

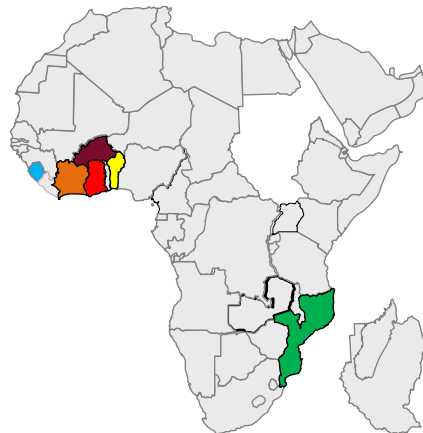
# A Guide to the cashew matching fund



## The Competitive Cashew initiative

BILL & MELINDA  
GATES foundation

**idh** the sustainable  
trade initiative



 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra  
Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
State Secretariat for Economic Affairs SECO

## Part 1: The Cashew Matching Grants Fund

In 2009, when the GIZ/Competitive Cashew initiative (GIZ/ComCashew) then African Cashew initiative (ACi) began its operations, merely a few medium scale processors were ready for further engagement with farmer linkage programs. There was also little experience on farmer-linkage programs in cashew within the processing industry. Hence, GIZ/ComCashew focused strongly on building up the processing industry and training farmers, linked on a limited scale to existing processors. It was essential to find effective linkage mechanisms and incentives, allowing processing companies to buy up to 60% of its RCN stock directly from farmers or farmer organizations.

GIZ/ComCashew management and funding partners therefore conceived the idea of a matching fund grant to elicit contributions of both public and private partners and enhance their interest in closer supply chain linkages. In the second phase of the project, which commenced in September 2012, GIZ/ComCashew established the Cashew Matching Fund Grant to help accelerate the development of the cashew industry in the five project countries of Benin, Burkina Faso, Cote d'Ivoire, Ghana and Mozambique. Sierra Leone joined in 2017 as the sixth country at the recommendation of the Federal Ministry of Development Cooperation.

The grant scheme was designed using various experiences from developmental

Public-Private-Partnership programmes, as also implemented by German Development cooperation (e.g. develoPPP). The design took into account specificities of the sector under the ambitious goal of a harmonised and transparent support mechanism to private and public actors. Innovative aspects for the Cashew Matching Grant Scheme were designed as follows:

- (1) Linking two private companies or agencies in order to overcome the de-linked and non-transparent business practices and deep knowledge gap with the actors.
- (2) Link private companies with an implementing agency in order to professionalise implementation of farmer support.
- (3) Offer grant schemes to government agencies to entice their commitment and engagement for the cashew sector and to bridge governments funding gaps.
- (4) Bring various funders together for transparent and synergetic grant approval and technically guided implementation process.
- (5) Engage technical experts and partners (ACA and founders) in project design and review, thus reaching realistic and manageable projects.

The Cashew Matching Fund Grant brings together private sector partners (buyers, processors) and selected public sector partners (e.g. research) and farmers to build closer supply chain linkages. As a result,



ComCashew activities are directly implemented by its partners.

### **1. What is the Purpose of the Fund?**

The purpose of the Cashew Matching Grants Fund is to engage private sector partners (buyers, processors) and selected public sector partners (e.g. research institutions) in the implementation of the activities of ComCashew, related closely to their main interest areas.

The matching fund supports evidently determined sub-project activities that work towards improving income of cashew farmers. The matching fund drives private partners to establish strong linkages between buyers, processors and farmers, leading to long term relationships between processors and farmers supplying them.

Projects approved under the matching grant fund shall result in:

- Improved quality and quantity of cashews produced
- Enhanced knowledge transfer to cashew farmers
- Reduced transactions costs as well as the costs of intermediaries, due to the increased linkage of private partners
- Improved cashew value chain/supply (sustainable supply chain)

### **2. What Activities are Eligible?**

Two main activity areas are currently funded under the matching fund grant, namely, ***Improved Planting material Development*** and ***Sustainable Supply Chain Linkage***.

#### **1. Improved Planting material Development:**

There are two different project types that can be undertaken:

*a. Development of appropriate planting material by national research institutes:* Here the applicant shall be a research organization providing governmental funds to develop further varieties and scion gardens. This includes activities such as breeding, selection, genetic improvements as well as development of further varieties, scion and polyclonal gardens.

*b. Multiplication and dissemination of improved planting material by private businesses – mainly processors, but also by traders:* Here the private business multiplies the scions at a privately-owned nursery and disseminates the seedlings to farmers that supply their company. This can be used as an incentive for linking farmers to processing companies. In this case, the project can be implemented by a private company together with a farmer-based organization (where the research organization is interested in using the private company as an outlet in disseminating research knowledge to farmers). Alternatively, the private business can also develop scion gardens

from which farmers can harvest scions for the establishment of new farms or clonal gardens.

**2. Sustainable Supply Chain Linkage:**

Processor/Buyer/Retailer/Farmer Based Organization partnerships undertake specific activities to enhance the productivity of farmers who supply them raw materials as well as to build strong and long-lasting supply chain linkages throughout the whole supply chain. Examples include: Farmer trainings in topics such as Good Agricultural Practices (GAPs), post-harvest technologies, economics, income generating activities, quality control and improvement, nut quality analysis, price negotiation, contracting and product certification processes, bee-keeping for increased productivity, etc. Farmer organizations are also supported with trainings in governance, management, accountability, marketing, cashew market dynamics and improvement of soil nutrition and biological pest control etc.

These activities can be implemented either by staff of a processing company or by sub-contracted third parties (consultancies or NGOs). Training materials prepared under the guidance of GIZ/ComCashew shall be used for these activities. In order to guarantee high quality knowledge transfer, an accreditation or training process for the implementing staff/ agency is instituted.



**3. Expected Results**

Projects approved under Matching Grant Fund shall result in:

- improved planting material multiplied, distributed and planted by smallholder farmers for increased income through higher productivity of good quality raw cashew nut.
- enhanced knowledge in Good Agricultural Practices, post-harvest management of farms etc. to increase quantity and quality and hence income of the farmer
- strengthened entrepreneurial skills of owners and staff of processing factories.
- improved quality and sustainable sourcing.
- decreased transaction costs and capital efficiency.
- effective Business linkages and ties among processors/buyers and farmers to assure efficient functioning of the supply chain as well as increased revenue along the

value chain.

- improved market access: access to price & production information and reliable, long-term market etc.
- diversification for improved income; food security and improved health and education.
- climate smart Agriculture
- increased efficiency of the cashew supply chain; allowing for flow of traceable cashew downstream to stimulate sustainable investments upstream

#### **4. Who is Eligible for the Fund?**

Eligible entities that can partner to apply for the Cashew Matching Fund Grant are:

- I. processors of cashew nuts and apples
- II. farmer based organizations
- III. buyers/traders who purchase cashew kernels or apple produce from Africa
- IV. international kernel buyers/retailers
- V. private sector foundations
- VI. research organizations
- VII. national extension organizations

The general eligibility criteria shall be as follows:

- An application can be made by at least two entities in the private sector (example, a processor with a buyer or a retailer for a specific project) to enhance private cooperation along the supply chain. In the case of government

organizations, research or national extension agencies can apply alone, but are however also encouraged to work jointly with a private entity.

- Where application is made by two or more entities, one company shall take the lead in the implementation and contracting.
- Preference will be given to companies who are already involved in business transactions with the African Cashew Alliance (ACA) at the time of application, however, other companies are encouraged to apply.
- Buyers and processors applying for Cashew Matching Grant Fund shall show evidence of making annual cash contributions (including membership fee) to the African Cashew Alliance.
- Processors who apply should at least meet AFI standards and should report on progress regularly.
- The partnering entities must have existing operations in Africa and in cashew processing or in buying/retailing kernels from Africa at the time of their application.
- Eligible projects shall be implemented in the six ComCashew project countries (Benin, Burkina Faso, Ivory Coast, Ghana, Mozambique and Sierra Leone) under BMZ and in Ghana for SECO funding. However, funds contributed by other funders could be used Africa-wide as appropriate. In addition, the terms and requirement of the other funds, which differ from the proposed Cashew Matching Grant Fund, shall be announced to

potential applicants as and when those become available.

### 5. Eligible Implementing Partners or Service Providers

The use of an implementing partner or service provider is required in all cases except where the applicant is a public institution.

The implementing partners or service providers will be pre-selected by the Board of the Matching Fund using among others the following general eligibility criteria:

- Evidence of being a legally registered entity or recognized government institution (e.g. farmer extension department of a government).
- Demonstrated knowledge of the cashew value chain.
- Evidence of possessing technical expertise and delivery methodology in an intervention area relevant to the Cashew Matching Grant Fund.
- Prior experience in effective implementation and management of development projects.
- Knowledge of and experience in monitoring and evaluation of projects.
- Evidence of possessing local knowledge of the intervention area or target group.

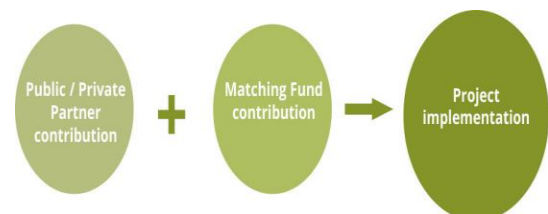
Examples of the qualified service providers include:

- FairMatch Support
- ONG Dedras
- Self Help Africa

- TechnoServe
- Extension Services of the Ministry of Food and Agriculture of Ghana
- ANADER, Cote d’Ivoire
- Cabinet HOUREYA, Burkina Faso
- Union National des Producteurs d’Anacarde du Burkina Faso – UNPA-BF
- Fédération National des Producteurs d’Anacarde du Benin – FENAPAB
- Instituto de Fomento do Caju – INCAJU
- Union Regional Producteurs d’Anacarde d’ Borgu Aligori
- D.Invitrolabs Ghana Limited

### 6. What is the Limit of the Fund?

The contribution provided by GIZ/ComCashew to the Matching Grants Fund partners differs in ratio depending upon the partner’s legal status. For private sector partners GIZ/ComCashew contributes a maximum of 40% to the overall project sum. As for public sector partner, the maximum GIZ/ComCashew contribution amounts to 50% of the overall project sum.



Cost Structure of a Typical Matching Fund Project



## 7. What Cost is Eligible for Funding?

The following are applicable for funding:

- The cost of external technical staff or Implementing Partner assigned on the project to provide specific services on the indicated activities
- Travel and subsistence costs of the above-mentioned technical staff, where such travel is relevant for the execution of the project activities
- Cost of conference, seminars, workshops and other facilities emanating from the project
- Cost of research and dissemination of information, printing etc.
- Direct travel expenses in relation to the product development and marketing
- Machinery and equipment needed to demonstrate a skill
- Expenses in relation to pilot test of the product
- Auditing of final project accounts
- Contingency (not exceeding 5% to be justified prior to usage)

The following costs are not eligible for funding:

- Purchase of land
- Taxes, including VAT
- Items already financed by the Cashew Matching Fund or another Fund
- Debts and provisions for losses
- Transport of goods, insurance and bank transaction costs

## 8. **Technical Assistance and Monitoring of Matching Funds by Service Providers**

In order to guarantee good quality of all implemented activities under the matching grant fund, GIZ/ComCashew shall provide obligatory technical assistance in two ways:

1. Through a prior accredited service provider and financed with a minimum of 50% of the project contribution to the matching grant fund. Private project partners can select the implementing partner out of a list of eligible service providers. This technical assistance will encompass:

- To buyers and Processors: Advising the preparatory stage of the project under the matching fund
- To buyers and processors: Mediating with farmer organizations regarding the fulfillments of buying / supply agreement.
- To processors/farmers extension units: Training staff (training of trainers) on extension methodology and content using ComCashew training materials.
- To consultant and NGOs who implement projects for private sector: Extension methodology and content (training of trainers) value chain mechanisms.
- To farmer organizations: Organizational support to become reliable partners with processors, training on management of organization, accountability, bulk selling and warehouse management, communication, negotiation, market trends and dynamics
- To all supply chain partners in the project under matching fund:



Process monitoring and advising during and after the implementation.

2. By Internal ComCashew staff: who support applicants of the Matching fund by

- reviewing all applications and concept notes to ensure alignment with the objectives of the grant
- providing technical support during implementation to assure that key milestones are met
- providing training on specific issues that might arise, such as webinars of finance reporting, field visits to orient partners where required etc
- evaluation bi-annual reports to assure the reports are in line with approved proposals and contracts
- responding to queries and suggestions of partners

**9. When can I Apply for the Cashew Matching Grants Fund?**

The Matching Fund has a Call for Concepts as follows:

Call for Concept Date	Submission of Concept Note	Matching Fund Decision to applicants
21 <sup>st</sup> June 2019	5th July 2019	17th July 2019

The Call for Concept shall be followed by the submission of a full proposal by successful applicants. Both the Call for Concept and Proposal Submission dates will have a deadline of fourteen (14) and 21calendar days respectively from the dates indicated. Different Calls or deadlines may however be announced for different topics.

**10. Where should the Concept and Proposals be sent to?**

The Concept and/or the Proposal should be sent (hand delivered) to the GIZ/ComCashew Country Offices in Burkina Faso, Cote d’Ivoire and Ghana, or mailed to:

GIZ/ Competitive Cashew Initiative,  
313A Cotouno Street  
East Legon,  
Accra, Ghana

Additionally, applicants should send electronic copies to: [cashewfund@giz.de](mailto:cashewfund@giz.de).

**11. What are the Application and Implementation Processes Involved?**

The diagram below shows a typical process of a project under the matching fund mechanism:





- i. **Concept Call:** Mechanism, content of fund, and deadline for first round of applications is announced to actors in the African value chain. However, different deadlines/ rounds can be announced for the different topics.
- ii. **Concept Development and Submission:** Interested beneficiaries (Farmers and Research Institutions), wishing to apply for funds, are requested to first submit a Concept Note using a standard Application Form. Applicants are allowed to submit detailed technical proposals only after this preliminary stage has been evaluated and approved, with adjustments where necessary.
- iii. **Submission of Proposal:** The technical proposal shall be prepared using specifications in the Application Form and submitted to GIZ/ComCashew, for review and recommendation to the Board of the Matching Grants Fund. The submission of the detailed Proposal as well as decision making on the proposal shall not exceed eight (8) weeks.
- iv. **Proposal Review and Decision Making:** The Matching Grants Fund Board shall meet on set dates to take decisions on the submitted proposals. Following approval by the Board, a project implementation contract shall be prepared between GIZ and the applicants.
- v. **Funding and Implementation:** The agreed funding shall subsequently be released to the beneficiary and the relevant service provider to implement the approved activities, according to the agreed schedule of disbursement. The duration for implementation of funded activities shall be between 12 and 24 months. The applicant shall be fully in charge of the project implementation. In case of difficulties and for information exchange, they will consult regularly with the Fund Manager and Technical Assistant Unit.
- vi. **Reporting:** The Beneficiary shall submit semi-annual reports to the Facility Manager. The soft copies of the reports will be pre-checked by the GIZ/ComCashew finance team and matching grants fund technical team. Feedback will be sent to the beneficiaries. The reviewed report will be sent as hard copy to either GIZ Eschborn (public partner) or the respective GIZ country Office (private partners), who will give a summary report to the Board, who in turn reports to the GIZ/ComCashew Board.

- vii. **Monitoring:** GIZ/ComCashew internal (advisors) and external monitoring shall be applied to the projects under matching grant fund. A joint evaluation is undertaken together with the private and public partners (Fund Management and Technical Assistance Unit).
  
- viii. **Audit and Closure:** At the end of the implementation period, the beneficiaries shall report on the results/outcomes and submit a project account. The Project Management & Technical Unit shall audit the accounts, publish the results/outcomes and close the project funding.

## Part 2: Concept Application

### Section 2.1: General Project Details

#### Explanation...

- i. Provide a concise and short Title for the activity. The Title should describe what the activity is about or intended to achieve.
- ii. Describe the project area, number of farmers involved in the project, average land holding size, income and average yield of cashew producers.
- iii. Provide information of lead applicant (private partner) and implementing partner.

2.1 General project details	
Project title	
Project area	
Country	
Region/district/province(s)/state(s) covered	
Project duration (maximum 3 years)	
Total budget	€
Grant Amount requested	€
Lead applicant contribution	€
Other financial contributions	€ + name partner
Characteristics of project area	
Number of farmers in the project area	
Number of farmers targeted directly	
Average land holding size of cashew producers in project area (Ha.)	
Average income of cashew producers in project area (ha.)	<If no reliable data are present, please provide an estimate figure (NB: reliable baseline information will have to be gathered before start of project activities)>
Average yield in the project area	<If no reliable data are present, please provide an estimate figure (NB: reliable baseline information will have to be gathered before start of project activities)>
Other	<Please mention any additional information or characteristics of the project area that you consider important for the project context.>
Lead applicant (private partner)	
Company name	
Legal form of entity	
Address and contact details	Designation: Phone: Address: Website: Email:
Contact person	Contact Person: Position title: Phone: Email:

## Section 2.2 Summary of the project

### Explanation...

Provide a short narrative summary of your project. Highlight the focus of your project, the main objectives, key players, scope of program and sustainability issues addressed.

#### 2.2 Summary of the project

*<Please provide a short narrative summary of your project. Highlight the focus of the project, the main objective(s), the key players, the scope of the program and the sustainability issues addressed.>*

Insert Text here...

## Section 2.3 Goals and Objectives

### Explanation ...

Describe the overall goals and objectives of the project.

#### 2.3 Goals and objectives

*<Describe the overall goals and objectives of the project. Please formulate SMART objectives. The objectives should be **Specific, Measureable, Achievable, Realistic and Time bound.**>*

Insert Text here...

## Section 2.4 Relevance

### Explanation ...

Describe what the interest of your company is and why you want to invest in this project. Why is this project innovative?

Also elaborate on problems/constraints in the cashew sector or industry that are the reasons for your proposal and how income of value chain actors involved are affected.

## 2.4 Relevance

*<Describe what the interest of your company is to invest in this project, why this project is innovative, what it brings to the cashew sector, and how it meets the objectives of the IDH cashew Program. Also elaborate here which problems/constraints in the cashew sector or industry are the reasons for your proposal. State how the identified problems affect the incomes of specific value chain actors you that relate to you>*

Insert Text here...

## Part 3: Project Proposal

### Section 3.1 Approach

#### Explanation...

Describe in detail your implementation strategy, indicating key interventions and why these interventions have been selected.

#### 3.1 Approach

*<Include a narrative description of your implementation strategy to achieve the objectives of your proposed project. What are the key interventions? Why were these interventions chosen? Etc.>*

Insert Text here...

### Section 3.2 Activities and Timelines

#### Explanation...

Describe key activities that are meant to reach the objectives, including a time line for execution of these activities and what they entail.

#### 3.2 Activities and time line

*<Provide a basic description of key activities planned to reach the objectives, including a time line for execution of these activities. Specify what the activities shall entail. E.g., **"Purchase and distribute 30,000 improved seedlings to 150 farmers for planting on their existing farms. Timeline: 20,000 seedlings by June 2017 and 10,000 seedlings by June 2018."**>*

Insert Text here...

### Section 3.3 Activities table

#### Explanation...

Link the identified activities to their respective Key Performance Indicators (KPIs) and align the description of the activities as much as possible with their formulation in the activity-based budget.

3.3 Activities table			
<i>&lt;Relate the activities you have identified and indicate to which KPI(s) they correspond (as specified in paragraph 4.) Please align the description of the activities as much as possible with their formulation in the activity based budget (see below). Kindly use the attached Annex 3 on Activity Boxes and KPIs as additional guide&gt;</i>			
Activities planned	Country or region (if applicable)	Corresponding Box	Corresponding KPIs

### Section 3.4 Specific roles of business service providers

#### Explanation...

Specify service providers needed to implement the project and the expected services. (i.e., describe their roles and responsibilities)

3.4 Specific Roles of Business Service Providers
<i>&lt; Indicate Service Providers needed to implement the project. Indicate what kind of support will be delivered by each identified service provider (i.e., describe their roles and responsibilities)&gt;</i>
Insert Text here...

### Section 3.5 Results and success factors

#### Explanation...

Results:

Describe what you hope to achieve with the chosen interventions, demonstrating how they lead to the desired outcomes.



Success factors:

Describe the conditions necessary for the successful implementation of your project.

3.5 Results & success factors
<i>Results</i> <Describe what projects results are envisioned. How do you expect the chosen interventions to lead to the desired outcomes?>
<i>Success factors</i> <Describe the conditions expected to exist that enable the success of your innovation / project>
Insert Text here...

### Section 3.6 Project Management Team

Explanation...

Indicate the members of the project management team, and provide some background information on each (Not more than 20 words for each person)

3.6 Project Management Team
< Indicate the members of the Project Management Team, and provide some background information on each (Not more than 20 words for each person)>
Insert Text here...

### Section 3.7 Risks and Mitigation Strategy

Explanation...

Describe key risks associated with project implementation and define the mitigation strategies that would be followed by the project partners to minimize the same.

3.7 Risks and mitigation strategy
<Describe key risks associated with project implementation and define the mitigation strategies that would be followed by the project partners to minimize the same. You may include for example operational, market driven, financial, natural or political risks.>
Insert Text here...

### Section 3.9 Exit Strategy

### Explanation...

Develop and describe how to sustain the results after the project ends

<b>3.9 Exit strategy</b>
<i>&lt;Develop and describe your exit strategy: how to sustain the results after completion of the project.&gt;</i>
Insert Text here...

## Part 4: Anticipated Impact; Key Performance Indicators and Targets

### 4.1 Monitoring and Evaluation

#### Explanation...

Provide a description on how the progress is being measured, and what additional monitoring and evaluation activities will be carried out.

<b>4.1 Monitoring and evaluation</b>
<i>&lt;The KPI table provides an overview of the indicators the project will be evaluated on. Please provide a description on how the progress is being measured, and what additional monitoring and evaluation activities will be carried out.&gt;</i>
Insert Text here...

### Section 4.2 Learning

#### Explanation...

Describe how you will capture the learnings from your project and how these learnings will be shared within the GIZ cashew Program. It is about learnings with the target group (farmers, farmer organizations) and other actors (private sector, government agencies, civil society organizations, others, etc.)

<b>4.2 Learning</b>
<i>&lt;Describe how you will capture the learnings from your project and how these learnings will be shared within the IDH cashew Program. It is about learnings with the target group (farmers, farmer organizations) and other actors (private sector, government agencies, civil society organizations, others, etc.).&gt;</i>
Insert Text here...

## Part 5: Budget and Contributions

### Explanation...

Specify here a summary of the budget, including the requested contribution from GIZ the contribution of the project applicant and, if applicable, contributions by other project partners. If required, more rows can be added. Make sure that the summary matches with the detailed Project Budget.

Budget (in euro's)	
Total costs	
Total costs for coordination (included in total budget); max 10% of the total budget	
Contributions (in euro's)	
Requested contribution from <u>ComCashew</u>	
Contribution Project Applicant	
Contribution Project Partner <XXX>	
Contribution Project Partner <XXX>	
Contribution Project Partner <XXX>	

## Part 6: Project Organisation

### Section 6.1 Project Partners

#### Explanation...

Provide a description of the organisation(s) you will partner with and outline their capabilities and responsibilities in the project in order to bring the project to a successful conclusion.

6.1 Project partner(s)	
Name and location	
Type of organization	(e.g. local government institution, farmer organization, research institute, private partner, company.)
Relevant experience and capacity of the organization	
Main responsibilities in the project	
Contribution to the project (amount and type of contribution)	

## Section 6.2 Roles of Partners

### Explanation...

Provide a detailed description of the division of roles and responsibilities among all partners involved in the project. Please include management details such as financial management (internal control mechanism, external audit, and external supervision).

6.2 Roles partner(s)
<i>&lt;Provide a detailed description of the division of roles and responsibilities between all partners involved in the project. Please include information in which details are given on management aspects such as financial management (internal control mechanism, external audit, <u>external supervision</u>). Please copy the box in case more partners are involved in the project. &gt;</i>

## Part 7: Contact Information

<b>First Authorized Person to sign the Contract</b>	Name	
	Function	
	Email	
	Phone	
	Address	
<b>Second Authorized Person to sign the Contract</b>	Name	
	Function	
	Email	
	Phone	
	Address	

In addition to the completed proposal template, please provide us with the following documents:

- The template for the detailed Project Budget
- The banking information sheet
- The CVs of all middle and senior level staff who will work on the project from your institution AND the service provider

**What to remember.....**

- ✓ Make sure the information provided is true and accurate.
- ✓ Make sure there are no discrepancies between the information provided here and the legal business documentations.

**Our Partners**

