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# Business Support Facility for Resilient Agricultural Value chains

## Competitive Matching Grant Fund (MGF) Contracts and Finances

Cashew, Maize, Cocoa and Livestock Value Chain

12 July 2024

Please note that the session will be recorded!



## Agenda

1. Contract specificities
2. Contract format
3. Budget template at Concept Note Stage
4. Example: Supporting document – Budget template
5. Eligible Cost



# Contract specificities

## The Matching Grant Fund is for you if...

... you are a registered private company seeking to finance a project with clear development objectives.

...your project idea has a direct development outcome and a public-benefit character. The benefit of your company can be a 'by-product', but not the main goal (non-profit law).

...you have the capacity to cover at least 50% (for cocoa, maize and livestock) or at least 60% (for cashew) of the total contract value.

...you do not want to directly and only support your core business with this funding opportunity.

...you are based in an OACPS member state.

...you have identified at least one consortium partner with whom you would like to cooperate on this project



# Contract format - iDPP

## iDPP = integrated Development Partnerships with the Private Sector



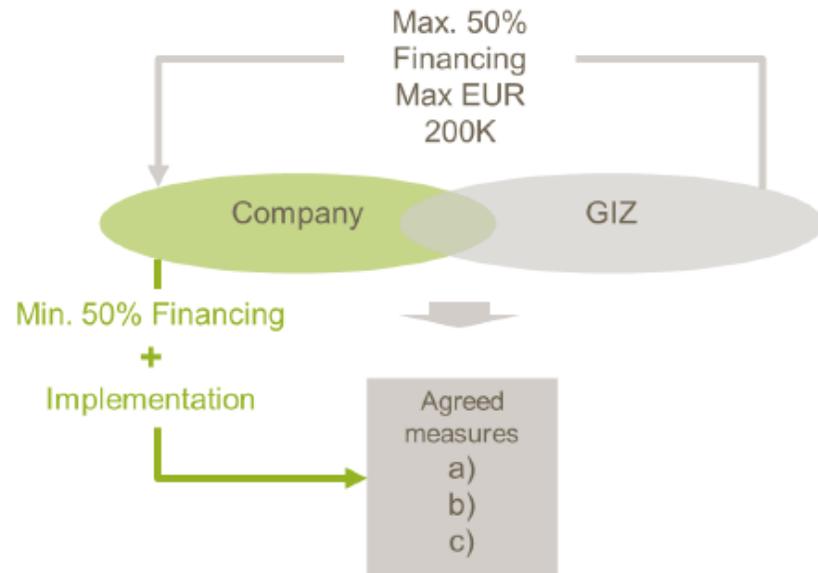
An iDPP (Integrated Development Partnerships with the Private Sector) is a **joint and formalized project between GIZ and one or more private companies** (=with a contract). It is a partnership among equal partners that pursue a shared goal together that benefits a third group (target group). All partners contribute expertise, in-kind inputs and/or money.

iDPPs can be concluded in the form of a

- **Cooperation Agreement** (no money flow between partners, partners co-implement) or
- **Implementation Agreement** (GIZ provides a financial contribution to the private partner, whereas the private partner is responsible for implementation). → **preferred option for this call**

# Contract format - iDPP

## Implementation Agreement



- Company implements project independently (leads the project) and provides evidence of costs and inputs
- Contributions of private company can be in cash or in kind (e.g., staff planned for the project)
- External Auditor needs to certify cost

# Budget template at Concept Note stage

**Together at least 50%  
(60% for cashew)  
of the contract value**

Budget category	Lead Applicant contribution (in Euro)	Other consortium partners contribution (in Euro)	Contribution requested via GIZ (in Euro)	Total cost (in Euro)
Applicants' staff costs	EUR	EUR	EUR	EUR
Service providers' and external expert costs	EUR	EUR	EUR	EUR
Travel cost (for staff and external experts)	EUR	EUR	EUR	EUR
Equipment (max 30% of total cost) (e.g., energy supply, processing, irrigation, warehouse) <sup>2</sup>	EUR	EUR	EUR	EUR
Other costs (Training & other items e.g., demo farming inputs)	EUR	EUR	EUR	EUR
Audit	EUR	EUR	EUR	EUR
<b>Total cost</b>	EUR	EUR	EUR	EUR

Apply percentage between private (consortia) part of budget and public (GIZ) part of budget to each budget line.

*For example:*

**Share: 55% private part (Lead + Consortia)  
45% public part (GIZ)**

Planned travel cost for lead applicant & consortium partner:

Total: 10,000 EUR →  
Private share: 5,500 EUR  
Public share: 4,500 EUR



# Example: Supporting document – Budget template

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- Country of operation: Ghana
- Project value: 2.000.000 GHS
- Consortia share: 50%
  
- Consortia share must be at least 50% . All budget lines must be split by the pre-agreed share.
- ▲ **Not possible that GIZ pays fully for one budget line (e.g., training costs) and the partner for the other (e.g., staff costs) in the iDPP - implementation agreement**

# Eligible Costs

- Only **direct costs** with no mark ups can be covered
- Cost need to occur within contract term

- Eligible costs are :
  - ▮ Remuneration for your company's own employees
  - ▮ Fees for external experts
  - ▮ Travel expenses, air tickets
  - ▮ Costs of materials and equipment
  - ▮ Costs of capital goods
  - ▮ Other costs

- Ineligible costs are :
  - ▮ Sales and distribution costs, including advertising costs
  - ▮ Municipal trade tax
  - ▮ Costs of independent research and development
  - ▮ .... **Please check Annex 3\_Guidelines on costs eligible for reimbursement for an extensive list**

## Eligible Costs

### Remuneration for your company's own employees / Personnel costs at prime cost level

- We need the estimated daily rates and at contracting CVs of planned staff.
- **Employer gross: 20,000 EUR**
- **Social security contributions: 1,500 EUR**
- **Seasonal bonuses: 500 EUR**

*Estimated daily rates:*  $\frac{(20,000+1,500+500)}{220 \text{ working days}} = 100 \text{ EUR per day}$



Use annual figures → one year equals 220 working days, meaning a **maximum of 330 working days** for this project of 18 months

Please also include possible salary increases as they cannot be raised retrospectively.

# Eligible Costs

## External Service providers at market price level

- This includes all contracts with subcontractors or external firms, e.g.:
  - Trainers and facilitators of external workshops, seminars, and training events. The experts can either be listed individually or consolidated in a pool. The technical requirements profile of the experts must be described. The award procedures must be documented.
  - Production and printing of teaching and information material
  - Provision of consultancy services
  - Transportation and logistics costs if not for a training



The external service providers need to be agreed with the **GIZ team** and three offers need to be handed in per expert at contracting stage.



# Eligible Costs

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## Travel expenses and air tickets

- Eligible at maximum rates for tax purposes but should not exceed the GIZ lump-sum standard rates in the respective country as applicable at the date of signing the agreement → Information provided upon request.
- Only Economy Class air tickets are eligible (no premium economy, no business class)

# Eligible Costs

## Costs of materials and equipment and of capital goods

- Should not exceed 30% of the budget and a total absolute sum (GIZ part) of 50,000 EUR
  - Approval of GIZ needed for: agro chemicals (e.g., pesticides) or medicine
  - No land or buildings can be procured fully in this contract
- a) Hand-over to a public-benefit or public-sector organization at the end of the project** (name of the organization / cooperative etc. needs to be provided at contracting stage)
    - Full cost eligible
  - b) Remains with private company**
    - Only Depreciation during project phase eligible for reimbursement (18 months depreciation)
  - c) If the company already owns the equipment and wants to use it for the project**
    - an amortization rate during the contract period can be estimated and the rate can be included in the budget
  - d) Procurement of livestock**
    - Explanation on how to guarantee animal welfare has to be handed in

# Eligible Costs

## Costs of capital goods

- Only depreciation during the contract term is eligible for reimbursement
- Example Maize Processing Machine :
- Price: EUR 10.000
- Purchased during Project Phase
- 100% used for project
- Amortization period: 5 years
- Depreciation rate: 20%
- Each year until project end, costs of 2000 EUR can be reported (under other costs)



# Eligible Costs

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## Other cost (including training cost)

- All costs related to training for smallholder farmers, e.g. venue, transport, printing, per diems for participants if agreed upon...
- Expenses related to pilot tests and demo plots
- Costs of the audit (locally registered company) of the Matching Grant Fund contract (max. 3500 EUR per audit, please plan for 2 audits in this project)
- Project-related operating costs (e.g., office rent)



# Eligible Costs

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## General information

- Budget lines may be exceeded by 10% and at most by 2,500 EUR (per budget line) (if the total budget remains the same), if more GIZ approval in terms of a contract amendment is needed
- New budget lines may be added during course of project, but approval by GIZ in form of contract amendment is needed
- Obligatory semi-annual reporting of costs to GIZ in order to receive further payments

# Overview Webinars

<p>08 July 2024, 2pm - 3 pm GMT</p> <p><b>Official launch: Matching Grant Fund for Climate-Resilient Value Chains</b></p> <p>Click here to join the meeting</p>	<p>09 July 2024, 2pm - 3:30pm GMT</p> <p><b>Application process &amp; consortia</b></p> <p>Click here to join the meeting</p>	<p>10 July 2024, 2pm - 4pm GMT</p> <p><b>Human Capacity Development</b></p> <p>Click here to join the meeting</p>	<p>11 July 2024, 3pm – 4:30pm GMT</p> <p><b>Webinario Español</b></p>
<p>12 July 2024, 2pm - 3:30pm GMT</p> <p><b>Contract formats &amp; Finances</b></p> <p>Click here to join the meeting</p>	<p>16 July 2024, 2pm - 3:30pm GMT</p> <p><b>Gender</b></p> <p>Click here to join the meeting</p>	<p>18 July 2024, 2pm - 3:30pm GMT</p> <p><b>Climate</b></p> <p>Click here to join the meeting</p>	<p>11 July 2024, 10am – 11:30am GMT</p> <p><b>Sessão de informação em português</b></p>



Go to

[www.agribusiness-facility.org/funding](http://www.agribusiness-facility.org/funding)



[www.comcashew.org/matching-grant-fund](http://www.comcashew.org/matching-grant-fund)



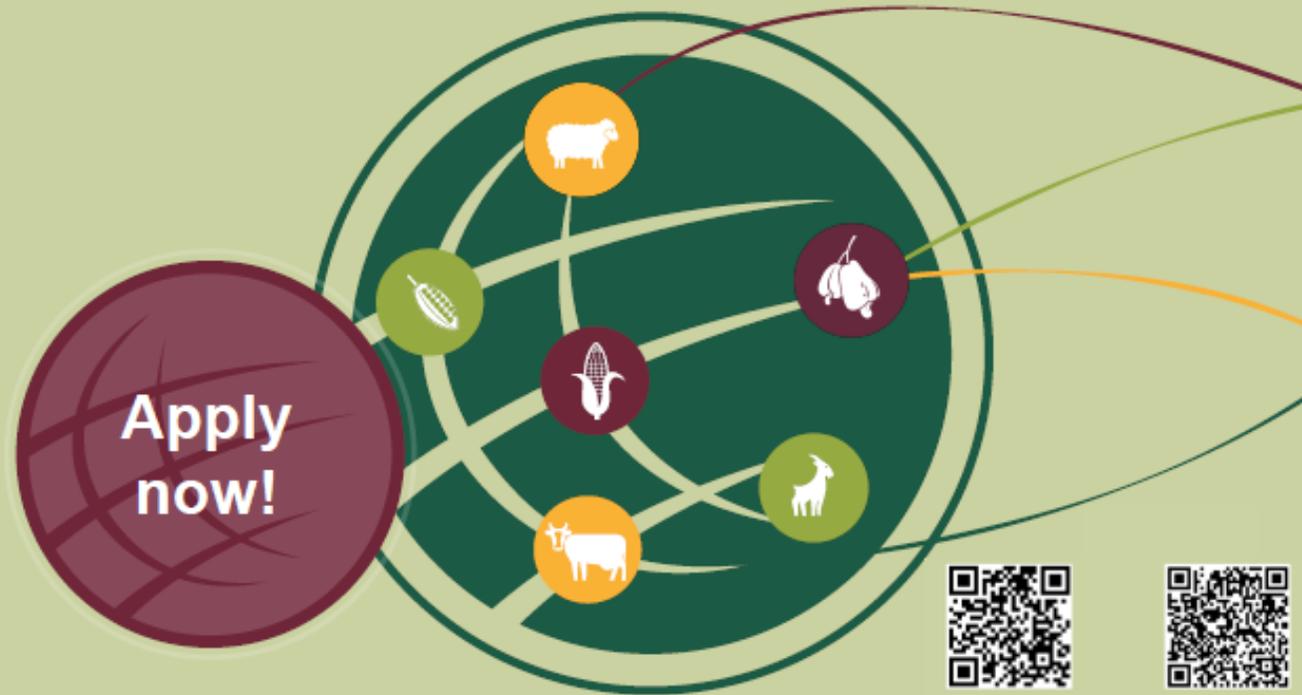


# Call for Action

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## Matching Grant Fund (MGF) for Climate-Resilient Value Chains



[www.comcashew.org/matching-grant-fund](http://www.comcashew.org/matching-grant-fund)



[www.agribusiness-facility.org/funding.html](http://www.agribusiness-facility.org/funding.html)

For questions, please contact

[abf-fund@giz.de](mailto:abf-fund@giz.de)

or

[cashew@giz.de](mailto:cashew@giz.de)



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Thank you | Merci beaucoup | Obrigado | Gracias

