

Questions and Answers

USAID CSS RFA-2017-01

Establishing Support Hubs for Food Processors

- Q:** "Subject to the availability of funds, USAID CSS intends to award one to three grants up to \$33,000 per grant (thirty-three thousand US dollars payable in Serbian dinars) in funding to be allocated over a one-year period."
What is the calculation of exchange rate US dollar to RS dinar that is calculated in the transactions from the Project to Grantee?

A: All payments to the Grantee will be in RSD (Serbian dinars) based on the exchange rate on the date of payment.
- Q:** "Work with the Project on developing a program with selected retail and HoReCa buyers in order to pre-determine demands for specific products"
Will the project propose selected retail and HoReCa buyers to the selected grantee? How many retail and HoReCa buyers are expected per specific sector/product?

A: The Project will assist in providing contacts and facilitating communication with domestic retail and HoReCa representatives, as well as trade agents supporting SMEs export activities. However, meetings / tasting sessions with retailers and HoReCa (TASK 4) should be organized by selected grantees.
Please clarify the second part of the question regarding the number of buyers per sector/product.
- Q:** "Select Serbian SMEs and start-ups to be supported by the PPDH..... no less than 5 SMEs and/or Start-ups"
Out of the minimum target of 5 SMEs and/or Start-ups, is there a preference on how many SMEs vs, Startups? Please provide the Project definition what is considered by Startup vs SME.

A: For the tasks that the Applicant is not able to meet proposed requirements of the minimum target of 5 SMEs and/or Start-ups, please suggest an alternative, with detailed explanation of the reason. The Applicant should also present viable alternative suggestions/ideas which compliment requests in the RFP.
According to Serbian Law on Accounting (2013), the definition of SME is as follows: "The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro."
A startup is a young company in its early expansion phase. It offers a product or service that is not currently being offered elsewhere in the market or is being offered in a lower manner. Please keep in mind that advantage will be given to SMEs since the period of activity is limited to 12 months.
For better chances for products to be successfully finalized, advantage should be given to SMEs that already have experience in production of defined type of products, as well as required resources, raw materials and preferably - equipment.
- Q:** "Report to the Project on achieved progress during the PPDH SMEs and Start-ups /teams incubation phase".

What is the format of reporting on meetings? What is the format of progress reports. What is the format of the final report. Please provide the number of pages, and any specifics expected that would influence LoE on producing the requested reports.

A: A selected applicant will be provided with the project progress and final reports formats in due time.

5. **Q:** Description of Task 3 says that one of the tasks is: "(Re)design and develop and prototype (mockup) of new premium products, including packaging and labeling, as well as suitable promotional material for all selected SMEs and Start-ups". Does this mean that costs for production of product, packaging and promotional material should be part of project budget? Or will the project cover only design of the product, packaging and promotional material and the beneficiaries will be expected to pay for production themselves?

A: Costs of product development including packaging and labeling design, storytelling, promo visuals and production of mock-up are eligible expenditures for financing through grant. Beneficiaries (SMEs and start-ups) are expected to apply new packaging design and cover all costs related to serial production of re-branded products.

6. **Q:** In case that two or more organizations apply as a consortium, do partners need to fill-in and sign Certification Insurances and Other Statements or any other documents? Should partnership agreement be part of application documents?

A: The Project does not support applications submitted by consortia. The Grantee shall not assign or transfer, in whole or in part, any of its rights or the performance of its duties under the Grant Agreement or enter into any lower-tier grant agreements or subcontracts with respect to performance under this Grant Agreement without the expressed written consent of the Project.

7. **Q:** Can we expect assistance from the Project in the linking with representatives of Retailers and HoReCa, especially in regard to the activities from Task 1 and Task 4?

A: Please see answer 2.

8. **Q:** Could we consider as SME/Start-up representatives, those registered as business associations who have teamed up with the idea of protecting geographical origin (Leskovac, Brus, Merošina)?

A: If business associations can achieve required uniformity in terms of standardization of products, then they may be considered to be included for product development/improvement. However, grantees should be aware of the risk that members of business associations may vary in quality of products, available quantities and market approach.

9. **Q:** What additional form of support the Program provides for SMEs and start-ups other than this call. Will there be assistance in the following years through the improvement of production, certification, procurement of machines, lending ...)

A: Project will continue to provide system support to companies in F&V processing sector, though it is not determined if any direct supports through grants will be provided.

USAID Competitive Economy Project cannot make any commitment for potential support outside the publicly published solicitations.

10. **Q:** What will happen with the Support Hubs for Food Processors after this call? Will there be another call in the following years?

A: The Project is intent to provide sustainability of the Premium Product Design Hub (PPDH) in line with achieved results of the first PPDH support cycle.

11. **Q:** Can training in the use of IPARD funds be an integral part of the support model and activities of our Hub?

A: As a part of consultancy regarding access to finance PPDH can provide training on IPARD. However, in product development focus should be put in food technology, i.e. product purpose, taste and quality, as well as product design, functionality, innovativeness.

12. **Q:** Are partnerships between organizations eligible and/or encouraged, so long as only one is the agreement signatory?

A: The Project does not support applications submitted by consortia/formal partnerships. The Grantee shall not assign or transfer, in whole or in part, any of its rights or the performance of its duties under the Grant Agreement or enter into any lower-tier grant agreements or subcontracts with respect to performance under this Grant Agreement without the express written consent of the Project.

13. **Q:** Are public institutions (local or regional) eligible to apply?

A: Request for Application states under Section 3 – Eligibility Information: *“Eligible organizations include legally registered US, Serbian non-for-profit, for-profit, and nongovernmental organizations (NGOs), such as hubs, incubators, companies, etc.”*. Therefore, public institutions are not eligible to apply.

14. **Q:** Similarly, are Business Incubators owned and managed by the local administration eligible?

A: No government organization (being state or local government) is eligible for project grant. Thus, business incubators owned and managed by local administration are not eligible.

15. **Q:** We believe the proposed budget might be insufficient if we would like to engage high-quality experts in order to develop premium-branded food products. Would it be possible to include less number of SMEs (than 5) to work with to develop such quality products?

A: Request for Application states under Section 1 - Description of Tasks: *Task 2: Methodology, selection process and gap analysis that “The Successful Applicant should: Conduct selection of SMEs and Start-ups and for the PPDH in accordance with the methodology; PPDH should target no less than 5 SMEs and/or Start-ups”*.

For the tasks that the Applicant is not able to meet proposed requirements, please suggest an alternative, with detailed explanation of the reason. The Applicant should also present viable alternative suggestions/ideas which compliment requests in the RFP.

16. **Q:** On page 9. of USAID CSS Request for Application (RFA)-2017-01 Amended Version.docx states “All applications in response to this RFA shall consist of a technical proposal and a budget proposal. The technical proposal must be no longer than ten pages in length”, while further on the same page states “Supporting documents and CV of the proposed key staff members, which the Applicants are required to submit (please see the Application Form), will not be counted toward the 15 pages limit.”

Is the limit for technical proposal 10 or 15 pages?

A: Request for Application states in the Section 4 (Application and Submission Information): *“The technical proposal must be no longer than ten pages in length”*.

17. **Q:** Is PDF file format acceptable for Application submission?

A: Yes.

18. **Q:** Do Application Form and supporting documents have to be placed in single file or few separate files?

A: It is recommended to pack the application files separately.

19. **Q:** Is there a limit (in percentage) for budget heading 4. EQUIPMENT in relation to Total budget value?

A: There is no limit for separate budget headings in relation to the total budget value. However, the Project is set up to establish an integrated support system for SMEs to develop products and enter markets. As a part of this process, we do not consider equipment purchasing necessary. However, if an Applicant provides good justification, the Project will consider it.