



**COFFEE AND COCOA VALUE CHAINS
DEVELOPMENT (CoCoDev) PROJECT IN
UGANDA - FED/2021/430-533**

GRANTS SUPPORT PROCEDURES MANUAL

**SUPPORT TO COMMERCIAL COFFEE AND COCOA
PRODUCTION AND PRODUCTIVITY IN UGANDA**

March 2024

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LIST OF ACRONYMS

CBO	–	Community based organization
CoCoDev	–	Coffee and Cocoa Development
CSO	–	Civil Society Organisations
EDF	–	European Development Fund
EFT	-	Electronic Funds Transfer
EOI	–	Expression of Interest
EU	–	European Union
EUD	-	European Union Delegation
FO	–	Farmers Organizations
GOU	–	Government of Uganda
GreenUp	–	Inclusive Green Economy Uptake Programme
GSA	–	Grant Support Agreements
MAAIF	–	Ministry of Agriculture, Animal Industries and Fisheries
MAPE	–	Multi Annual Programme Estimate
GS	–	Grant Support
MoFPED	-	Ministry of Finance, Planning & Economic Development
MTIC	-	Ministry of Trade, Industries and Cooperatives
NAO	–	National Authorizing Officer
NDPIII	–	The Third National Development Plan
PMU	–	Programme Management Unit
PSC	–	Project Steering Committee
PWD	–	Persons with disability
RCEO	-	Regional Coffee Extension Officer
RTGS	-	Real Time Gross Settlement
SHCF	–	Smallholder coffee farmers
TAT	-	Technical Assistance Team
UCDA	–	Uganda Coffee Development Authority
UGGDS	–	Uganda Green Growth Development Strategy
UIA	-	Uganda Investment Authority

1.0 THE COFFEE AND COCOA VALUE CHAINS DEVELOPMENT (COCODEV) PROJECT IN UGANDA

1.1 Summary

The Inclusive Green Economy Uptake Programme (GreenUP) is a European Union (EU) funded programme under the 11th EDF. The Financing Agreement (UG/FED/041-776) was signed in March 2020. GreenUP aims at 'contributing to the Ugandan transition toward an inclusive, green and competitive low carbon economy with the creation of decent green jobs in a number of key sectors laid down in the Uganda Green Growth Development Strategy (UGGDS)

The Coffee and Cocoa Development Component of GreenUp focuses specifically on the coffee and cocoa value chains and intends to make contributions in four distinct result areas: 1) strengthening the regulatory framework; 2) enhance commercial coffee and cocoa production and productivity; 3) enhance coffee and cocoa post-harvest handling, quality and marketing of coffee and cocoa; 4) strengthen coffee and cocoa research.

The Coffee and Cocoa Value Chains Development (CoCoDev) project is executed through a service contract managed by the European Union Delegation, and two Programme Estimates, under Indirect Management by Government of Uganda, delegated to the National Authorizing Officer. The national authority responsible for executing the programme estimate is Uganda Coffee Development Authority.

The overall objective of CoCoDev project is to contribute to Ugandan transition towards an inclusive, green and competitive low carbon economy with the creation of decent green jobs in a number of key sectors laid down in the Uganda Green Growth Development Strategy (2017/18 – 2030/31).

The purpose of CoCoDev project is to increase rural jobs and income by supporting production and export of coffee and cocoa, thereby contributing to job-intensive, inclusive, environmentally sustainable and climate- resilient value chains.

The CoCoDev project focuses on three result areas:

- 1) Coffee and Cocoa policy and regulatory framework supported, strengthened and implemented;
- 2) Commercial coffee and cocoa production and productivity enhanced; and
- 3) Post-harvest losses reduced, quality improved and marketing opportunities for coffee and cocoa created and enhanced.

Under the Result 2, CoCoDev project provides for grant supportscheme as a funding modality to support commercialization of coffee and cocoa production and productivity.

1.2 CoCoDev Context

The CoCoDev project arises from the overarching European Union (EU) policy framework on Inclusive Green Economy Uptake Programme (GreenUP), which is the EU's development policy on promoting a green economy that can generate growth, create decent jobs, and help reduce poverty by valuing, and investing in, natural capital, and reducing the unsustainable use of natural resources. CoCoDev is funded under the European Union, 11th EDF under the Framework Agreement between the EU and the Government of Uganda, referenced - (UG/FED/041-776). GreenUP aims at 'contributing to the Ugandan transition toward an inclusive, green and competitive low carbon economy with the creation of

decent green jobs in a number of key sectors as laid down in the Uganda Green Growth Development Strategy (UGGDS).

The UGGDS was launched in November 2017, covering a period from 2017 to 2030. The UGGDS guides the implementation of the Vision 2040, and the NDPs, and brings in links to the Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change. With the implementation of CoCoDev in mind, the UGGDS objectives are:

2. Accelerate economic growth and raise per capita income through targeted investments in priority sectors with the highest green growth multiplier effects;
3. Achieve inclusive economic growth, along with poverty reduction, improved human welfare and employment creation;
4. Ensure that the social and economic transition is achieved through a low carbon development pathway, that safeguards the integrity of the environment and natural resources.

Coffee and Cocoa can score highly for each of the UGGDS objectives, and once again we see CoCoDev implementation falling on a very firm foundation in regard to supporting Government policy and strategy. The Government of Uganda's Vision 2040 was adopted by the Cabinet in 2007 describes long-term policy objectives for the country and envisions a transformed society from a predominantly peasant and low-income country to a competitive upper middle-income country. Vision 2040 is achieved through the implementation of a series of National Development Plans (NDP). CoCoDev is being implemented under NDP III - 2020/21 to 2024/2025, where the macroeconomic strategy is to revive private sector activity through, accelerating the pace of industrialisation, building an integrated and self-sustaining economy, strengthening the private sector by improving enterprise competitiveness, productivity enhancement in agriculture, prudent macroeconomic management and enhancing competitiveness through addressing low agriculture productivity and the narrow export base.

In response to these policies, strategies and plans, UCDA developed the **Uganda Coffee Roadmap** which is a strategic plan for setting the country on the path to producing 20 million 60-kg bags of clean coffee per year by 2030. The road map was developed through intensive consultations with various stakeholders along the value chain. The proposed interventions are indicated in figure 2 and 3 below.



Figure 1: The nine initiatives of the Uganda Coffee Roadmap

Figure 2: The Roadmap Initiatives	
Initiative	Potential owner
Initiatives 1 & 2 – Building structured demand and branding Structured demand (country-to-country deals), branding for 15% price premiums, local consumption	MoFPED (with support from the PM and President, UCDA)
Initiative 3 – Support local businesses Washing stations/improved primary processing, in-country soluble coffee production	MAAIF (with UCDA and the PS)
Initiative 4 – Strengthen farmer organisations Capacity building of FO's, extension services and other service provision to farmers	UCDA (with support from UCA & MTIC)
Initiatives 5 & 6 – Support Joint Ventures and concessions Bringing underutilised land into production, finance and support to landowners and investors for coffee farming, access to land	UIA (with UCDA and the PS)
Initiative 7 - Improve quality of planting materials Research on new varieties, pests & diseases, and agronomy, improved quality of seedlings and their distribution, commercial multiplication	NaCORI, UCDA
Initiative 8 - Improve access to quality inputs Regulation, registration, enforcement	MAAIF
Initiative 9 – Coffee finance programme Concessional institutional funds, finance for small-holders and larger farmers, technical assistance, engagement commercial banks	MoFPED (with BoU and PS)

CoCoDev has the Coffee Road Map at the heart of its interventions in regard to its coffee support and interventions. It also pays special attention to cross cutting concerns of the Government of Uganda and the European Union, especially regarding environment, gender, youth and people with disabilities. Environmental care regarding soil and water conservation, deforestation and climate mitigation are high-lighted in promotion of Climate Smart Agricultural practices in regard to the promotion of coffee/cocoa planting and management. Within the MGS, the applications of women, youth and people with disabilities, generate an additional evaluation score. Gender equity and inclusion are considered as cross-cutting priorities throughout CoCoDev implementation,

such as through the timing and location of trainings, opportunities for inclusion in CoCoDev activities, etc.

1.3 Purpose of the Operation Manual

This Operations Manual covers result area 2 of the Multi Annual Programme Estimate (MAPE) of the CoCoDev project. It has been prepared as a guide to the Programme Management Unit (PMU), grantees and all other stakeholders engaged in the planning, execution, management, monitoring and evaluation, and technical/financial auditing of the MGS. The objectives of the manual are to:

- a) Enable stakeholders to understand the scope, content, procedures, processes, and modalities for planning, execution, management and monitoring of the MGS;
- b) Ensure that the requirements for transparency, equity, compliance, accountability and fiduciary and safeguard due diligence norms and standards are met; and
- c) Guide the functions and activities of the MGS to ensure consistency, timeliness, efficiency, and accuracy in its implementation.

1.4 Objectives and primary features of the Grant Support

The objective of the grant support is to enhance increased coffee and cocoa production by supporting establishment of more coffee and cocoa farms in Uganda.

The grant support shall be on a re-imbusement basis to support the beneficiaries for the eligible costs once activity implementation and verification of the same has been concluded.

The beneficiaries shall be supported financially and technically to ensure successful establishment of the farms for a period not exceeding 24 months from the time of GSA signing.

1.5 Strategic objectives

Result area 2 of the Multi Annual Programme Estimate which is "*Commercial Production and Productivity of Coffee and Cocoa Enhanced*" is aligned with UCDA's mandate as reflected in the coffee road map regarding increased enhancement of commercialization and ensure broad access to extension, inputs, finance and aggregation. And to support joint ventures of underutilized land and investor development of coffee production.

The strategic objective of the grant support proposed under the project is to attract and leverage private sector investments into the agriculture sector. More specifically, the aims of the grant support are to increase rural jobs and income by supporting production and export of coffee and cocoa, thereby contributing to job-intensive, inclusive, environmentally sustainable and climate- resilient value chains.

1.6 Expected outcomes

Broader expected outcomes of the grant support would include: (a) an increased number of commercial coffee and cocoa farmers linked to agribusinesses; (b) increased benefits derived from these partnerships in the form of agricultural production and

productivity, agricultural income, and employment opportunities; (c) increased investments in the coffee value chain; and (d) increased value of commercial outputs from the coffee value chain; and (e) good agricultural practices (GAP) for coffee and cocoa, including climate change adaptation measures (shade trees, cover crops, seedlings and banana suckers).

1.7 Grants support available under the Project

There are two categories of grant support provided by the Project:

Type of Category	Acreage	Project contribution
Category 1	10 – 19 acres	100% ¹
Category 2	20 - 50 acres	100% ²

Within the above two categories, the project will reimburse costs associated with the following activities only:

- Purchase of planting materials for coffee and cocoa including (seeds, seedlings, clonal cuttings)
- Implementation of good agricultural practices for coffee and cocoa, including climate change adaptation measures (shade trees, seedlings, cover crops and banana suckers)

Any grant requested must fall between the following minimum and maximum amounts:

- minimum amount: UGX. 32,768,110.
- maximum amount: UGX. 163,840,550

The grant support will be UGX. 3,276,811 per acre, which represents about 55% of the total cost of establishing a coffee /cocoa per acre. Grant reimbursement will be issued after verification of compliance with, the minimum acceptable standards/specifications of coffee /cocoa establishment.

The reimbursable amount is based on the cost as determined by the gross margin analysis in the Arabica Coffee Production Manual, Robusta Coffee Production Manual and Cocoa Production Manual, averaging the cost of vital inputs per acre at UGX. 3,276,811. Hence a minimum of UGX. 32,768,110 for 10 acres and maximum of UGX. 163,840,550 for 50 acres.

¹ Of eligible costs

² Of eligible costs

CoCoDev financial support will be limited to **between 10 and 50 acres** for each beneficiary under both coffee and cocoa categories. The matching grants are subject to availability of funds and for a limited period during project implementation.

These grants support would co-finance investment proposals from interested and eligible applicants on a cost sharing basis as a percentage of the estimated cost of the planned activities borne by the applicant/recipient. The contributions from selected grant recipient would be provided through own-sourced or commercial financing.

Failure to kick start project activities including commitment of funds within three (3) months of signing the Grant Support Agreement, will lead to automatic cancellation of the same.

2.0 IMPLEMENTATION PROCESS AND GOVERNANCE STRUCTURE

2.1 Project Implementation Arrangements

The arrangements for project implementation, governance and monitoring are described in this Chapter. In a nutshell, UCDA is the anchor agency for the Project. The UCDA through the project management unit will be responsible for overall oversight and monitoring of the achievement of the project's development objectives, providing technical support and guidance for that purpose, and facilitating inter-stakeholder support for the project implementation.

2.2 Programme Management Unit (PMU)

Composition: The PMU will be headed by the Project Coordinator (PC). The PC will be assisted by a team of professionals including Agribusiness Development Officer, Project officer - Coffee, Project officer - Cocoa, Finance and Contracts Officer, Administrative and Logistics Officer, Project Assistant, and an Office Assistant in the day-to-day operations of the project. The PMU will be guided by a TAT of two experienced experts.

2.3 Evaluation Committee (EC)

The EC will be composed of a core group of 7 experts selected from the Uganda Coffee Development Authority (UCDA), CoCoDev PMU, Ministry of Finance Planning & Economic Development/NAO, European Union Delegation (EUD) and the Project's Technical Assistance Team (TAT).

The major functions of the EC are to appraise and provide advisory services for the selection of project applications to be funded by the MGS. These include:

- a) Pre-investment appraisal of technical, financial, economic, environmental and social aspects of grant proposals using application forms, field verification reports, and social and environmental safeguard reports.
- b) Making observations and recommendations for improving and revising the submissions.
- c) Recommending the proposals to UCDA for approval for funding.

- d) Making recommendations to the UCDA for improving and revising the grant proposal templates; grant processing procedures, and selection criteria etc.

The membership of the Evaluation Committee (EC) will be as follows:

s/n	Institution	No. of representatives	Alternate	Role on the EC
1.	UCDA	01	01	Chairperson
2.	CoCoDev PMU	01	01	Secretary/Member
3.	CoCoDev PMU	02	02	Evaluators
4.	UCDA	04	04	Evaluators
5.	NAO	01	01	Evaluator
6.	EUD	01	01	Observer
7.	TAT	01	01	Observer

3.0 COCODEV PROJECT FOCUS

The CoCoDev project will support commercial coffee and cocoa production investment scheme to increase professionalised coffee production and increase production and productivity of smallholder coffee farmers.

The Uganda Coffee Roadmap sets out a specific support programme for medium scale commercial coffee farms with an outreach programme to commercialise neighbouring smallholder farmers. As the Kaweri coffee plantation has shown, a well-managed commercial coffee farm provides an effective exposure and training ground for SHCFs. In addition, commercial coffee plantations can provide SHCFs with seedlings, inputs, credit, processing facilities and markets, which would further stimulate commercialisation of the surrounding smallholder coffee farmers.

In addition, under Initiative 4, the Coffee roadmap suggests that further professionalization of Farmer Organisations (FOs, including Cooperatives) will be a crucial pathway to enhance production, processing and marketing services to Smallholder coffee farmers (SHCF) who have started to improve their coffee production.

For the cocoa sector, some commercial scale production has started, but is still very limited. However, the same benefits from commercial plantation scale cocoa production apply as for the coffee sector. And the commercial cocoa farmers have even less support and information to fall back on, than the coffee sector.

The support will be accessed in accordance with funding guidelines which include but not limited to submission of applications to the Uganda Coffee Development Authority (UCDA) Programme Management Unit (PMU) by interested/prospective beneficiaries in response to the call for Expression of Interest (EOI), willingness and ability to execute

designated roles and responsibilities as will be stipulated in the Grant Support Agreement to be signed between UCDA and the beneficiary.

3.1 Good Agricultural Practices

Poor field management significantly contributes to low productivity in coffee and cocoa. Farmers should therefore make appropriate investments in recommended best field management practices for maximum productivity.

3.2 Coffee and Cocoa varieties

There are mainly 2 varieties of coffee; Robusta coffee and Arabica coffee. Robusta coffee is commonly grown in low altitude areas and the recommended planting lines are Kituza Robusta (KR) 1, KR2, KR3, KR4, KR5, KR6, KR7, KR8, KR9 and the KR10. The recommended Arabica coffee seedlings are SL14, SL 28 amongst others.

For Cocoa, there are 3 morphological clusters of cocoa that are commonly grown. These are;

- a) Criollo – the pods are long, yellow or red in color when ripe, deep furrow, big warts, sharp pointed ends and have few big sized seeds. They produce very high-quality grade of cocoa with exceptional flavor and aroma with relative low yields and more susceptible to pests and diseases.
- b) Forastero (Amelonado) – the pods are short, yellow in color when ripe, shallow furrows, smooth without warts, blunt ends/ not pointed and very many small seeds.
- c) Trinitario – this is a hybrid from a cross between criollo and forastero with good quality (aroma and flavor), high yielding and tolerant to pests and diseases. The pods can either be short or long, red or green in color shallow furrows and sharp pointed ends.

3.3 Pest and diseases control

Pests and diseases severely affect the health of Coffee and cocoa plants, which further leads into quality deterioration, quantity loss and eventually reduced economic return to the farmer. Successful pest and disease management supplements all other good agricultural practices aimed at growing a healthy crop such as irrigation, fertilization, pruning, soil and water conservation, weed control, shade management.

3.4 Climate change adaptation and mitigation strategies

Adaptation and mitigation strategies are becoming increasingly important to sustain Uganda's coffee production growth. Given that smallholders dominate coffee production in Uganda, these strategies need to be low-cost and hence affordable, acceptable and efficient. Adaptation involves actions that minimize the negative impacts of climate change but are aimed at lowering the risks posed by a changing climate. Mitigation involves activities that reduce, prevent, or remove greenhouse gas emissions and therefore limit the magnitude of long-term climate change. Both adaptation and mitigation are aimed at enhancing the resilience of coffee. Training

farmers to implement good agricultural practices is an important step in climate adaptation and mitigation.

3.5 Agroforestry/shade trees

Given the current effects of climatic change, shade trees are very important in Coffee / cocoa farming as interventions against excessive temperatures and heat stress that is responsible for flower and fruit abortion. Farmers should establish shade trees at least one year before coffee and cocoa trees are planted out. Shade trees should be planted in rows throughout the coffee garden and care should be taken to avoid too many shade trees as they may compete with coffee and cocoa for moisture and nutrients in addition to over-shading the coffee trees. It is recommended that the spacing of the shade trees be approximately 20-40m apart depending on the tree species and expected canopy profile. In warmer and drier areas such as the mid-north of Uganda, shade tree spacing should be planted at shorter distances, but after recommendation from the Regional Coffee Extension officer, while on site. Once shade trees are established it is necessary to carry out proper pruning to allow for sufficient aeration as well as sunlight in the field. This is important in order to avoid high relative humidity that results from too much shadow due to plant congestion in the garden - a condition favorable to disease and pest development such as coffee leaf rust and/or black coffee twig borer. Shade trees should be pruned at the beginning of the rainy season. Keep the trees at a maximum height of 4-5m to facilitate easier management. Advantages and disadvantages of shade trees are listed in the Table 1 below.

Table 1. Advantages and disadvantages of Shade Trees

Advantages	Disadvantages
<ul style="list-style-type: none"> • Shade trees protect the coffee and cocoa bushes from heavy rainstorms and hailstorms. • Shade trees reduce the intensity of wind speeds and soil erosion and act as windbreakers. • Shade trees protect coffee plants from high solar radiation and limit evapotranspiration. • Shade trees limit weed growth. • Reduces decay rate of organic matter in soil. • Reduces plant metabolism and encourages more regular flowering. • Increases biodiversity by promoting higher populations of birds, predators of coffee pests and pollinators of coffee plants thereby improving fruit formation. • Helps to stabilize the soil, reduce soil erosion and water runoff. 	<ul style="list-style-type: none"> • Shade trees may compete with coffee for nutrients and water. • Requires regular lopping and thinning which is labor intensive. • Shade, if poorly managed reduces photosynthetic activity and causes elongation of internodes, both of which result in lower yields. • The risk of Coffee Leaf Rust is more rampant in coffee with shade trees. • Some of the shade trees are alternate hosts for the pests

Advantages	Disadvantages
<ul style="list-style-type: none"> • Shade trees is a requirement for sustainable coffee farming. • Shade trees slows down coffee cherry ripening, thereby improving bean density and cup flavour. • Shade trees play a role in efficient utilization of nutrients by taking up leached nutrients that are outside the reach of the coffee tree root zone and returning these nutrients to the topsoil through litter fall which acts as mulch. • When leguminous trees are used as shade trees, they fix nitrogen from the air to restore soil fertility and structure. • Shade trees provide diversified income from products like firewood and the pruned shade tree branches provide fuel for farm activities like the drying furnace and cooking 	<p>and diseases for both coffee and cocoa.</p>



A coffee plantation intercropped with shade trees at a spacing of 15-40m.

3.6 Shade Trees for Coffee gardens

The following tree species in Table 2 are recommended for growing in different regions of Uganda.

Table 2. Tree species recommended for growing in different regions of Uganda

1. Central Region	2. South and Western Region
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<ul style="list-style-type: none"> • <i>Ficus natalensis</i> (Mutuba); • <i>Albizia coriaria</i> (Mugavu, Musisiya) • <i>Ficus mucuso</i> (Mukunyu, Kabalira) 	<ul style="list-style-type: none"> • <i>Ficus natalensis</i> (Mutooma, Ekitooma), • <i>Albizia coriaria</i> (Musisa, Murongo, Muyenzayenze) • <i>Ficus mucuso</i> (Mukunyu)
3. Mid-Northern Sub-Region <ul style="list-style-type: none"> • <i>Ficus natalensis</i> (Annar, Ananga), • <i>Albizia coriaria</i> (Litek, Ober, Bata, Latoligo, Omogi, Ayekayek) • <i>Cordia africana</i> (Akoiyi) • <i>Ficus ovata</i> (kwoyo, pwoyo) 	4. Busoga Sub-Region <ul style="list-style-type: none"> • <i>Ficus natalensis</i> (Mugaire, Kiryanyonyi), • <i>Ficus mucuso</i> (Mukunyu) • <i>Ficus ovata</i> (Kookowe)
5. West Nile Region <ul style="list-style-type: none"> • <i>Ficus natalensis</i> (Mutuba, Ubi, Laru), • <i>Albizia coriaria</i> (Oyo) <i>Ficus mucuso</i> (Uwi) 	

3.7 Shade trees for Cocoa gardens

A survey funded by MARKUP to assess the level of adoption of agroforestry in farms developing cocoa production shows that four species, namely Musizi (*Maesopsis eminii*), Jackfruit (*Artocarpus heterophyllus*), Avocado (*Persea americana*) and Mango (*Mangifera indica*), are widely found in cocoa gardens in every district with constant high frequencies, except in Kasese. Some districts show high adoption rates of particular species, like Musambya (*Markhamia lutea*) and *Terminalia* sp. in Bundibugyo, or *Acacia* sp. in Kasese. The overall diversity of associated tree species found in each district is also variable, especially in Kasese and Ntoroko where inventories showed higher levels of diversity.

The following tree species in Table 3 are recommended as shade trees in different cocoa regions of Uganda.

Table 3. Tree species recommended as shade trees in different cocoa regions of Uganda

<ul style="list-style-type: none"> • Musizi (<i>Maesopsis eminii</i>) • Jackfruit (<i>Artocarpus heterophyllus</i>) • Avocado (<i>Persea americana</i>) • Mango (<i>Mangifera indica</i>) • Musambya (<i>Markhamia lutea</i>) • Mugavu (<i>Albizia coriaria</i>) 	<ul style="list-style-type: none"> • Mvule (<i>Milicia excelsa</i>) • Oranges (<i>Citrus</i> sp.) • Papaya (<i>Carica papaya</i>) • Eucalyptus (<i>Eucalyptus</i> sp.) • Guava (<i>Psidium guajava</i>) • Mahogany (<i>Khaya</i> sp.)
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<ul style="list-style-type: none"> • Mutuba (<i>Ficus natalensis</i>) • Acacia (<i>Acacia</i> sp.) 	<ul style="list-style-type: none"> • Ebony (<i>Diospyros</i> sp.) • Entasesa (<i>Prunus Africana</i>) • Terminalia (<i>Terminalia</i> sp.)
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3.8 Water for production / conservation (reduce on water evaporation)

Water is the backbone of agricultural production. Therefore, all effort must be put in place to ensure that the planted coffee has access to adequate water to sustain it during establishment and productive stages. Planning for water conservation and its future availability is important while preparing the coffee field. The importance of water delivery systems cannot be overemphasized today given the erratic climate change effects.

3.9 Mulching

Mulching is the covering of the topsoil between crop rows and columns and around coffee trees with dried or rotten plant residues such as dried grass, maize stalks, bean haulms, coffee husks, straws and compost manure. Maize or sorghum stalks are very good for mulch because they contain a lot of potassium, which is important in coffee crop nourishment.

Mulching, especially in the first 3 seasons, ensures efficient use of irrigation water, increases crop yield and improves soil conservation. Failure to mulch increases irrigation needs.

3.10 Fertilization

A fertilization program needs to be developed based on inherent soil characteristics. For sustained productivity, coffee requires a high level of fertility and an intensive fertilizer program is therefore essential. Fertilization can be a means of providing and maintaining optimal quantities and combinations of ingredients in the soil to ensure that the plant is continually nourished. The coffee tree requires certain elements in large quantities such as Nitrogen, Phosphorus and Potassium and these occur in many chemical forms, including organic and inorganic. These elements are referred to as macronutrients. Other elements are required in very small (micro) quantities but are essential for plant growth. These micronutrients include Zinc, Copper, Magnesium, Calcium, Boron, Iron, Manganese, Molybdenum, Sulphur and Chlorine.

It is important to be aware of the effect of applying different nutrients to achieve maximum productivity. For example, the application of P and K fertilizer may be required to achieve a full response to N fertilizer. Therefore, 'balanced fertilization' is an important aspect in increasing fertilizer usage efficiency. The choice of fertilizer will depend on the current and past use of manure, as well as soil properties and climate conditions.

To improve efficiency, it is extremely important to follow the best fertilizer management practices referred to as the four rights. These are; (i) right source of fertilizer, (ii) right application rate, (iii) right time of fertilizer application and (iv) right place to meet the crop nutritional demands. Information on the different types of fertilizer, the

recommended rates and application procedures can be obtained from the Robusta Coffee handbook and the Arabica coffee handbook on the UCDA website.

4.0 FUNDING ELIGIBILITY REQUIREMENTS FOR PROJECT SUPPORT TO COMMERCIAL COFFEE AND COCOA PRODUCTION

4.1 General Eligibility Conditions

The grant support will be eligible:

- Purchase of planting materials for coffee and cocoa including (seeds, seedlings, clonal cuttings)
- Implementation of good agricultural practices for coffee and cocoa, including climate change adaptation measures (shade trees, seedlings, mulching, trenches, cover crops and banana suckers etc)
- Labour costs for farm establishment including the following:
 - i. Land opening / ploughing.
 - ii. Digging planting holes.
 - iii. Planting seedlings in holes.
 - iv. Planting windbreakers along boundaries of coffee/cocoa plantations.
 - v. Planting shade trees into holes for climate change adaptation
 - vi. Planting banana suckers and cover crops.
 - vii. Mulching
 - viii. Erosion controls e.g. fertigation trenches.
 - ix. Weed control.

The grant support is open to individual farmers, cooperatives, associations, etc. MSMEs and large-scale coffee and cocoa production. However, it does not aim to provide investment funds for large producers, but rather to introduce, and demonstrate, appropriate and affordable technologies, procedures and practices, that would largely benefit the development of commercial coffee and cocoa production.

The following are the key established requirements that prospective beneficiaries **MUST** meet to qualify for a grant under respective areas of project support.

4.2 Eligibility requirements for establishment of coffee production units (Category one and two)

1. Be an individual commercial coffee farmer, registered private entity, coffee cooperative, coffee association, coffee Community Business Organization/communal group.
2. Be directly responsible for the preparation and management of the action.
3. All applicants should be 18 years and above.
4. Must possess a minimum plantable area of at least 10 acres.
5. Legal land ownership/user rights. Land must be free from encumbrances and conflicts and compliant to the Uganda Laws pertaining agricultural developments.
6. Must possess land within project target districts.
7. Must be willing and capable to use own funds for initial investment in coffee production unit establishment.
8. Companies, Associations, CBOs, community/communal groups with proof of women and youth participation as well as benefit sharing will have added advantage.

4.3 Eligibility requirements for establishment of cocoa production units (Category one and two)

1. Be an individual commercial cocoa farmer, registered private entity, cocoa cooperative, cocoa association, cocoa Community Business Organization/communal group.
2. Be directly responsible for the preparation and management of the action.
3. All applicants should be 18 years and above.
4. Must possess a minimum plantable area of at least 10 acres.
5. Legal land ownership/user rights. Land must be free from encumbrances and conflicts and compliant to the Uganda Laws pertaining agricultural developments.
6. Must possess land within project target districts.
7. Must be willing and capable to use own funds for initial investment in cocoa production unit establishment.
8. Companies, Associations, CBOs, community/communal groups with proof of women and youth participation as well as benefit sharing will have added advantage.

5.0 GRANT-MAKING PROCEDURE FOR PROJECT INTERVENTIONS

The grant under CoCoDev project is set up and implemented to support the funding of commercial coffee and cocoa production. Eligible commercial coffee or cocoa farmers and entities will be given grants on a reimbursement basis using the criteria detailed above. The entire grant support process starts with an open call for Expression of Interest (EOI) to solicit applications from potential beneficiaries. Prospects with EOIs that are screened and passed will be requested to submit a full application for further technical assessment and due diligence based on field verification exercises. The intention is to achieve the objectives of the project under result area 2 in line with the general requirements as clearly stipulated in this Manual. The grant support procedure involves the following steps:

- 1) Developing the grant support procedures manual including guidelines
- 2) Announcement for Request for Expression of Interest in the national media
- 3) Public Communication and Awareness Building
- 4) Submission and receipt of EOIs.
- 5) Administrative screening of EOI
- 6) Call for full application.
- 7) Technical evaluation of full applications
- 8) Field assessment and due diligence on information provided
- 9) Approval of selected applicants by NAO/EU
- 10) Notification and award of contracts to successful applicants
- 11) Notification to all unsuccessful applicants

5.1 Formulation of grant support approach and focus areas

The CoCoDev Project Management Unit in consultation with key stakeholders in the coffee industry, including the public sector like the Uganda Coffee Development Authority, District Local Governments, Ministry of Agriculture Animal Industry & Fisheries, and private sector like CSOs, operators from coffee and cocoa producers (male and female), producer organizations, , farm equipment dealers, exporters and buyers, seeds and seedlings value chain actors will agree on the grant support strategy to stimulate and promote sustainable production and productivity in the coffee and cocoa value chain. Under the four chosen project intervention areas, the formulated grant support strategy as described below will be presented to the UCDA managing director. This overall grant support strategy will also be presented to the CoCoDev Project Steering Committee for approval and endorsement.

5.2 Grant support approach for the establishment of coffee / cocoa production units

- i) Successful applicants will sign Grant Support Agreements (GSA) with Uganda Coffee Development Authority. No activities prior to the signing of the GSA will be eligible for funding and as such any expenses to that effect will be disallowed.
- ii) Upon signing of GSAs that will include deliverables and milestones, UCDA through the PMU will provide technical support to the grantee in identifying sources of quality planting materials and GAPS including climate change adaption measures (shade trees, seedlings and banana suckers).
- iii) The PMU will also support the grantees with information on registered and authorized nursery operators, seed gardens, soil composition requirements, yield capacity and good agriculture practices in general. In addition, the PMU will also ensure that the right EU procurement guidelines are followed, and the reporting and deliverables comply with the grant funding requirements.
- iv) The grantee will be expected to implement the planned activity (related to boosting coffee production), in accordance with agreed upon grant support guidelines and practices.
- v) At the end of each planting season, that will be verified by the PMU, the grantee will be expected to submit a progress report.
- vi) The progress report will then trigger a verification exercise by the PMU to assess, if the planting and or maintenance for the coffee / cocoa production unit was done in compliance with agreed upon guidelines and practices for establishment of sustainable coffee production units.
- vii) Payment of the coffee production establishment grant will be based on the results of the verification exercise by the PMU. The CoCoDev project shall cover full amount on defined eligible costs under category 1 (10 – 19 acres) and category 2 (above 20 acres) respectively for establishing a coffee / cocoa production unit per acre. This amount shall be paid upon verification of beneficiary's compliance with the minimum standards/requirements for establishment of an acceptable sustainable coffee production unit.

Any reimbursements made to the beneficiary will be based on acres of coffee or cocoa planted and implementation of sustainable management measures. The Grant Support will be paid in two instalments as below:

- a) Payment #1: 60%, upon establishment of planted acreage. (three months after plantation establishment).
- b) Payment #2: 40%, upon sustainable management of planted acreage. (nine months from plantation establishment or before the end of this Contract).

The total targeted area to be established by the applicant under this support will be monitored and verified by the PMU technical team for recommendation of reimbursement.

Announcement for Expression of Interest in the Media

A combined request for expression of interest will be advertised in the national media (Radio and national newspapers) and other channels including social media, UCDA website, etc. regarding the grant support. Respective grant support models and focus area(s) and other relevant criteria may be further defined in any corresponding call for EOIs, if need be. Support to prospective beneficiaries including clarification of the grant support manual and guidelines, eligibility criteria and implementation requirements will be advertised in the national press through prepared calls for expression interest. Furthermore, the announcement will be shared with the District Local Government leadership, parliamentary committees, women and youth groups, coffee and cocoa advocacy and alliance groups, the private sector etc. to ensure wider information outreach.

The announcement would include the following information:

- Objectives of the Expression of Interest (EOI).
- Priorities and types of grants under the EOI.
- The eligible participants and partnership requirements.
- Conditions of EOI and participation.
- Eligible project budget and disbursement of grant funds.
- Categories of costs, which could be supported out of the grant amount and rules for the eligibility of expenditures.
- Deadline and location for submission of EOI.
- Rules of submission and information regarding the project selection procedures and other necessary information.
- Place where interested applicants may obtain the necessary documentation and advice for preparation of the EOI; and
- Venues for regional workshops, which would follow each EOI with place and time for seminars.

Interested applicants will be required to express their interest by submitting the following requirements outlined under each of the project intervention area;

5.3 Application requirements for the establishment of coffee / cocoa production units

1. A duly filled and signed EOI form
2. For Individual commercial coffee /cocoa farmer applicants only: A copy of valid National Identity Card

3. Companies, cooperatives, associations, partnership, sole proprietorship and CBO only: A copy of valid registration certificate or other registration documents (if applicable)
4. Physical directions to business location
5. Proof of land ownership or user rights (e.g. land title, sales/lease agreement, certificate of customary ownership).

5.4 Review of Expression of Interest

All received EOI will be reviewed by an approved evaluation committee to determine among others that:

1. The prospective applicants are compliant with the prescribed eligible land size categories.
2. Proof of land ownership
3. Within the agreed ecological zones
4. The scope of activities for support is eligible and in line with the guidelines.
5. Deadline for submission is upheld.
6. Individual applicants have national IDs and for other entities, requisite registration.

5.5 Detail review of applications

Following the screening, administratively passed EOI and applications will be evaluated on the relevance and design of the proposed action. The evaluation will also check on compliance with the administrative checks during the EOI phase.

The evaluation process that will be scored, will among others consider;

1. Financial and operational capacity of the applicant
2. Relevance of the planned activities.
3. Design of action
4. Implementation approach
5. Sustainability of the action
6. Budget and cost effectiveness

5.6 Public Communication and Awareness Building

The announcement for call for expressions will be further supplemented by public awareness creation and sensitization activities in the project intervention regions to enhance understanding of the overall requirements and encourage appropriate beneficiaries to express interest for specific grant interventions.

CoCoDev project, through an outreach campaign, will organize sensitization meetings including seminars, workshops and radio talks shows in all the targeted regions during the first month of launch of call for EOI for different potential applicants. Technical and political leaders at the district level will also be invited to any such physical meetings. This

will also aim at enhancing awareness about the coffee and cocoa value chains development (CoCoDev) project at the district level, among communities and the public, and clarify the supportive role of District Local Governments (DLGs) during project implementation, monitoring and evaluation.

5.7 Preparation and submission of EOIs

The EOI and application form shall be developed by CoCoDev/PMU and made freely available to all interested prospects for filling in the required information before submission. The EOI and application form will be available in both soft copies downloaded from UCDA web site www.ugandacoffee.go.ug and hard copy. The latter shall be physically picked from:

1. UCDA's Headquarters at Coffee House, Plot 35, Jinja Road; or
2. UCDA's Regional Offices in Mukono, Masaka, Hoima, Bushenyi, Fort Portal, Jinja, Mbale and Gulu

A hard copy of EOI and application form shall be physically submitted to UCDA headquarters or Regional Offices in Mukono, Masaka, Hoima, Bushenyi, Fort Portal, Jinja, Mbale and Gulu as indicated above, in sealed envelopes indicating support areas being applied for. All received applications shall be registered in a database for record keeping.

CoCoDev/PMU shall acknowledge receipt for the EOI and application and provide the specific name of a person receiving the same.

Please note: All EOI and application forms shall be submitted within a period of 30 days from the date the advert will be published.

The responsibility for EOI and application preparation, submission, implementation, and accountability will rest with the Principal Applicant, who will be the primary contact for all matters pertaining to the project, on behalf of the applicant's organization/business.

The following rules will apply in the preparation and submission of the grant EOI and application:

- i) The grant EOI and application should be prepared in compliance with the forms and instructions issued by the Secretariat.
- ii) Submissions should comply with readability rule or should not contain substantial mistakes and/or erases.
- iii) Financial submissions that replace and change text on major design elements and figures of the submitted EOI and or applications will be rejected and not considered for evaluation.

5.8 EOI screening and selection criteria

Following the closing date for EOI and application submission, all forms received will be screened, administratively reviewed, and passed or failed based on compliance with the established criteria. The CoCoDev project coordinator through the managing director - UCDA, shall constitute a technical evaluation committee composed of a total of fourteen members including (5) representatives and five (5) alternates from the UCDA,

NAO, and PMU. UCDA and NAO will chair and co-chair all evaluation committee meetings. The EU Delegation (one and alternate) and TAT (one and alternate) will be observers on the Committee. The voting members are 5 members and or their alternates including the chairperson for the committee.

The composition of the committee shall thus be as follows:

Designation	Key roles
Chairperson	<ul style="list-style-type: none"> • Call and send out notification for the evaluation committee meetings. • Coordinates and monitors the EOI review procedures to ensure following the stipulated guidelines. • Superintends the EOI review process to reach balanced and right decisions. • Actively participate in the desk review of EOI using the criteria stated in the Grants Procedures Manual. • on behalf of the EC, recommends prospects to be recommended for full applications. • Reviews and signs off evaluation reports on beneficiaries' selection.
Technical Review Members (UCDA, PMU)	<ul style="list-style-type: none"> • Actively participate in the desk review of all EOIs using the criteria stated in the Grants Procedures Manual. • Take part in the missions for field verification of applications in all participating districts. • Recommends EOIs to be passed. • Contribute to the preparation of beneficiaries' selection report.
Observer (EUD / TAT)	<ul style="list-style-type: none"> • Attending all technical evaluation committee meetings as observers. • Provide appropriate guidance and counsel during committee sittings. • Sanction and endorse the final evaluation report from the committee.

For each of the two project intervention areas, desk evaluation of EOIs shall take two stages including 1) *Preliminary stage* - Assessment of availability of administrative mandatory requirements and 2) *Technical evaluation*. In general, the evaluation team shall be responsible for reviewing all the applications to verify whether each of them meets all stipulated eligibility requirements under each of the project intervention areas.

5.9 Application screening and selection criteria

Following the completion of EOI reviewing exercise by the evaluation committee, all passed EOI and applications will undergo a detailed screening, using a quantitative score mechanism, and passed or failed based on compliance with the established criteria.

At the stage of application assessment, the evaluation committee shall undertake technical evaluation of the applications using a quantitative score mechanism to ensure fairness and transparency in the process. In general, the evaluation team shall be responsible for reviewing all the applications to verify whether each of them meets all stipulated eligibility requirements under each of the project intervention areas.

5.10 Preliminary EOI evaluation

At the preliminary stage, each prospect under respective project area of intervention will be required to present all the mandatory administrative requirements indicated in respective announcement for EOI and application. Any prospective missing any of the outlined requirements will be regarded unsuccessful at this evaluation stage and therefore will be disqualified from progressing to the next step (technical evaluation). Mandatory requirements for support under each project intervention area are indicated in the respective tables below.

Preliminary evaluation- mandatory requirements for establishment of coffee/cocoa production units

Administrative Requirements	Documents/Proof	Rating	
Filled and signed EOI form	Filled and signed application form attached.	Yes/No	
Adult Individual	Adult (18 years and above)	Yes/No	
	Valid National Identification (ID)	Yes/No	
Legally registered company	Valid Certificate of Incorporation	Yes/No	
	Memorandum of Understanding and articles of associations incl. shareholder(s) / company directors page(s), certificate of registration/incorporation	Yes/No	
	Valid National Identification (ID)/Passport for at least one for the company directors	Yes/No	
	One of the directors must be an Adult (18 years and above)	Yes/No	
Legally registered and Associations cooperatives	Valid certificate of registration	Yes/No	
	Constitution	Yes/No	
	Valid National Identification (ID) for all board members.	Yes/No	

Administrative Requirements	Documents/Proof	Rating	
	One of the board members must be an Adult (18 years and above)	Yes/No	
Community groups	Valid National Identification (ID) for two Signatories, LC1 Chairperson's endorsement	Yes/No	
	One of the Signatories must be an Adult (18 years and above)	Yes/No	
Legally registered Community Based Organization	Valid Certificate of registration from district/town council	Yes/No	
	Constitution	Yes/No	
	Valid National Identification for two Signatories	Yes/No	
	One of the Signatories must be an Adult (18 years and above)	Yes/No	
Prospect is operating within CoCoDev Intervention districts	Should be indicated in the filled and signed application form above.	Yes/No	
Proof of production land ownership, access and or user rights	Land title, Land sales agreement, Land lease agreement, customary ownership certificate	Yes/No	
Compliance to EU deforestation regulation	Planned land for plantation of coffee / cocoa is not deforested land or part of a forest.	Yes/No	
Coffee/cocoa production acreage:	Area of coffee production should be indicated in the documents for proof of land and the filled EOI form.	Yes/No	

5.11 Technical evaluation of applications

Using a developed scoring system for the two respective project intervention areas (see tables below), individual items in the technical section of the applications shall be rated/scored following the allocated scores/points. For establishment of both coffee and cocoa production units a cut off mark of 70% will be considered.

Note that all applicants that attain a minimum score of 70% shall undergo further assessment including physical verification and due diligence and classified accordingly. Grant support will be prioritized based on scores and subject to availability of funding.

Prospects that do not attain the minimum required mark for the different categories will be considered unsuccessful at this stage and therefore not recommended for site verification and the matching grants.

Below are respective technical evaluation criteria for applicants under each project intervention area.

Technical Evaluation Criteria	Rating
a) Assessment of knowledge on coffee / Cocoa production/Good Agricultural Practices (GAPs) -14a & 14c & 14d	Max 40
<ul style="list-style-type: none"> • Knowledge of GAP in coffee/cocoa production and GAPs 	
<ul style="list-style-type: none"> • Fair knowledge of GAP in coffee/cocoa production and GAPs 	
<ul style="list-style-type: none"> • Poor knowledge of GAP in coffee/cocoa production and GAPs 	
b) Assessment of the crop calendar (Planting schedule) Annex D and 10	Max 10
<ul style="list-style-type: none"> • Accuracy in terms of recommended activities and timeframe 	
<ul style="list-style-type: none"> • Accuracy in terms of recommended timing 	
d) Assessment of adequacy (number and quality) of labor - 11	Max 10
<ul style="list-style-type: none"> • Use of experts e.g. agronomist, extension agent, etc. 	
<ul style="list-style-type: none"> • Technical staff e.g. farm manager, supervisors, etc. 	
<ul style="list-style-type: none"> • Farm workers, e.g. laborer's, casual support, etc. 	
d) Assessment on whether costs are eligible or realistic 12 & Annex C	Max 20
<ul style="list-style-type: none"> • Realistic projected costs 	
<ul style="list-style-type: none"> • Costs are eligible 	
<ul style="list-style-type: none"> • The level of detail of the costs provided 	
e) Assessment of Financial capacity 13 & 14b	Max 20
<ul style="list-style-type: none"> • Clear and well documented financing options 	
<ul style="list-style-type: none"> • Limited documentation to support financing options 	
TOTAL SCORES (MAX)	100

If the total score for is less than 70, the application will be rejected.

5.12 Due diligence

The CoCoDev Project Management Unit working with the UCDA shall appoint technical teams comprising of project technical staff to undertake due diligence exercises for each of the short-listed applicants under each of the four project interventions. During the process, the technical teams shall visit the applicants' field sites (in conjunction with the UCDA Regional Offices in Mukono, Masaka, Hoima, Bushenyi, Fort Portal, Jinja, Mbale and Gulu) and will physically verify the availability of key requirements specified under eligibility requirements for the intervention areas. The checklists below shall be used for site verification for coffee/cocoa plantation.

5.13 Grantees management plan

CoCoDev will draw upon the Farmer field school (FFS) model to manage and monitor the grantees. UCDA has divided coffee growing areas of Uganda into 9 regions for better management. These are Central, Greater Masaka, Eastern, Elgon, Mid North, West Nile, Southwest, Western and Kigezi (see attached). UCDA has regional managers and regional coffee extension officers (RCEO) who work with the coffee farmers in the different districts in each region. The entry point into the communities will be the RCEOs. RCEOs will be allocated a list of grantees by the PMU. Contact will be established with the local council one (LC1) and the grantees. Mapping of the grantees will be done, and Farmer groups (FG) will be established according to the locations of the grantees. FGs will be formed based on how farmers are close to one another or from the lowest admin units that are close to each other i.e. villages, parishes and sub counties. Each FG will consist of 10-30 farmers. The PMU and RCEOs will be allocated different FG for which they will be responsible in terms of backstopping, training plans and verification among others. For each FG, two farmers, one female and one male, will be selected to become lead farmers responsible for working alongside the PMU and RCEO in terms of coordination, planning, facilitating and monitoring. Regular and periodic visits will be made to review and monitor the progress of the supported activities by the PMU and RCEO.

Since the FFS model is a platform for holistic learning and should address both agricultural and non-agriculture-based issues and aspects that directly or indirectly contribute to the performance of the local farming system. The PMU and RCEOs will provide capacity-building support to grantees in terms of training in both coffee/cocoa agronomy and related topics that will be identified e.g. climate change, financial management, record keeping, gender issues, environmental issues.

5.14 Monitoring and evaluation plan

Participatory Monitoring, evaluation and learning (MEL) will be engaged. The grantees in their FGs and RCEO will be issued with reporting forms where they will keep a record of the activities, date of visits and reimbursements throughout the grant period. The PMU will provide backstopping support to the RCEOs and the grantees and provide feedback during the project period. A reporting system based on the MEL principles will be developed by PMU and the RCEO.

Mid-term Evaluation to assess progress and make necessary adjustments will be carried out. A final evaluation will also be performed to measure the overall success and impact

of the grant implementation. The qualitative and quantitative data collected by the grantees, RCEOs and the PMU will be analyzed to assess the achievement of objectives and the impact on targeted beneficiaries. Detailed reports highlighting key findings, successes, challenges, and lessons learned will be written.

Checklist for field verification of requirements for support establishment of coffee / cocoa production units - (category 1 and 2)

No.	Field Verification Criteria	RATING (Tick to indicate)	
		YES	NO
1	Does the applicant confirm that the application is from them?	YES	NO
2	In relation to the applicant having proof of land ownership/land use rights – can this be confirmed by the LC1?	YES	NO
3	Is the land free from incumbrances, including encroachment?	YES	NO
4	Is the actual site area in line with that given in the application (by physical measurement)?	YES	NO
5	Is the proposed planting site in one block of land?	YES	NO
6	Can the farmer explain where and how he/she is going to obtain the necessary planting materials?	YES	NO
7	In relation to labour availability, can the farmer show documents/records supporting the payment of workers?	YES	NO
8	Is the farmer able to explain how he/she will be able to raise the required finance to fund the costs they indicate in their application budget, realising that this is a reimbursement grant?	YES	NO
9	Is the planting area free from areas of swamp, rocks and/or very steep slopes, on which it is not possible to plant Coffee/Cocoa?	YES	NO

10	Is the planting area on land which has NOT been deforested since December 2020? (Possible signs of recent deforestation might be; forest neighbouring the planting area, presence of tree stumps, cross referencing with neighbours, etc?)	YES	NO
11	Is the planting area free from any Special Management Zones (SMZs) e.g. patches of natural vegetation, rivers, wetlands, cultural sites etc.	YES	NO
	TOTAL RESPONSES (MUST ALL BE YES FOR APPLICANT TO QUALIFY)		

5.15 Notification of the grant award to successful applicants

The CoCoDev project will formally communicate to successful applicants under each project intervention area indicating willingness and commitment to conditionally support them i.e. upon meeting all requirements as stipulated in Grant Support Agreement (GSA). The successful applicants shall be requested to accept the offer in writing, which acceptance shall be proceeded with preparation of GSA for signing by both parties (CoCoDev and grantees).

6.0 IMPLEMENTATION, MONITORING AND EVALUATION OF MGS

6.1 Contracting of beneficiaries

The CoCoDev project will award grants using an approved standard-format Grant Support Agreement (GSA). This GSA will constitute a binding contract between the CoCoDev and the beneficiary. It will set the terms and conditions applicable for that project intervention area. A meeting for grantees shall be convened where roles and responsibilities of each party will be explained and emphasized, in addition to other obligations stated in the GSA.

6.2 Finance and co-funding requests

The mechanism for funding both the establishment of coffee and cocoa production units under the project areas of support will be based on a reimbursement model. The agreed activity budget will be reflected in the GSAs including the reimbursable grant figures and required deliverables or milestones to trigger disbursement. The planned and agreed activities will be financed upfront by the grantee up to 100% (as reflected in the approved activity budget) and a claim request submitted based on agreed and verified deliverables.

6.3 Procurement processes and modalities

All procurement requirements related to goods and services required by the CoCoDev project shall follow the PRAG guidelines.

6.4 Training of beneficiaries

The CoCoDev project will organize practical-based trainings targeting beneficiaries under respective project intervention areas to equip them with relevant knowledge and skills required for; effective implementation of activities related to those particular areas of operation and proper operationalization of the equipment acquired. Where required, external facilitators/trainers shall be recruited to deliver training in unique areas of operation. On completion of each training, a training report will be prepared and submitted by the training personnel to the PMU.

6.5 Communications policy

To amplify visibility and outreach, grantees shall acknowledge CoCoDev, the European Union, and the Government of Uganda on all publications, reports, banners, visibility materials i.e. banners and press materials related to the project. The grantee shall provide the PMU with electronic copies of any articles, reports, media interviews or other publication directly relating to activities covered under the Grant Agreement. In addition, grantees are requested to grant CoCoDev the rights to copy, distribute and publish derivatives of the work, in particular photos and videos, for non-commercial use.

6.6 Submission of activity progress reports

Individual grantees supported under each project intervention area shall submit 6-months' progress reports accounting for activities accomplished and results achieved over a period. Specifically, the PMU will expect to receive quarterly, semi-annual and annual progress reports, including a narrative and financial component. These reports shall, among other things, include information and data to assess progress towards the agreed business project results and the CoCoDev project component results matrix as well as reporting on the environmental and social management system.

6.7 Monitoring, evaluation and business project review

CoCoDev regards monitoring of any grant activities as essential to effective grant-making and ensuring that the planned objectives are realized. As implementors of activities, all Grantees have the main responsibility for monitoring at business project level. Additionally, CoCoDev project will conduct field monitoring missions, with a goal of reviewing project progress, receive feedback from beneficiaries, and to learn from project successes and challenges for CoCoDev's own portfolio and to inform future project designs. The project will overly rely on the vast network of UCDA's infrastructure including over 126 RCEOS that exist at the district level and with expertise in field related processes including evaluations. In addition, there will be coordinated monitoring operations undertaken jointly with project stakeholders including UCDA, MAAIF, Local Government and EUD, to further provide oversight and guidance when needed.

The generic schedule of beneficiaries' field monitoring is indicated below.

Area of intervention	No. of planned field visits/ inspections	Target No. of beneficiaries	Time of field visits
Support to establishment coffee production	<ul style="list-style-type: none"> • 1 during planting per grantee • 1 post-planting per grantee (after 3 and 6 months respectively) • 1 post-planting per grantee (at 12 months of planting) 	All contracted beneficiaries (100%)	<ul style="list-style-type: none"> • 1 month before the stated planting period • During the planting and maintenance period (after 3 and 6 months respectively for verification & grant disbursement) • 12 months after planting is done
Support to establishment of cocoa production units	<ul style="list-style-type: none"> • 1 during planting per grantee • 1 post-planting per grantee (after 3 and 6 months respectively) • post-planting per grantee (at 12 months of planting) 	All contracted beneficiaries (100%)	<ul style="list-style-type: none"> • 1 month before the stated planting period • During the planting and maintenance period (after 3 and 6 months respectively for verification & grant disbursement) • 12 months after planting is done.

Field visitation reports shall be compiled and submitted to CoCoDev to inform progress and any challenges faced by beneficiaries in respective area of intervention for appropriate recommendations and remedial actions (where required).

6.8 Grant completion & follow-up

The grant agreement shall only be closed once all required documents have been submitted and verified. CoCoDev PMU on behalf of the UCDA will verify that all deliverables have been completed, submitted, retired and activity (including investment) completion reports from respective grantees have been reviewed and approved. CoCoDev PMU will notify the grantee without undue delay about the approval of the reports and completion of the granting processes. Grantees are advised to keep all project related materials including accountability documents on file and for up to 5 years after completion of activities, to aid any future audit requirements, as and when they happen.

6.9 Sharing lessons learned

Grantees are expected to communicate through periodical activity progress reports, about their work and lessons learned, to ensure project knowledge alignment and guide future decision making processes.

6.10 Feedback and complaints

At the business project level, each grantee shall have a process for handling feedback and complaints, which will consist of effective, accessible and transparent procedures to receive and resolve complaints. Feed-back/complaints shall be encouraged among all stakeholders throughout the project and resolved without undue delay. Any stakeholder of the project (project staff, beneficiaries, partners) can file a feedback or complaint. As a rule, the submitter needs to be directly concerned with the project, however, exceptionally he/she can also act as the representative of a concerned group if its members are not able to file the complaint on their own.

Feedback should be reported on in progress reports to the CoCoDev/PMU. In addition, grantees are encouraged to provide constructive feedback and complaints to UCDA, which can be submitted at any time. Only if issues cannot be solved at project level do stakeholders could file a complaint to the management of UCDA. Anonymous complaints will not be considered; however, complainants' identities will be kept confidential upon their written request. The project will also install a suggestion box to allow for regular and constructive engagements during the project implementation period.

6.11 Suspension and termination of Grant Financing

The following are circumstances, but not limited to, that may lead to suspension or termination of disbursements and eventual termination of the GSA:

- Failure of the Recipient to provide, within two (2) months of signing the GSA, the financing and resources required for project implementation, including failure to deposit the co-financing amounts.;
- Failure of the Recipient to use the financing as defined in the Approved Project Budget including reallocation of more than 5% of the Approved Project Budget by Beneficiary without prior written consent of the CoCoDev PMU and UCDA.
- Failure of the Recipient to inform the CoCoDev PMU and UCDA of any significant changes to the project (e.g. regarding project implementation, timelines, project budget, deliverables, project staff, etc.).
- Significant failure of the Recipient to carry out the project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices.
- Provision of false information during any stage of the project application, evaluation or implementation.
- Instances of gross misconduct or fraud.
- Failure of the Recipient to carry out the procurement of works, goods and services using the best commercial procurement practices in accordance with the EU Procurement Guidelines as specified in the GSA.
- Failure of the Recipient to carry out the project in accordance with sound social standards and practices and the provisions of the UCDA.

- Failure of the Recipient to maintain a financial management system.
- Failure of the Recipient enable the CoCoDev PMU and UCDA staff to inspect the implementation of the project, its operation and any relevant records and documents and prepare and furnish to the CoCoDev PMU and UCDA all such information as the CoCoDev PMU and UCDA shall reasonably request relating to the implementation of the project.

In case of suspension of financing, the CoCoDev PMU and UCDA will send a written notice to the Recipient with information about the existence of a breach and with request to the Recipient to rectify the breach within four (4) weeks after the date of receipt of the notice. In the case the Recipient does not resolve the default, the CoCoDev PMU and UCDA has the right to terminate the GSA.

Prior to issuance of the termination notice to the Recipient, the decision to terminate the GSA will be reviewed and approved by the Managing Director/UCDA

In case of termination of financing due to the breach of any terms of the MGS, the Recipient will be required to refund all, or any part of the amount disbursed by the MGS.