



MATCHING GRANT FUND GUIDELINE

29.11.2019

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Acronyms and abbreviations

BOFEC	Bureau of Finance and Economic Cooperation
ETB	Ethiopian Birr
PSU	AgroBIG Programme Support Unit
WOFED	Woreda Office of Finance & Economic Development

1. INTRODUCTION

AgroBIG is an agribusiness development programme of the Ethiopian and Finnish governments under Bureau of Finance and Economic Cooperation (BOFEC) as the responsible government coordinating agency. The objective of AgroBIG is to contribute to poverty reduction through agriculture based economic growth.

The AgroBIG II programme supports smallholder agribusinesses in eight woredas: North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Libokemkem. The value chains supported by AgroBIG are onion, maize, potato, tomato, rice, poultry, dairy, goat and sheep fattening.

2. MATCHING GRANT FUND PURPOSES

The purpose of the Matching Grant Fund is to provide value chain actors access to finance and financial services in order to strengthen the competitiveness and sustainability of their enterprises through value addition. Innovative activities are encouraged. Innovations are defined as business models, approaches, production technologies etc. that are new to the locality.

The fund is meant to support medium-size agri-business investments relevant to the AgroBIG value chains, such as, but not limited to the following:

- Market systems development, marketing facilities, logistics, contract farming, activities to expand into new markets etc.
- Post-harvest crop handling, storage management, cleaning, sorting, grading, processing of food products, effective machine handling and utilization, packaging, cold chains, etc.;
- Improve services and capacities of cooperatives' or cooperative unions';
- Processing and developing supply chain for poultry feed;

2.1 Eligible grant applicants

- Cooperatives and their unions, sector associations, registered companies that have been operating for at least one year in one or more of the AgroBIG value chains or intend to expand operations into one or more of the value chains.
- Applicants shall be registered within the AgroBIG target woredas: North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Libokemkem. This includes all urban areas and towns within the target woredas, and the two Zonal towns: Debre Tabor and Finote Selam;

2.2 Grant amount

- Maximum grant size is 1,000,000 ETB
- Minimum grant size is 150,000 ETB;
- The required level of matching fund is minimum 50% of the project's budgeted expenses that are eligible for grant funding;

2.3 Specific conditions and requirements

- Applicant can submit a maximum of one application;
- Entities owned by female applicants and cooperatives with at least 50% female members can provide 50% of matching funds in kind. Proofs of ownership of in-kind contributions are required;

- Female applicants and cooperatives with at least 50% female members will get extra scores;
- Proposals including or addressing persons with disabilities will get extra scores;
- Project descriptions are by default required to describe and justify the environmental sustainability or impact of the project. Projects must not cause any environmental risks or damage;
- Implementation of grant funded projects must be completed before 30th June 2021;
- In case the proposal requires access to land or a workplace, access to land or workplace shall be ensured at the time of submitting full project proposal;

2.4 Eligible and ineligible expenses (see Annex 2)

- Expenses eligible for grant funding must be indicated in the project budget. Maximum 50% of the total of eligible costs can be covered by grant.
- All project costs that are ineligible must be covered by the applicant.
- Capacity building activities are eligible as relevant part of projects only.
- Salaries, normal administrative costs, (rent, electricity water etc.) loan repayments, interest on loans, procurement of vehicles and procurement of land are not eligible for grant funding;
- Expenses not directly associated with the project are ineligible.

3. APPLICATION PROCEDURE

The grant opportunity will be advertised in the Bekur, on woreda WOFED advertisement boards, AgroBIG office in Bahir Dar, and on www.agrobig.org.

Hardcopies of this guideline, in English and in Amharic, will be available at AgroBIG office in Bahir Dar and at each of the target woredas' administration offices. Softcopies can be downloaded on www.agrobig.org.

In all target woredas, WOFED will assign a help desk available before the deadline for submitting concept notes and full project proposals. The purpose of the help desks is to ensure that applicants have used the correct templates, followed the instructions and provided necessary supporting documents and signed the documents, where required.

A two-stage process is used, where the applicants first submits a short concept note (see Annex 1), and applicants, whose concept notes score high, will be invited to submit full project proposals (see Annex 2).

3.1 Submission of Applications

Both concept notes and full project proposals shall be submitted to WOFED office in the woreda where the project is planned to be implemented. With regard to projects located in Zonal towns, the following applies:

- Projects in Debre Tabor: submission to Libokemkem, Dera **or** Fogera woreda WOFED;
- Projects in Finote Selam: submission to North **or** South Achefer, **or** to North **or** South Mecha WOFED office.

Concept notes and full project proposals shall be written in English or in Amharic. The proposals shall be submitted in a sealed envelope clearly marked "**MATCHING GRANT**".

When submitting concept note or full project proposal, the applicant shall bring along a forwarding letter. The letter shall be stamped and signed by respective WOFED office as proof of receipt of the concept note or the full project proposal, and it shall be kept by the applicant.

Applications that are received after the submission deadline will be rejected.

All concept notes and full project proposals shall be opened by woreda Finance and Economic Development office of the particular woreda, in the presence of at least one AgroBIG PSU staff.

3.2 Evaluation Procedures

Persons involved in the evaluation or appraisal of concept notes and full project proposals must sign a Declaration of impartiality and confidentiality (Annex 3), as will everyone who has access to the applicants' documents before the end results of the evaluation process are published.

Each concept note is evaluated by three evaluators:

- one official appointed by the woreda,
- one representative from the woreda Cooperative promotion Office (or Chamber of Commerce) and
- one evaluator appointed by AgroBIG PSU.

The evaluators will use the evaluation criteria provided in Annex 4. Concept notes that are not in the prescribed format or exceed maximum number of pages will be rejected.

Each evaluator will independently score each concept note proposal. The average of the evaluators' total scores is calculated. A summary ranking of the concept notes is prepared. Based on the scoring, the WOFEC will invite applicants to submit full project proposals.

Applicants that have been invited to submit full project proposals will be offered orientation training in how to prepare full project proposals defining objectives, beneficiaries, activities, procurement plan, budgeting, cash flow, reporting, documentation and monitoring. Orientation trainings will indicatively be offered in capital city of each woreda.

Applicants are responsible for the preparation and submission of the full project proposals. Project proposals that are received after the submission deadline or do not follow the format in Annex 2 will be rejected.

Each full project proposal is evaluated by an evaluation committee consisting of five evaluators:

- Two permanent members, one from BOTMD and another from Regional Cooperative Promotion Agency (or regional Chamber of Commerce and Sector Associations). The permanent members evaluate all full proposals.
- Two officials from the respective woreda.
- One member from AgroBIG PSU.
- When found rational, the evaluation committee can invite relevant technical experts to assess the technical quality of the proposed project.

The evaluators will use the evaluation criteria in Annex 4. A site visit is a mandatory part of the evaluation of full project proposals.

Applicants will be invited to present their proposals to the evaluation committee. The presentation shall be done by the applicant or by a person working for the entity applying for grant.

A summary ranking is done based on the evaluators' scores. After completing the evaluation, the evaluation committee will prepare their recommendations to the AgroBIG PSU. The recommendation can be, either:

- a) To recommend the proposal for grant funding,
- b) To recommend the proposal for the reserve list for funding

- c) To reject the proposal.

AgroBIG PSU will recommend projects for funding based on the scoring and availability of funds. In addition, there will be a list of reserve projects in case some of the recommended projects are withdrawn or the grantee cannot provide the required amount of matching funds. PSU recommends projects to BoFEC for a no-objection decision.

Successful applicants will be informed in writing about the award of grant and be requested to come to respective WOFED office to sign the grant contract within 30 days from the date of receiving the note. If the applicant has not signed the contract within 30 days, the award of grant is cancelled.

Unsuccessful applicants will be informed by the respective woreda office of the rejection.

Concept notes or full project proposals will not be returned to applicants.

A list of projects awarded grants with titles, grantees' names, locations and grant amounts will be displayed at AgroBIG office, at respective Woreda office and on the AgroBIG web site, www.agrobigo.org.

Indicative schedule of the application process is presented below. As the evaluation period may vary depending on the number of applications, AgroBIG PSU reserves the right to change the timeline accordingly, Information of changes will be displayed at WOFED noticeboards and at www.agrobigo.org.

Stages in the evaluation process note submission period	Tentative date, Greg. calendar
Call for proposals	Dec 1, 2019
Deadline for submission of concept note	Dec 31, 2019
Evaluations of concept note and inform those eligible for full project proposals	Jan 31, 2020
Full project proposal preparation and deadline for submission	Feb 28, 2020
Evaluations of full project proposal and recommendation to PSU	Mar 16, 2020
Response from PSU and BOFEC to the woredas	By March 30, 2020
Notifications of the award of Grants, and facilitate to sign contract agreement	By April 15, 2020
Other activities: <ul style="list-style-type: none"> - Grantee deposits matching fund in the bank account - BOFEC will make first payment of grant funds to relevant WOFED - WOFED makes first payments to the grantee's bank account - Prepare detail project implementation and reporting schedules 	tbc

4. GRANT PROJECT IMPLEMENTATION

Grant Contract (Annex 5) will be signed between respective WOFED office and the applicant/grantee.

4.1 Opening of Bank Account

Grantees shall open an account for the project, in their name, with a recognized Bank of their choice and provide the account details to respective WOFED office so that the details can be included in the grant contract. The account details must be available to WOFED before the 30 days' deadline for contract signing. The grantee's matching fund (own contribution) shall be deposited into the designated bank account before the grant can be disbursed into the account.

The bank account shall primarily serve transactions associated to grant fund and the applicant's matching fund only. Copies of the respective bank statements must be attached to Grantee's financial reporting.

In case the grantee fails to provide its own contribution within 60 days from the date of signing the grant contract the contract will be cancelled.

4.2 Disbursement

The grant disbursement schedule depends on the nature of the project and will be specified in the grant contract. With each request for funds (Annex 6) a progress and financial report shall be attached (Annexes 7 and 8). The schedule will be based on the project proposal.

Maximum 80% of the grant can be paid as pre-financing. Remaining grant amount will be transferred depending on the progress of the project.

4.3 Procurement procedures and documentation

The Grantee is responsible for any procurements required. Good procurement procedures must be followed. The grantee shall establish, as far as possible, a procurement committee with minimum three members.

The Grantee is responsible for proper and transparent use of the grant funds.

Grantees are required to maintain appropriate accounting records of the project income and expenditure. Financial records shall include the grant income and expenditure, supported by detailed documentation (bank statements, procurement documents, quotations, procurement committee minutes, invoices, receipts).

The accounting records shall clearly discern the project accounts from other funds.

4.4 Quarterly progress reports

Grantee will submit quarterly progress reports (Annex 7) to WOFED and copied to AgroBIG PSU. The financial report shall be attached to the progress report. (Annex 8).

4.5 Monitoring

The Grant projects will be monitored regularly by woreda officials and AgroBIG to:

- Confirm that financial management and accounting arrangements are properly organized, and that funds utilization is correctly documented and reported;
- Monitor the technical implementation of the project and verify the progress in relation to established milestones.

5. PROJECT COMPLETION

The Grantee shall submit a project completion report to AgroBIG PSU (Annex 7). The project completion report provides an overall summary of the information given in progress reports and in addition presents the results of the entire project. The financial report shall be attached to the completion report. (Annex 8).

5.1 Closing the project file

The AgroBIG PSU chief accountant, supported by AgroBIG National Finance Advisor, and the Grantee are responsible for organizing the closing of the project file. In doing so, the following administrative procedures will be finalized:

- Approving the project completion report received from the Grantee;
- Closing the financial accounts of the project and ensuring that all funds have been received and all outstanding payments have been made;
- Organizing the final audit of the project by the BoFEC Auditors.
- Preparing a Grant Closing Letter to the Grantee confirming that all obligations have been satisfied. After this, all project documentation and financial records must be archived for three years by the grantee for a possible Government audit.
- Final decision on closing the project file will be done by AgroBIG PSU.

Remark

This guideline is prepared both in English and Amharic language. However, the Amharic version will be legally valid in front of court.