



Contracting Authority: Uganda Coffee Development Authority

The Coffee and Cocoa Value Chains Development (CoCoDev) Project

Guidelines for the Matching Grant Scheme Applicants

FED/2020/041-776, 11th European Development Fund

Reference: FED/2021/430-533/COCODEV/GRTS/23.01

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BACKGROUND

An Expression of Interest (EOI) for the Matching Grant Scheme (MSG) was launched in the local media on 28/08/2023, following which the applicants' compliance to the published eligibility criteria was checked in addition to an administrative pre-assessment. Thereafter, for the applicants who have been pre-selected, the full applications will be evaluated.

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1.0 THE COFFEE AND COCOA VALUE CHAINS DEVELOPMENT (CoCoDev) PROJECT

1.1 Background

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 (UCDA).

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 matching grant scheme as a funding modality to support commercialization of coffee and cocoa production and productivity.

1.2 Objectives of the programme and priority issues

The **global objective** of the 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 **specific objective(s)** 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 priority of this call for Expression of Interest (EOI) and Applications is to ensure that commercial coffee and cocoa production, and productivity (P&D), are enhanced.

This call for Applications has been structured to achieve result area 2 of the Coffee and Cocoa Development (CoCoDev) project.

1.3 Target Beneficiaries

1.3.1 – Beneficiary Categories

This call for Applications is divided into two categories:

Category 1 – Grant support for establishment of coffee or cocoa production units on 10 to 19 acres

Category 1 caters for farmers whose proposed new production for coffee or cocoa is on land area of between 10 to 19 acres. The beneficiaries under this category will need to engage in innovative ways to ensure, and demonstrate, good land management, including Good Agricultural and Climate Smart Practices (GA/CSP) that will support sustainable results.

The successful applicants under this category shall be reimbursed up to **100%** of eligible costs for procurement of planting materials, practising of good agricultural practices as well as the related labour costs incurred.

Category 2 – Grant support for establishment of coffee or cocoa production units on 20 to 50 acres

Category 2 caters for farmers whose proposed new production for coffee or cocoa is on land area of between 20 to 50 acres. The beneficiaries under this category will need to engage in innovative ways to ensure, and demonstrate, good land management, including Good Agricultural and Climate Smart Practices (GA/CSP) that will support sustainable results.

The successful applicants under this category shall be reimbursed up to 100% of eligible costs for procurement of planting materials, practising of good agricultural practices as well as the related labour costs incurred.

IMPORTANT NOTE:

a) The funds provided under this matching grant scheme do co-finance investment proposals from interested and eligible applicants on a cost-sharing basis as a percentage of the estimated total costs of the planned activities borne by the applicant/recipient (100% of eligible costs). The own contributions from selected grant recipient would be provided through own financial sources.

b) - Failure to kick start project activities, including commitment of own funds within three (3) months of signing the Grant Support Agreement, will lead to review and possible cancellation of the grant support agreement.

2.0 SPECIFIC WORK

These grants will support the establishment and limited field management of commercial coffee and cocoa production units. The following actions are eligible for support.

1. Procurement of coffee or cocoa seedlings
2. Procurement of planting materials for relevant for climate change adaptation e.g. shade trees, cover crops, banana suckers etc.
3. Labour costs incurred for farm establishment including but not limited to the following:
 - a) Site clearance including land opening and /ploughing
 - b) Digging planting holes and back filling
 - c) Planting seedlings
 - d) Establishing of shade trees, banana suckers, cover crops etc.
 - e) Setting up soil and water conservation methods e.g. mulching, trenches etc.
 - f) Weed control.

The grant support will be limited to only actions that are verifiable, and whose inputs, and related costs, are pre-determined. All interventions will be scrutinized, including pre and post assessment, to determine that the objective of increased production is realized prior to reimbursement.

3.0 FINANCIAL ALLOCATION

The overall indicative amount made available under this Matching Grant Scheme is **UGX. 10,826,544,790**. The contracting authority reserves the right not to award all available funds.

The matching grant scheme financial support for each successful applicant will be **UGX. 3,276,811** per acre, which represents about **55%** of the total cost of establishing coffee /cocoa per acre¹. Reimbursement will be done after verification of compliance with, the minimum acceptable standards/specifications of coffee /cocoa establishment

¹ See Annex J – UCDA Cost calculations for Establishment of Coffee and Cocoa January 2024

Size of grants

Any grant requested under this call for Applications must fall between the following minimum and maximum amounts:

Category 1 – Grant support for establishment of coffee or cocoa production units on 10 to 19 acres

- minimum amount: UGX. 32,768,110.
- maximum amount: UGX. 62,259,409

Category 2 – Grant support for establishment of coffee or cocoa production units on 20 to 50 acres

- minimum amount: UGX. 65,536,220.
- maximum amount: UGX. 163,840,550

4.0 PROJECT MANAGEMENT

4.1 Responsible body

Uganda Coffee Development Authority (UCDA) is the anchor agency for the CoCoDev project. UCDA through the Project Management Unit (PMU) will be responsible for overall oversight and monitoring of the achievement of the project's development objectives, providing technical support and guidance, and facilitating inter-stakeholder support for the project implementation.

4.2 Management structure

UCDA will implement CoCoDev project through a PMU. The PMU is headed by a Project Coordinator (PC). The PC will be assisted by a team of professionals including an 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 team will be answerable to the senior management team of UCDA and lead by the Managing Director, who in turn will report to the board of directors of UCDA. The PMU will be guided by a Technical Assistance Team (TAT) composed of two experienced experts.

The National Authorising Office (NAO) within the Ministry of Finance, Planning and Economic Development, is the contracting authority of CoCoDev project. The NAO will have oversight of the project and provide the necessary approvals during implementation. The EU is the contracting authority of the TAT and overseer of implementation of the project, through providing the required endorsements for all project related activities.

5.0 LOGISTICS AND TIMING

5.1 Location

Actions must take place in one of the 126 coffee and/or cocoa growing districts in Uganda located among the agro-ecological regions as prescribed by Ministry of Agriculture, Animal Industries and Fisheries (MAAIF).

5.2 Start date and implementation of tasks

The initial planned duration of an action may not exceed twenty-four (24) months and implementation can only start after the signing of **Grant Support Agreement (GSA)**² between UCDA and the commercial farmer or entity.

6.0 REQUIREMENTS

² See Annex F – Grant Support Agreement

6.1 Staff

It is imperative for the grantee to have sufficient staff, including casual and seasonal workers, permanent and fulltime workers, to execute the planned activities, contingent on the targeted acreage for production. Issues of human rights and laws against child labour should be upheld in any recruitment drive and within farm operations.

6.2 Key staff

To realize the intended results, the grantee should be in position to engage, and sustain, technical resource officers, such as agronomists and agricultural extension workers. This would be on a demand driven basis, as and when need arises.

6.3 Other experts and backstopping

Depending on the magnitude of the establishment, the grantee should seek regular engagements with leading agencies including UCDA and NaCORI for professional assistance regarding any issues on the farm, such as outbreaks of pests and diseases, etc. This needs to be done in a timely manner.

6.4 Equipment

All the necessary tools should be deployed to allow for ease of establishment of commercial farms without necessarily compromising human labor. Purchase of tools/equipment is NOT an eligible reimbursable cost.

7.0 REPORTS

7.1 Reporting Requirements

Individual grantees supported under each project intervention area (Categories 1 & 2) shall submit 6 monthly progress reports accounting for activities accomplished and results achieved over the period. The formats for the narrative and financial reports are provided in annexes H and I respectively.

7.2 Submission and approval of reports

The reports will be submitted to UCDA, through the PMU. The PMU will verify the reports and use them to internally generate information about supported grantees and their activity progress. These reports shall, among other things, include information and data on progress towards the agreed CoCoDev project result areas. The PC, in consultation with the CoCoDev technical team and TAT, will assess and approve the performance reports.

8.0 MONITORING AND EVALUATION

Technical staff from the CoCoDev project will conduct field monitoring missions, with a goal of reviewing progress, receive feedback from beneficiaries, and to learn from project successes and challenges, if any. The generic sequencing of monitoring and evaluation is presented in Section 4.7 of Annex J – CoCoDev Matching Grant Scheme Manual.

8.1 Definition of indicators

The Matching Grant Support Scheme falls under CoCoDev Result Area 2 - *Commercial coffee and cocoa production and productivity (P&D – Pest and Disease control) enhanced*. Listed indicators within the CoCoDev Log-frame in relation to the MGS are:

- a) Number of acres planted with Coffee or Cocoa
- b) Number of grants awarded
- c) Value of grants awarded

9.0 EVALUATION CRITERIA³

Evaluation: All applications will be reviewed administratively to ensure they meet the set criteria. Any applicant missing any of the stipulated requirements will be regarded unsuccessful at this evaluation stage and therefore will be disqualified from progressing to the next step – see Annex L – *Administrative Evaluation Grid*.

Following successful administrative checks, applicants will be requested to submit the full Application Form and be evaluated on the technical quality, including the proposed budget and capacity of the applicants. They will be evaluated on technical (desk based) and field verification.

The evaluation of technical applications will be carried out through 1) a scored quantitative technical evaluation – Annex M – Technical Evaluation Grid, and 2) a field-based assessment – Annex N – Field Evaluation Grid. Step 1, the Technical Evaluation, will be based on a desk review, where the applicant will have to score a minimum of 70% to qualify for further processing, and to move to Step 2. Step 2 is the field verification visit, where the assessment is based on a series of “Yes/No” questions. During the field verification exercise, the applicant must obtain all “yes” answers to qualify for the grant and be entered on the provisional list of grant recipients.

After the field assessment score, a table will be drawn up listing the applications ranked according to their score. The highest scoring applications will be provisionally selected until the available budget for this call for applications, is reached. In addition, a reserve list may be drawn up following the same criteria. This list will be used if more funds become available during the validity period of the reserve list. Any rejected application will be replaced by the next best placed application on the reserve list that falls within the available budget for this Application.

10.0 REIMBURSEMENTS

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 Grant Support Agreements (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. The claim reimbursement request letter template can be seen in Annex E.

Successful applicants will sign the GSA with Uganda Coffee Development Authority. Upon signing of GSAs that will include deliverables and milestones, UCDA, through the PMU, will provide technical support to the grantees – including training in grant management procedures and GA/CSP. The PMU will also support the grantees with lists of registered and authorized nursery operators, seed gardens, soil composition requirements, yield capacity and good agriculture/climate smart practices in general.

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 re-imburement.

Note – Through signing the GSA the grantee agrees to allow identified CoCoDev/UCDA operators onto their farms for purposes of M&E and baseline/progress verification. The grantee also agrees to allow photos/videos taken on the farm – in relation to CoCoDev grant supported actions - to be used for CoCoDev reporting/promotional purposes.

³ For greater detail see Annex G – CoCoDev MGS Manual – Section 5

LIST OF ANNEXES

DOCUMENTS TO BE COMPLETED

- Annex B: CoCoDev Technical Application Form
- Annex C: Budget Template
- Annex D: Work Plan
- Annex F: Financial Identification Form

DOCUMENTS FOR INFORMATION

- Annex A: EOI Advert of 28.08.2023
- Annex E: Payment (Reimbursement) Request
- Annex G: Draft Grant Support Agreement
- Annex H: Model Narrative Report
- Annex I: Model Financial Report
- Annex J: CoCoDev Grant Support Procedures Manual
- Annex K: Cost Calculations for the establishment of 1 acre of Coffee/Cocoa
- Annex L: Administrative Evaluation Grid
- Annex M: Technical Evaluation Grid
- Annex N: Field Evaluation grid
- Annex O: Terms of Reference for Independent Verifier
- Annex P: Eligible Activities