Leverage

Grantees must supply a minimum of one-to-one cost share/leverage ratio. Consequently, the minimum cost share/leverage

proposed must be \$250,000. Nevertheless, priority will be given to projects offering leverage ratios that support large private sector investments.

Leverage can be either cash, rate discounts, services, material or third-party contributions, such as equity investors loans from financial institutions, or a combination thereof. Examples of in-kind contributions that may be counted include: commodities; use of trainings, value of time donated by technical consultants or company employees whose work and expertise are necessary to a project; value of salaries for staff dedicated to a project; technology, communications and capital assets purchased for the project, etc. The resources must be new and different than what the entity would have done in the absence of anticipated or actual engagement with the Trade Hub.

Eligibility criteria

Candidates eligible for the award under the funding opportunity include local and foreign private sector companies, financial institutions, non-profits, national and international research institutions, including universities. Government entities are not eligible for this grant. Interested applicants:

- Must have a legally registered business in West Africa and/or strong partnerships with local private sector actors.
- Must have an activity that aligns with Trade Hub objectives and the financial viability to meet the leverage/matching fund ratio requirement.

Selection criteria

The applications will be evaluated on the following criteria:

- The use of sustainable, market-based approaches to achieve significant socioeconomic results as measured by the key indicators listed above.
- A sustainable business model in terms of the company continually generating revenues and sustaining/expanding the co-created activities once USAID funding is complete.
- Substantial funding leverage of at least a 1:1 ratio and a minimum cost share/leverage of \$250,000 (5:1 and higher leverage will be prioritized).
- Opportunities that promote increased trade and investment between West Africa and the United States.
- Activities that follow a phased results-based execution.
- Ability of the grantee to attract additional external sources of funding (debt/equity)

Award Mechanisms

All grants awarded under the Trade Hub's APS will follow a performance-based model to help track co-investment funding, progress and accomplishments against workplans and activities. A set of milestones will be developed in collaboration between the Trade Hub and applicants prior to signing the grant agreement.

APS – Period of Performance: APS Issuance Date: February 25, 2020; Closing Date: February 24, 2021

Application and step-by-step process

Applicants submit their concept notes via the SMART website (see link below to APS on how to access SMART) after first registering their company/organization. After successful registration and submission of a brief concept note, the Trade Hub would review and evaluate submissions based on the established criteria. For successful applicants, the Trade Hub would request a more in-depth application prior to negotiating a grant award. The Trade Hub is available to help applicants develop concept notes and applications. Please refer to the APS for additional information: <https://westafricatradehub.com/wp-content/uploads/2020/03/WATIH-Research-and-Development-APS.pdf>

Confidentiality

The Trade Hub acknowledges that all information prospective applicants develop in connection with the submission of their concept and/or application received by the Trade Hub in confidence, constitutes "Business Confidential Information" (defined as any and all information about the prospective applicant's, including without limitation, information about applicant's business, plans, formulas, sales, branding and marketing strategy, technology, know-how, processes, knowledge, intellectual property, ideas, trade secrets, research and development, pricing policies, customer lists/customer prospect lists, vendor relationships and agreements, employees, products, projects, properties, processes and procedures, financial condition and performance and documents).

"Business Confidential Information" also includes information of third parties that the Trade Hub is required to treat as confidential. The Trade Hub will hold in confidence and not disclose or, except in performing any grants resulting from concept note(s)/application(s) related to this APS, use any Business Confidential Information. However, the Trade Hub shall not be held responsible for "Business Confidential Information" dissemination with respect to information the Trade Hub can document is or becomes readily publicly available without restriction and/or through no fault of the Trade Hub.