

# REPUBLIC OF GHANA MINISTRY OF FOOD AND AGRICULTURE WEST AFRICA FOOD SYSTEM RESILIENCE PROJECT (FSRP2) - GHANA Project No.: P178132

## CALL FOR PROPOSAL MATCHING GRANTS SCHEME

Country: Ghana

Name of Project: West Africa Food System Resilience Program (FSRP2)

Implementing Ministry: Ministry of Food and Agriculture (MOFA)

Contract Title: MATCHING GRANTS SCHEME - 1st Call

Loan No./Credit No./ Grant No.: IDA-71950

### A. BACKGROUND

- 1. The West Africa Food System Resilience Project (FSRP) is a project of the Government of Ghana being funded by the International Development Association (IDA) of the World Bank credit of **US\$150million**. The project is being implemented by the Ministry of Food and Agriculture (MOFA) through a Project Implementation Unit (PIU). The FSRP became effective on June 2, 2023, and is expected to be implemented over a five (5) year period, i.e., from June 2023 to September 2028.
- 2. The Project Development Objective is to *increase preparedness against food insecurity* and improve the resilience of food systems in Ghana. The key indicators include 300,000 direct beneficiaries; 20% reduction in food insecure people; 240,000 beneficiaries adopting Climate Smart Agricultural (CSA) technologies, among others.
- 3. The FSRP is organised along five (5) main components which are summarised as follows:

  (a) Component 1- promotion of the use of digital advisory services for agriculture and food crisis prevention/ management; (b) Component 2 promotion of sustainable production/ productivity by increasing stakeholders' access to CSA & nutrition sensitive technologies; (c) Component 3 improving intra-regional trade in agricultural products/ inputs and develop priority value chains; (d) Component 4 Contingent Emergency Response Component (CERC); and (e) Component 5 Project Management and Coordination.
- 4. The project coverage under Components 1 & 3 covers the entire country, while coverage under Component 2, will focus on three (3) target areas or intervention zones, covering ten (10) regions and at least fifty (50) districts. The 3 target areas are:
  - Lower Volta Basin Greater Accra, Eastern, Volta & Central Regions

- Northern Belt (Red/ White Volta Basin) Upper East, Northern, North East Regions
- Middle Belt Ashanti, Bono East, Bono Regions
- 5. The priority commodity chains of the project are maize, rice, poultry (with emphasis on broiler production) and soyabean.

### B. THE FSRP MATCHING GRANT SCHEME

- 6. The Matching Grant Scheme (MGS) is a financing mechanism aimed at strengthening and integrating selected value chains with local and regional markets. There would be yearly calls for proposals under the MGS.
- 7. The purpose of the MGS is to:
  - a) Provide support through matching grants to downstream financially viable Agribusiness, Agritech, SMEs, Aggregators, Productive Alliances (PA), and Farmer Based Organisations (FBOs)) to improve existing inclusive business arrangements, in order to maximize production potential among smallholders and offtakers as well as downstream processing and marketing potential of relevant value chain actors.
  - b) Support investors, with matching grants, to rehabilitate existing, and/or construct/purchase new agricultural infrastructure (e.g., irrigation infrastructure, storage facilities, processing, farm machinery, etc.) to improve marketing and financing opportunities for smallholder farmers, as well improve agricultural trade services for SMEs, all aimed at integrating selected value chains with regional markets.
- 8. Under the MGS, a Productive Alliance (PA) is a formal agreement between an organized group of farmers or Producer Organizations (PO) and a buyer for the provision of a certain good in specified quantities and quality standards.
- 9. The Matching Grants Scheme would be implemented under two (2) separate funding arrangements known as funding windows one (1) and two (2).

<u>Funding Window 1</u> – Under this window, the MGS would fund activities directly related to environmentally sustainable climate smart production and production related activities including, but not limited to, provision of equipment such as farm machinery, irrigation infrastructure, seed production equipment, etc. Direct beneficiaries under this window are financially profitable Aggregators, Anchor Farmers, FBOs and Productive Alliances (PAs). For Funding Window 1, the threshold would not exceed USD150,000.

<u>Funding Window 2</u> – Activities to be supported under funding window 2 would focus on environmentally sustainable, climate smart, post-production activities along the value chain. This would include, but not limited to, storage facilities, processing equipment, storage/cold storage facilities, drying facilities, processing facilities, haulage trucks, etc. Funding window 2 would target financially profitable Agribusiness, Agritech, SME, firms/companies operating in post-

production activities but with strong linkages to smallholders and FBOs. The threshold for this funding window would not exceed USD500,000.

## C. OBJECTIVE OF THE CALL FOR PROPOSAL

- 10. The objective of this first Call (Call 1) is to request for proposals from eligible applicants including Aggregators, Productive Alliances, FBOs, Anchor Farmers, Agribusiness firms/companies and commercial Value Chain Actors along the entire agricultural value chain.
- 11. Successful applicants would receive support through matching grants, to improve existing or establish new inclusive business arrangements, to maximize production potential among smallholders and aggregators/anchor farmers, as well as improve processing and marketing potential of relevant value chain actors.

## D. ELIGIBILITY CRITERIA FOR THE 1ST CALL

12. Eligibility criteria for the two (2) funding windows are as follows;

## Funding Window 1

Secure resilient eco-systems and food systems beyond priority landscapes by inter-alia providing matching grants in the targeted landscapes; and financing of technical assistance; capacity building; development of business plans; training and equipment required for the purpose.

Coverage	Proposals from eligible Productive Alliances or FBOs working with an Aggregator/Anchor Farmer/Offtaker in the Project's priority commodities (rice, maize, soya, and poultry (broiler))
	Priority would be given to Proposals from the Project's targeted districts (refer to annex 8 of the Matching Grant Manual on pages 43 and 44 for the list of districts)
Target	Small agribusinesses/ SMEs, Productive Alliances or FBOs in the target districts
Applicant Requirement s	Eligibility criteria include, <i>inter alia:</i> General Eligibility  1. Be a Productive Alliance or FBO working with an Aggregator/Anchor Farmer/Offtaker located within the Project target districts.  2. Must be operating within value chain of priority commodities i.e. maize, rice, soybeans, poultry (broiler). Provide business registration certificates, production reports, etc.  3. For FBOs, must be registered with the appropriate statutory body.  4. For PAs, the Buyer (Aggregator, Anchor Farmer, Offtaker, etc.) must be registered with the Registrar General  5. If possible, individual members of PAs or FBOs must be registered on the Ghana Agriculture and Agribusiness Platform (GhAAP).  6. Must be preferably registered with the District Department of Agriculture (DDA) or must be captured in their database.

7. Must provide information on any support or similar intervention you are currently involved in.

## Specific Eligibility (100 marks)

- Track Record in Successful Production and Value Chain Activities (Evidence of FBO Registration, production progress reports, etc.) – 25 marks
- 2. Adequate Financial Resources and Operational Profitability (Bank statements, annual reports for the last 3 years, list of all current debt obligations) 25 marks
- **3.** Evidence of Experience to Manage Agribusiness Operations (reports on past value chain operations, annual reports, must show verifiable existing evidence of contractual arrangements between the Aggregator, Anchor Farmer, or Offtaker and FBOs etc.) **15 marks**
- 4. Evidence of Business Case (business proposal detailing current intervention request; show customary or legal evidence of access to land rented, owned or leased for the intervention; production, post-production and marketing activities must include adoption of climate smart technologies) 20 marks
- 5. Evidence of Previous Work Experience with women and youth (Must include at least 40% women and 30% youth in both upstream and downstream of the value chain. Must provide a database of outgrowers/smallholders) 15 marks

## Note:

FSRP will only finance projects that abide by its Environmental and Social Management Framework and its Resettlement Policy Framework. Selected applicants shall be required to meet national environmental regulations including EPA permits, and World Bank's environmental and social standards, where applicable.

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In addition, proposals that demonstrate promotion of the inclusion of women and youth as beneficiaries are desirable, and will receive additional weighting during evaluation.

Proposals that would receive support *must* promote Climate Smart Agriculture (CSA) technologies, be nutrition sensitive or gender sensitive.

## Eligible interventions

Activities that will qualify for funding could include but not limited to:

- 1. Financing of equipment and infrastructure including;
  - a. irrigation equipment,
  - b. seed production equipment,
  - c. storage and drying facilities,

- d. haulage trucks,
- e. farm machinery such as tractors and accessories (ploughs, ridgers, harrows, planters, transplanters, boom sprayers), combine harvesters, threshers, shellers, storage equipment, etc.
- 2. Activities that promote Climate Smart Agriculture (CSA) technologies, or nutrition sensitive or gender sensitive.

Activities should be readily implementable and should increase production of targeted commodities. The activities should also integrate smallholders into the output, inputs, and farm equipment services markets on a continual basis.

## Co-Funding & Ceiling Arrangement

Each selected beneficiary is expected to contribute a minimum of 20% of the cost of the project, with the Scheme contributing the remaining costs, up to 80% depending on its merit and overall cost.

The maximum grant award will be US\$150,000 per project

## Funding Window 2

Strengthening of post-production and marketing activities of commercial value chain actors in priority value chain activities by providing matching grants to eligible value chain entrepreneurs to enhance their integration into both local and regional markets.

Coverage	The entire country – Ghana
Target	Agribusiness companies and Value Chain Entrepreneurs including youth and women
Applicant Requirement s	Eligibility criteria include, <i>inter alia:</i> General Eligibility  1. Be a Ghanaian owned registered company operating in Ghana.  2. Target commodities are maize, rice, soybeans, poultry (broiler).  3. Must be preferably registered with the District Department of Agriculture (DDA) or must be captured in their database.  4. Must have actively operated within the commodity value chain for the past 3 years.
	<ul> <li>5. Must provide Tax Certificate, SSNIT Clearance, other requisite statutory certificates</li> <li>6. Must provide information on any support or similar intervention you are currently involved in.</li> <li>Specific Eligibility (100 marks)</li> </ul>

- 1. Track Record in Successful Post-production and Value Addition Activities (Business Registration Certificate, production progress reports, audited accounts) 25 marks
- 2. Demonstrate adequate Financial Resources and Operational Profitability (Bank statements, audited accounts for each of the last 3 years, list of all current debt obligations) 25 marks
- 3. Evidence of Experience to Manage Agribusiness Operations (reports on past value chain operations, audited accounts, etc.) 15 marks
- 4. Evidence of Business Case (business proposal detailing current intervention request; show legal evidence of access to land rented, owned or leased to value chain entrepreneur for the intervention; production, processing and marketing activities must include adoption of climate smart technologies 20 marks
- 5. Evidence of Previous Work Experience with women and youth (Must include at least 30% women and 20% youth in both upstream and downstream of the value chain. Must have linkages with small holder farmers or FBOs preferably within the Project target areas. Must provide a database of outgrowers/smallholders) 15 marks

#### Note:

FSRP will only finance projects that abide by its Environmental and Social Management Framework and its Resettlement Policy Framework. Selected applicants shall be required to meet national environmental regulations including EPA permits, and World Bank's environmental and social standards.

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framework&sa=U&ved=2ahUKEwiEtbavwp-

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In addition, proposals that demonstrate promotion of the inclusion of women and youth as beneficiaries are desirable, and will receive additional weighting during evaluation.

Proposals that would receive support *must* promote Climate Smart Agriculture (CSA) technologies, be nutrition sensitive or gender sensitive.

## Eligible interventions

Activities must aim at integrating the selected value chains with both local and regional markets.

These would include but not limited to rehabilitation, new construction and or equipping of:

- 1. Aggregation centres (a building or structure, usually a hub used primarily for post-harvest activities such as temporary storage, drying, minor processing, bagging, branding, and distribution)
- 2. Cold-chain infrastructures that reduce food loss and waste
- 3. Storage infrastructure to reduce post-harvest losses
- 4. Agro-processing machinery or equipment
- 5. Mobile silos for rice/maize/soya
- 6. Dryers for Rice /maize/soya
- 7. Mid-sized parboiling machines for rice farmers
- 8. Mid range maize processing machines (grits/powder)
- 9. Mid-sized packaging and bagging machines for rice /maize/soya agribusinesses
- 10. Haulage trucks (10 ton) for rice/maize aggregators
- 11. Mid-range cutting/processing poultry machines
- 12. Reefer vans (5-10 ton) for poultry
- 13. Reefer containers (40 ton) for poultry
- 14. Mid-range hatcheries for poultry
- 15. Poultry waste processing machines
- 16. Poultry processing lines (1,000 birds/hr)
- 17. Precision cutting lines
- 18. Blast freezers (15-20 ton)
- 19. Cold storage (14 ton)
- 20. Plastic cage catchers
- 21. Feed pelletizer

## Co-Funding & Ceilings Arrangement

Each selected beneficiary is expected to contribute a minimum of 20% of the cost of the project, with the Scheme contributing the remaining costs, up to 80% depending on its merit and overall cost.

The maximum grant award will be US\$500,000 per intervention.

13. The Ministry of Food and Agriculture through FSRP now invites applicants to indicate their interest in participating in the Matching Grants Scheme. Interested Applicants should provide information demonstrating their eligibility and qualification using the required submission template.

### E. SUBMISSION

All interested applicants should download (using the following

links: https://fsrp.org.gh/pdfs/MGS\_Application\_Guidelines\_Proposal\_submission\_form\_GH\_FS\_RP2\_2\_.pdf,

https://fsrp.org.gh/pdfs/Matching%20Grants%20Manual %20GH FSRP2 P178132.pdf,

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https://mofa.gov.gh/site/images/pdf/MGS Application Guidelines Proposal submission form.pdf, https://mofa.gov.gh/site/publications/106-fsrp-publication/476-matching-grants-manual) the proposal submission template from MOFA website or FSRP website, at <a href="www.mofa.gov.gh">www.mofa.gov.gh</a> or <a href="www.mofa.gov.gh">www.mofa.gov.gh</a> respectively. Failure to use the required template will result in disqualification.

The deadline for submission is 28<sup>th</sup> August 2024 by 10 hours GMT. Applications received after the deadline will not be considered.

The Proposals may also be submitted in hardcopy using the downloaded application template to the address below (in person, or by mail, or by e-mail) by 10 hours GMT, 28<sup>th</sup> August 2024.

The addresses referred to above are:

#### For Information

Food System Resilience Project (FSRP) of the Ministry of Food and Agriculture, (FSRP office located at the premises of the Government Secretarial School, Cantonments, P. O. Box M.37, Accra, Ghana

Email: info@fsrp.org.gh or procure@fsrp.org.gh

Tel No: +233 0501341709/ 0270095626

Digital Address: GL-044-6277

## For submission of Proposals

The Project Coordinator, Food System Resilience Project Ministry of Food and Agriculture,

(FSRP office located at the premises of the Government Secretarial School, Cantonments, P. O. Box M.37, Accra, Ghana

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Location: MOFA Projects Block, Behind the Government Secretarial School, Cantonment in the Vicinity of Morning Star School, Cantonment, Accra, Ghana.