

## MEMORANDUM OF UNDERSTANDING

### THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE UNITED STATES SMALL BUSINESS ADMINISTRATION

#### Relative to Cooperation and Coordination on Obligations of Shared Concern

PART 1 – GENERAL: The U.S. Department of Agriculture (USDA) and the U.S. Small Business Administration (SBA) (hereinafter individually a “Party”, and together the “Parties”) are committed to improving program effectiveness and increasing access to capital through enhanced collaboration and coordination in areas of mutual interest.

USDA’s and SBA’s mutual interests include (see table below): improving investment opportunities in rural areas, examining synergies to streamline and deliver programs, targeting underserved communities, improving innovation for rural technical assistance providers, and aiding rural businesses in providing tools to export products around the world.

PART 2 – PURPOSE. The purpose of this Memorandum of Understanding (MOU) is to document and formalize ongoing coordination and collaborative efforts between USDA and SBA relative to the aforementioned mutual interests.

To accomplish these goals, USDA and SBA will conduct joint outreach and co-branding of agency programs (e.g., virtual panels and resource fair events) to leverage human assets for more efficient and effective dissemination of each agency’s existing programs and services; and convene interagency working groups to address, among other things, the following:

(1) *Capital Access and Investment in Rural America*. The working groups shall collaborate to bring more capital, both public and private, to rural communities by:

(i) Identifying the synergies between the USDA’s Business & Industry Guaranteed Loan program that finances rural entrepreneurs and the SBA 7(a) and 504 loan programs available to small businesses to improve financing opportunities for more rural small businesses, and improve the quality of life in rural America;

(ii) Exploring opportunities for USDA’s Rural Business-Cooperative Service (RBCS) to facilitate the delivery of SBA programs to rural customers and for SBA to facilitate the delivery of RBCS programs to rural customers by building on the existing network of state offices and relationships with rural lenders and conducting joint outreach and marketing (e.g., linking to both agency’s websites, electronic communications, and written material);

(iii) Taking opportunities to conduct information sharing and discussion of best practices;

(iv) Examining cooperation between SBA’s Small Business Investment Company (SBIC) Program and RBCS’s Rural Business Investment Program (RBIC) to encourage investments in rural small businesses, and to explore the licensing by SBA of funds that are already licensed by RBIC;

(v) Exploring opportunities to focus a certain percentage of SBA’s SBIC Program funds to support rural small businesses;

(vi) Exploring opportunities for community and non-profit partners in the small business ecosystem (e.g., SBA’s Women’s Business Centers, Small Business Development Centers, Regional Food Business Centers, and innovation clusters); and

(vii) Examining opportunities for cooperatives to participate in SBA programs and access SBA resources that are similar to USDA’s financing programs that serve cooperatives.

### Small Business Administration and U.S. Department of Agriculture Mutual Interests

<b>Mission focus</b>	<b>SBA existing programs</b>	<b>USDA existing programs (mission area/agency)</b>	<b>Potential synergies</b>
<b>Small business investment</b>	Small Business Investment Companies	Rural Business Investment Program (Rural Development)	Aligning investment resources to identify potential integration points, challenges, and gaps in investing.
<b>Government Contracting</b>	Small, disadvantaged business procurement, including 8a program. HUB zones, veteran, and women-owned businesses.	USDA-certified programs for business expansion (Office of Partnerships and Public Engagement; Bio preferred Program (Rural Business-Cooperative Service))	Cross-promote awareness of SBA/USDA programs. Focus on small, disadvantaged business procurement through the Office of Small and Disadvantaged Business Utilization. Minority-Serving Institutions can promote the awareness of this opportunity.
<b>Exports</b>	Office of International Trade provides loans for producers.	Foreign Agricultural Service has several programs under Market Development, Export Financing, Food Assistance, and Fellowships and Exchanges (Foreign Agricultural Service).	Support for agriculture small businesses; outreach support to agriculture producers; identification of key targets for training (both individuals and topics); and coordination of activities generally.

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<b>Economic Development</b>	Office of Field Operations outreach, training	State Operations Offices (Farm Service Agency, Rural Development, Natural Resources Conservation Service), Agriculture Innovation Centers.	Joint trainings, co-branded materials, sharing of SBA Resource Partners networks, referrals, and intentional alignment in Rural Partners Network Communities.
<b>Lending</b>	Disaster, 504s, 7as loans. Micro loans, community advantage	Direct and guaranteed lending for rural and agriculture areas (e.g., Disaster, building & infrastructure, and beginning farmers (Farm Service Agency, Rural Development)).	Micro enterprise lending: USDA and intermediary lenders could fill in gaps for sectors or business models where SBA doesn't have specific lending or grant programs.
<b>Technical Assistance</b>	SCORE program with mentoring provisions; SBA Business Centers (Women, Veterans, Minority); Ascent Platform	Technical Assistance Providers including grant awardees; Rural Partners Network (USDA), Regional Food Business Centers, USDA funded technical assistance providers (RCDG, RBCG, etc.)	Joint efforts to provide technical assistance and mentoring to maximize participation in SBA and USDA programs. USDA can provide technical assistance for SBA to implement <a href="#">Ascent Rural Pilot Program</a> . Continued collaboration between USDA, SBA, and FDIC on <a href="#">Path to Prosperity Series</a> .

(2) *Assisting Businesses in Rural America*: The working groups shall also collaborate on opportunities to expand businesses in rural communities by:

(i) Identifying overlap among the rural markets identified by USDA, Historically Underutilized Business Zones, rural tracts identified by SBA, and underserved rural communities;

(ii) Exploring opportunities to establish innovation clusters in rural areas;

(iii) Determining the most effective means to support initiatives benefiting Native Americans;

and

(iv) Collaborating on technical assistance, especially with respect to exportation and procurement.

PART 3 – AUTHORITIES. Nothing herein is intended to alter the respective rights and responsibilities of the Parties under their respective statutory authorities. SBA enters into this agreement under the authority of § 637(b)(1)(A) of the Small Business Act of 1953, Pub. L. 83-163, as amended, and USDA under 7 U.S.C. 2204b. This MOU, and any amendments thereto, shall be subject to the applicable policies, rules, regulations, and statutes under which the Parties are bound, and does not nullify or negate any existing understandings or agreements between the Parties, or between the Parties or either Party and any third party.

PART 4 – STATEMENT OF NO FINANCIAL OBLIGATION. Execution of this MOU does not constitute a financial obligation on the part of either Party. Each Party and its respective agencies and offices will handle its own activities and utilize its own resources, including the expenditure of its own funds, in pursuing these objectives. Nonetheless, each Party will carry out its separate activities in a coordinated and mutually beneficial manner.

This MOU is neither a fiscal nor funds obligating document. Any endeavor by a Party that involves the reimbursement, contribution of funds, or transfer of anything of value between the Parties will be handled in accordance with all applicable laws, regulations, and procedures. Such endeavors shall be outlined in separate agreements, shall be made in writing by representatives of all parties involved, and shall be independently authorized by appropriate statutory authority. This MOU does not provide such authority. Negotiation, execution, and administration of any such agreements and expenditure of funds in support of this MOU must comply with all applicable statutes, regulations, policies, and procedures, including (for federal agencies) the Anti-Deficiency Act (31 U.S.C. § 1341).

PART 5 – LIMITATIONS OF COMMITMENT. The performance of this MOU and any continuation thereof may be contingent upon the availability of funds appropriated by the Congress of the United States. It is understood and agreed that any monies allocated for purposes covered by this MOU shall be expended in accordance with the terms and in the manner prescribed by the applicable statutory and regulatory requirements. Nothing in this MOU shall obligate either Party to obligate or transfer any funds to the other Party. Specific work projects or activities that involve the transfer of funds, services, or property among the various agencies and offices of either Party will require execution of separate agreements and be contingent upon the availability of appropriated funds. Such activities must be independently authorized by appropriate statutory authority. This MOU does not provide such authority. Negotiation, execution, and administration of each such agreement must comply with all applicable statutes and regulations.

PART 6 – CONGRESSIONAL RESTRICTION. Subject to 41 U.S.C. 22, no member of, or delegate to, Congress shall be admitted to any share or part of this MOU or to any benefit to arise thereupon.

PART 7 – PUBLICITY. The Parties will coordinate all public statements and other disclosures regarding this MOU and shall not enter into any publicity regarding this MOU unless the form, timing, and contents of any such publicity, announcement, or disclosure have been agreed to in advance.

PART 8 – CONFIDENTIALITY. The Parties shall avoid the sharing of confidential information, to the extent permitted by Federal laws and regulations. To the extent the objectives of this MOU are impossible to meet without such sharing, the Parties shall enter into a separate confidentiality agreement.

PART 9 – NON-EXCLUSIVITY AND NON-ENDORSEMENT. This MOU in no way restricts either of the Parties from participating in similar activities or entering into similar agreements with other public or private agencies, organizations or individuals. Nor shall this MOU be interpreted to imply that either Party endorses any product, service, or policy of the other.

PART 10 – SEVERABILITY. Nothing in this agreement is intended to conflict with current law(s), regulation(s), or the directives of either USDA or SBA. If any provision in this MOU is found to be inconsistent with existing authority, then that provision shall be reviewed and modified or annulled as agreed to by the Parties in writing; however, the remaining provisions of this MOU shall remain in full force and effect.

PART 12 – NO THIRD-PARTY RIGHTS. This MOU is not intended to, and does not create, any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity, by a party against the United States, its agencies, its officers, or any person.

PART 13 – EFFECTIVE DATE, DURATION, AND TERMINATION. This MOU shall become effective upon the date of final signature and shall remain in effect for 5 years therefrom, unless the term is extended in writing by both Parties. Either Party may terminate this MOU at any time by 60-day written notice to the other Party.

The provisions of this MOU shall be reviewed annually. SBA and USDA Leadership staff shall hold quarterly meetings to track and evaluate progress of the joint activities outlined in this MOU and share upcoming programs to identify opportunities for future collaboration.

Signed the 10th day of October, 2023 in Washington, DC



Secretary of Agriculture



Administrator of the Small Business Administration