



Programme for Agro-Business Induced Growth in the Amhara National Regional State

GUIDELINES

Value Chain Facility Fund

2018-10-18



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Acronyms and abbreviations

BoFEC	Bureau of Finance and Economic Cooperation
MFA	Ministry for Foreign Affairs of Finland
PSU	AgroBIG Programme Support Unit



1. INTRODUCTION

1.1 AgroBIG

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.

2. VALUE CHAIN FACILITY GRANT FUND PURPOSES

The overall objectives of the AgroBIG Value Chain Facility Grant Fund:

- Support value addition of selected agricultural commodities by AgroBIG through agribusiness investments by agri businesses as well as farmers' groups, cooperatives and public institutions;
- Promote the adoption of new technologies and links between private sector producers and other stakeholders for partnerships that lead to agribusiness development;

The specific purposes are linked to support of investments in value added processing, post-harvest technologies, storage, packaging, branding and marketing:

The Value Chain Facility Fund can support activities such as: (Eligible investments include but are not limited to the list below).

- Support farmers' or cooperatives' study groups (farmers' fields schools etc.) and study tours in order to facilitate adoption of new technologies; including business planning, feasibility and environmental studies;
- Market linkages and promotion, participating in exhibitions, fairs;
- Investor linkages, business angels;
- Specific and applied agricultural research;
- Fertilizer/seed/crop husbandry trials and demonstrations for climate smart agriculture;
- Costs for obtaining Ethiopian Standards Agency standard certificates, or other relevant certifications, on food stuffs, animal feed stuffs and workers safety and environmental standards;
- Support investments in new product development, processing, packing, branding, logistics and information technology;
- Technology generation, value addition, processing, energy efficiency;
- Purchasing or upgrading of processing equipment;
- Support the development of contract farming and other suitable business partnerships;
- Costs for Business Development Services (business plans and investment plans preparations);



3. APPLICATION PROCEDURE

3.1 Eligible applicants

Eligible applicants:

- Farmers, farmers' groups, cooperatives, enterprises, entrepreneurs and public institutions;
- Applicants should be registered with the appropriate authority or will have to register if awarded a grant before signing the grant contract;
- Investments shall be in the Amhara region, within a maximum distance of 100 km from the programme Woredas.

3.2 Grant funding limits, own contribution, and duration of activities

- Maximum grant size is 2,200,000 ETB.
- No own contribution is required
- Investments shall be in the Amhara region, within a maximum distance of 100 km from the programme Woredas.
- Eligible expenses must be identified in the project budget;
- Expenses not directly associated with the project and not identified in the grant budget are ineligible.
- General operating expenses and running costs such as salaries, raw materials, and utilities are not eligible costs, unless they are for research or test purposes.
- An applicant can apply for and be awarded maximum one grant.
- Duration of grant projects' implementation is 24 months.

3.3 Awareness creation and invitation for proposals

Information about the funding opportunity will be publicized on www.agrobigo.org. In addition PSU can invite applications that are considered to be of special importance to AgroBIG objectives.

3.4 Concept note submission and appraisal

Both the Concept Note and the Full Proposal can be submitted in Amharic or in English.

Applicants are requested to send their Concept Notes for the proposed projects to the AgroBIG PSU office., which will register all received proposals. Selected applicants will be invited to submit full project proposals.

3.5 Preparation of full proposals

Invited applicants are requested to submit their full project proposals to the AgroBIG PSU office. (Annex 3)



3.6 Appraisal of the final proposal and grant award

AgroBIG PSU will evaluate each proposal. PSU may visit the proposed project sites, to confirm the information given in the proposal, request for further clarifications, interview the target group or the applicant etc. PSU may recommend the proposal or ask the applicant to revise the proposal and submit again, or reject the proposal. PSU will forward its recommendations to BoFEC for final decision.

Unsuccessful applicants will be informed by PSU that their concept notes or project proposals were not successful and the justification. Concept notes and full project proposals will not be returned to unsuccessful applicants.

4. GRANT PROJECT IMPLEMENTATION

4.1 Grant Contract

A grant contract will be signed between the grantee and BoFEC. (Annex 6.) Before the grant contract is signed, the Grantee will provide, or open a dedicated account with National Commercial Bank of Ethiopia. All transactions of the grant project implementation will be made through this bank account.

The signing of the grant contract is considered as a request for the initial pre-financing payment specified in the contract.

4.2 Procurement

The Grantee is responsible for any procurements included in the project covered by the Fund. Proper procurement procedures must be followed and documented. The grantee shall establish a procurement committee of minimum three persons. Committee meeting minutes shall be kept. Minimum three quotations shall be obtained for any procurement exceeding ETB 2,500.

4.3 Financial management and accounting records

The Grantee is responsible for the proper and transparent use of the grant funds. Each project is required to maintain appropriate accounting records of the project income and expenditure. The accounting records must clearly discern the project accounts.

4.4 Project quarterly progress reports

Grantee will submit quarterly progress reports throughout the implementation period to AgroBIG PSU. Reports shall be submitted within 30 days of the end of the reporting period. (Annex 7.). The financial report is attached to the progress report (Annex 8.).

4.5 Monitoring

The PSU will monitor grant funded activities through monitoring visits and through progress reports. Objectives of monitoring are,

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



4.6 Completion report

The Grantee prepares the project completion report, (Annex 10).

5. PROJECT COMPLETION

The PSU is responsible for organizing the closing of the project file. In doing so, the following administrative procedures will be finalized:

- Closing the financial accounts of the project and ensuring that all refunds have been received and all outstanding payments have been made;
- Approving the project Completion Report received from the Grantee;
- Organizing the final audit of the project and receiving an Audit Report after any audit queries have been cleared.
- Preparing a Grant Closing Letter by the PSU to the Grantee confirming that all obligations have been satisfied.
- Endorsing that the disbursement of the remaining grant fund can be made.



ANNEX 1: Concept Note

Value Chain Facility Grant Fund

CONCEPT NOTE

Dossier No	
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(for official use only)

Title of the project:	
Name of the applicant	
Legal status	

Applicant's contact details for the purpose of this project	
Registered as	
Registration Number	
ID Number	
Telephone number:	
Contact person for this project:	
Contact person's telephone and email:	
Address:	



Instructions for drafting the concept note

Please complete the table below, which should not exceed 1 page.

Title of the project:	
Location(s) of the project: Specify in which Woredas and Kebeles the project will take place	
Total duration of the project (months):	
Requested Grant contribution (ETB amount)	ETB
Own matching fund contribution	% and amount
Objectives of the project	Overall objective(s) Specific objective(s)
Final beneficiaries (how they have been involved in the planning)	
Estimated results	
Main activities	
Other information	

Name, Date and Signature of the applicant



ANNEX 2. Evaluation of the concept note and the full project proposal

Grid completed by	
Number of the proposal	
Name of the applicant	
Title of the project	

Scoring guidelines:

0 = missing or very poor, 20 = Excellent

Evaluation Grid; Scoring criteria for concept notes and full project proposals

Criteria	Max score	Evaluator's score
Value chain proposal,	20	
Concept of proposal	20	
Expected result	20	
Experience of applicant	20	
Crosscutting issues:		
Female applicant or women's group	10	
Proposal involves or addresses persons with disabilities	5	
Environmental sustainability is considered	5	
Total	100	

Date:

Signature:



ANNEX 3: Full Project Proposal

Value Chain Facility Grant Fund

FULL PROJECT PROPOSAL

Dossier No	
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(for official use only)

Title of the project:	
Name of the applicant	
Official address of registration:	
Registration number (ID number or equivalent)	
Legal status:	
Contact person:	
Telephone number:	
E-mail address:	
Website:	

The Project¹

Description of the Project (max 4 pages)

Provide a description of the proposed project, including all the information requested below, referring to the overall objective(s) and specific objective(s), outputs and results described in the concept note:

- Explain the specific results expected, stating how the project will improve the situation of the target groups and final beneficiaries and the technical and management capacities of target groups and/or any local co-applicants and affiliated entity(ies).
- Identify and describe in detail each activity (or work package) to be undertaken to produce results, justifying the choice of activities and specifying the role of each co-applicant(s) and affiliated entity(ies) (and associates or contractors or sub-grantees where applicable) in the activities. Do not repeat the project plan to be provided in Section 2.2.3, but demonstrate coherence and consistency of project design
- Describe/highlight eventual changes of the information provided in the concept note.

Methodology (max 3 pages)

Describe in detail:

- the methods of implementation and rationale for such methodology;
- where the project continues a previous project, describe how the project is intended to build on the results of the previous project (give the main conclusions and recommendations of any evaluations carried out);
- where the project is part of a larger programme, explain how it fits or is coordinated with this programme or any other possibly planned project;
- the procedures for follow up and internal/external evaluation;
- the role and participation in the project of the various actors and stakeholders, target groups, local authorities, etc.), and the reasons why these roles have been assigned to them;
- the organisational structure and the team proposed for the implementation of the project;
- the main means proposed for the implementation of the project (equipment, materials, and supplies to be acquired or rented);
- the attitudes of all stakeholders towards the project in general and the activities in particular;

¹ The evaluation committee will refer to information provided in the Concept Note as regards objectives and the relevance of the project.



Duration and indicative project plan for implementing the project (max 2 pages)

The duration of the project will be <X> months.

Applicants should not give a specific start up date for the implementation of the project but simply refer to ‘month 1’, ‘month 2’, etc.

The activities stated in the project plan should match those described in detail in Section 2.2.1. To this end, it must be divided into six-month periods The project plan will be drawn up using the following format:

	Half-year 1						Half-year 2					
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12
Example	example											
Preparation Activity 1 (title)												
Execution Activity 1 (title)												
Preparation Activity 2 (title)												
Etc.												

	Half-year 3						Half-year 4					
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12
Example	example											
Preparation Activity 1 (title)												
Execution Activity 1 (title)												
Preparation Activity 2 (title)												
Etc.												



Sustainability of the project (max 2 pages)

- Describe the expected impact of the project with quantified data where possible, at technical, economic and social levels.
- Explain how the project will be made sustainable after completion. This may include necessary follow-up activities, built-in strategies, ownership, communication plan, etc.:

Budget, amount requested from the AgroBIG Value Chain Facility Fund

Fill in Annex A to this Full Project Proposal Template to provide information on:

- the budget of the project (worksheet 1), for the total duration of the project and for its first 12 months;
- justification of the budget (worksheet 2), for the total duration of the project, and for the first 12 months.

Please note that the budget must be stated in Ethiopian Birr, ETB.
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Applicant's experience (max 2 pages)

This information will be used to assess whether you have sufficient and stable experience of managing projects in the same sector and of a comparable scale to the one for which a grant is being requested.

Applicant's capacity to manage and implement projects max 1 page

Provide description of available human and material resources available for implementing the project, reporting, accounting monitoring etc.



Checklist for the full application form

Before sending your APPLICATION, please check that each of the criteria below have been met in full and tick them off. In YES the column	Yes	No
1. The proposal is according to the Concept Note		
2. The instructions for the full proposal have been followed		
3. The declaration by the applicant has been filled in and signed		
4. The proposal is typed and is in Amharic or English		
5. One original and 3 copies are included.		
6. An electronic version of the proposal is provided		
7. This checklist has been filled in and sent with the proposal		



Declaration by the applicant

The applicant, represented by the undersigned, being the authorised signatory of the applicant, hereby declares that:

- the applicant has the sources of financing and professional competence and qualifications to implement the project;
- the applicant is directly responsible for the preparation, management and implementation of the project and is not acting as an intermediary;
- the applicant is in a position to deliver, upon request, the supporting documents stipulated in the guidelines;
- if recommended to be awarded a grant, the applicant, accepts the contractual conditions as laid down in the standard grant contract annexed to the guidelines;

Signed on behalf of the applicant

Name	
Signature	
Position	
Date	



Value Chain Facility Fund

ANNEX 4. Budget

Project budget by component and budget line	Units	Cost / Unit	Total cost	Justification
1. (Name of budget component)				
1.1 (Name of budget line)				
1.2 (Name of budget line)				
Sub-total component 1				
2. (Name of budget component)				
2.1 (Name of budget line)				
2.2 (Name of budget line)				
2.3 (Name of budget line)				
Sub-total component 2				
3. (Name of budget component)				
3.1 (Name of budget line)				
3.2 (Name of budget line)				
3.3 (Name of budget line)				
Sub-total component 3				
Grand total				



ANNEX 4: Grant Contract:

Value Chain Facility Fund

Programme for Agribusiness Induced Growth in the Amhara regional state

<Grant contract identification number>

(the 'Contract')

The AgroBIG Programme Steering Unit (PSU)

Contact Details: Main office, ACSI building, Kebele 10.

Contact Person: Ato Berhanu Ayichew, Project Director

Phone: +251 582 209 187

E-mail: berhanu.ayichew@agrobig.org

Postal Address: P.O. Box 1458

Bahir Dar, Amhara

For the PSU of the one part,

and

Contact Person:

Passport or ID number:

Phone:

E-mail:

Postal Address:

Visiting Address:

For the Grantee

of the other part,

(the 'Parties')

have agreed as follows:



Special conditions

Article 1 — Purpose

- 1.1 The purpose of this Contract is the award of a grant by AgroBIG Authority to finance the implementation of the Project entitled: <title of the Project >
- 1.2 The Grantee shall be awarded the grant on the terms and conditions set out in this Contract, which consists of this contract and the annexes.
- 1.3 The Grantee accepts the grant and undertakes to be responsible for carrying out the Project.

Article 2 — Implementation period of the Project

- 2.1 This Contract shall enter into force on the date when the second of the two Parties signs. No retroactive claims can be made for reimbursement of expenses incurred before the commencement date. (Except for Business Development Facilitation Costs as specified in the budget)
- 2.2 Implementation of the project shall begin on: the day on which the second of the two Parties signs
- 2.3 The implementation period of the Project is <number of months>.
- 2.4 The execution period of this Contract can only be extended after a written agreement with PSU.

Article 3 — Financing the Project

- 3.1 The PSU/ BoFEC undertakes to finance a maximum amount of ETB <amount>.

Article 4 — Reporting and payment arrangements

- 4.1 Pre-financing payments will be decided based on the nature of the project. The first pre-financing payment, shall be made within 30 days of signing this contract and matching grant fund has been deposited into the bank account.
 - 1st pre-financing payment: <amount>.
 - 2nd prefinancing payment: <amount>.
 - 3rd prefinancing payment: <amount>.Total amount of grant payments cannot exceed <grant contract amount>.
- 4.2 Bank Account Details;
 - Bank Name and Branch Name: <details>.
 - Bank Address: <details>
 - Name of account: <details>
 - Account Number: <details>



Article 5 — Contact addresses

5.1 Any communication relating to this Contract shall be in writing, state the number and title of the project and be sent to the following addresses:

(insert applicable address)

Article 6— Other

- 6.1 Progress reporting, monitoring and dissemination of results: The Grantee agrees to submit quarterly progress reports throughout the duration of the project to the PSU. The Grantee will cooperate in any progress review or survey of the project and in visit arrangements of government and donor representatives to the project as well as in the production of promotional material and dissemination of the results of the grant project.
- 6.2 Closing of the project: At the end of the project, the Grantee prepares the project Completion Report. All grant requirements remain valid until the Grantee receives a Grant Closing Letter from the PSU confirming that all obligations have been satisfied. After this, a final disbursement of the remaining 20% of the Grant can be requested.
- 6.3 The Grantee ensures that the disbursed grant will be used only for the agreed purposes. Any reallocation between budget lines or overspending of budget line allocations must be approved by the PSU in writing in advance.
- 6.4 Inspection of project accounts and documents: AgroBIG may authorize an inspection of the outputs and accounting documents of the project at any time. The Grantee will always provide unhindered access to all reports, documents and records related to the Project.
- 6.5 Audit or inspection of the grant project: Project activities and accounts will be audited in detail by responsible Government authorities or appointed auditors. All financial and procurement documents of the project implementation need to be archived for three years after the completion date of the project and made available to Government authorized personnel for inspection and audit on demand.
- 6.6 Loss and damage: The Grantee declares to undertake the agreed project on its own behalf and to have exclusive rights for its execution. BoFEC or AgroBIG shall not be held liable for any loss or damage arising from the implementation of the project.
- 6.7 Dispute resolution: In cases of dispute regarding this agreement, the Grantee and AgroBIG agree to work towards a mutually acceptable compromise. Failing an agreement, the dispute will be submitted to BoFEC for Government arbitration process.

Article 7 — Annexes

7.1 The following documents are annexed to this Contract and form an integral part of the Contract:

Annex I: Description of the Project (Full Project Proposal and the Concept Note)

Annex II: Budget for the Project

(insert Annexes as useful)

7.2 In the event of a conflict between the provisions of this Contract and any Annex thereto, the Contract shall take precedence.



Done in **Amharic or English (delete as relevant)** in two originals, one original being for AgroBIG PSU and one original being for the Grantee.

For the Grantee

Name

Title

Signature

Date

For AgroBIG PSU

Name

Title

Signature

Date



ANNEX 5: Quarterly progress report

Value Chain Facility Grant Fund

QUARTERLY PROGRESS REPORT

Reporting period:

Project number and title:

Grantee/implementing organization:

Contact person:

Report outline

1. Project progress

- Inputs: Resources utilized
- Activities: Number of participants (men/women)
- Activities: Completed as planned
- Activities: Not finalized as planned
- Outputs: Results achieved as planned and not achieved

2. Results assessment

- What was the main goal of the project implementation for the period?
- Was the goal achieved or not? What is the main reason for success or failure?
- Is the implementation on track as planned and if not, what corrective measures should be taken?
- What is the main expected achievement in the next period?



ANNEX 6: Financial reports

Value Chain Facility Fund

Project number and title:

Reporting period:

Grantee/implementing organization:

Contact person:

Project budget by component and budget line	Grant received in Quarter	Budget by budget line	Cumulative, previous reporting periods	Expenses reporting period	Total	Remaining balance
Grant prefinancing				N/A	N/A	
1. (Name of budget component)						
1.1 (Name of budget line)						
1.2 (Name of budget line)						
Sub-total component 1						
2. (Name of budget component)						
2.1 (Name of budget line)						
2.2 (Name of budget line)						
2.3 (Name of budget line)						
Sub-total component 2						
3. (Name of budget component)						
3.1 (Name of budget line)						
3.2 (Name of budget line)						
3.3 (Name of budget line)						
Sub-total component 3						
Grand total						



Project budget by component and budget line	Budget by budget line	Cumulative, previous reporting periods	Expenses reporting period	Total Expenses	Remaining balance
1. (Name of budget component)					
1.1 (Name of budget line)					
1.2 (Name of budget line)					
Sub-total component 1					
2. (Name of budget component)					
2.1 (Name of budget line)					
2.2 (Name of budget line)					
2.3 (Name of budget line)					
Sub-total component 2					
3. (Name of budget component)					
3.1 (Name of budget line)					
3.2 (Name of budget line)					
3.3 (Name of budget line)					
Sub-total component 3					
Grand total					



ANNEX 7: Disbursement request

Value Chain Facility Grant Fund

DISBURSEMENT REQUEST pre-financing and final payment

Date:

Reporting period:

Project number and title:

Grantee/implementing organization/Contact person:

Total budget for project activities	Birr	
Transferred already by AgroBIG	Less	
Requested amount as pre-financing	Less	
Remaining grant	Sum	

Checklist pre-financing request	Yes	No
Quarterly reports submitted		
Financial reports submitted		
Monitoring visit has been done		
Checklist for final payment	Yes	No
Completion report is attached		
Final Financial report is attached		
Audit report is attached		
Above Disbursement request has been checked and additions are correct		

Signed

Name of the official Representative of the Grantee