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Propcom+ Climate Smart Agriculture Grants Facility: Market Information

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Propcom – INTRODUCTION

- Propcom+ is an eight-year agricultural market development programme funded by the Foreign and Commonwealth and Development Office (FCDO).
- The programme aims to support 3.79 million people, 50% of whom will be women, to adopt and scale sustainable agricultural practices that increase productivity and climate resilience while reducing emissions and protecting natural ecosystems.
- It was designed to transform Nigeria's rural economy through addressing environmental, social, and economic challenges in the country's food and land use system.
- Propcom+ aims to improve incomes and climate resilience of vulnerable people in Nigeria and contribute to sustainable and inclusive economic growth.
- Propcom+ will allocate an initial £3 million the **Climate Smart Agriculture Grant Facility** by providing the targeted investments needed to overcome barriers to transformation

Objectives of the Climate Smart Agriculture Grant Facility

The Climate Smart Agriculture Grant Facility supports Propcom+ deliver an integrated approach to managing landscapes that addresses the interlinked challenges of food security in Nigeria and accelerating climate change. CSA CGF initiatives aim to simultaneously achieve:

(i) **Increased agricultural productivity;** provide funding facilities and other appropriate assistance to increase yield by improving climate resilience, adaptability and mitigations**.**

(ii) **Climate Resiliency: Enhancing climate resilience** by reducing vulnerability to drought, pests, diseases and other climate-related risks and shocks, and improve capacity to adapt and grow in the face of longer-term stresses such as shortened seasons and erratic weather patterns, and/or

(iii) **Climate Mitigation: Pursuing lower emissions** for each calorie or kilo of food produced, avoid deforestation from agriculture and identify ways to absorb carbon out of the atmosphere.

(iv) **Increase the leadership and income of women** throughout the agricultural value chain; reach 50% women benficiaries

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Grant funding Information

Key parameters guiding the Call for Proposals (CfP) Propcom+ CSA Facility

Individual project grants in the range of:
Between GBP100k and GBP500k (Disbursements will be in Nigerian Naira)

Maximum investment period/project duration of up to **12 calendar months; targeted beginning date of June 2024**

Geographical priorities (see next slide)

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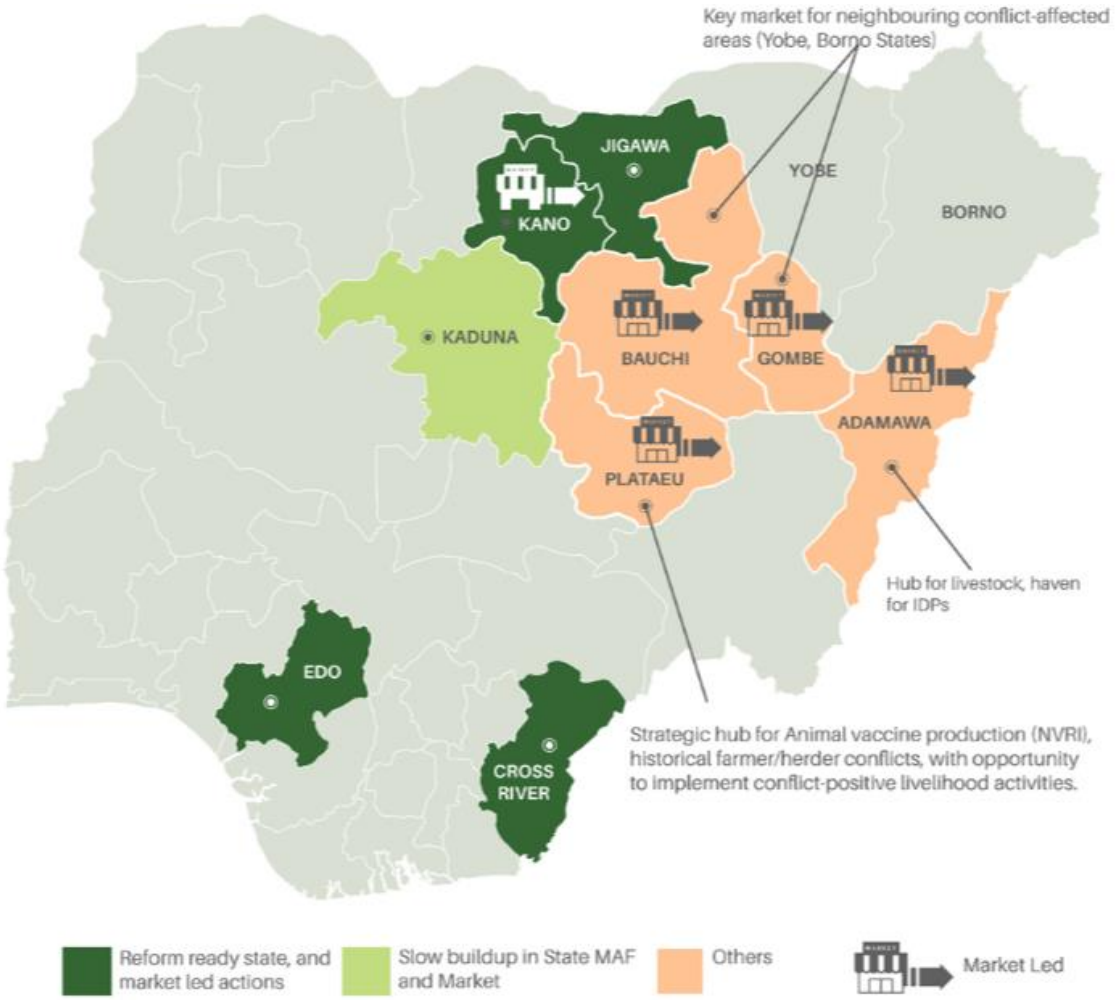
Geographical Coverage– Eligible States

Propcom+ focuses investments to support climate smart agriculture production in Kano, Kaduna, Jigawa, Plateau, Gombe, Adamawa, Edo, Cross River, Bauchi, Enugu and Ekiti



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What's required? Eligibility requirements

Organisation eligibility

- ✓ Be registered and operating in Nigeria; or if in partnership have the lead Applicant registered in Nigeria.
- ✓ Be a Small or Medium Scale Enterprise (agribusiness, agro-allied technology vendor, market intermediaries e.g. financial institutions non-government organizations). Community-based actors and Cooperative organisations can apply if they have registered commercial entities and can demonstrate /evidence history of commercial revenue generation or from transacting businesses in the past.
- ✓ Provide climate-smart agriculture technology or services target at climate risks mitigation, resilience or adaptability.
- ✓ Be able to demonstrate a minimum of two years of revenue-generating operations in Nigeria and certified by a signed audited account.
- ✓ Businesses entities in the Manufacturing, Climate Smart Agriculture or Agribusinesses with solutions that currently or proposed to target market/s in at least one or a combination of the Propcom+ focused states which include Ekiti, Enugu, Bauchi, Adamawa, Gombe, Kano, Kaduna, Jigawa, Plateau, Edo and Cross River States of Nigeria.
- ✓ Complete and submit the proposal Application pack (Technical Application and Financial Application)
- ✓ Complete and pass the Palladium's due diligence assessment (details of this will be communicated to shortlisted applicants).
- ✓ Meet the match funding (applicants' part funding) contribution requirement of 25% (minimum) of the total grant amount requested. Matching contribution can be in cash or in-kind. The commitment sources will be proposed at proposal stage, negotiated and agreed in pre-award phase, and actual contribution would be validated during the project implementation as part of the financial reporting on the project if selected.
- ✓ Matching contribution cannot be from existing funding from UKAid/Foreign, Commonwealth and Development Office (FCDO).

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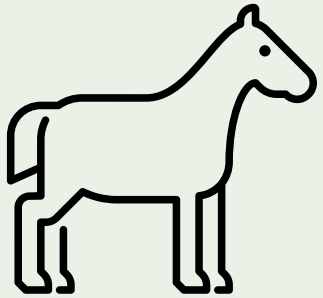
Eligible Market Segments for the Call for Proposals (CfP)

Market Segment 1	Examples of Eligible Interventions
Animal Health & Vaccines 	**Expansion/establishment of 'fill and finish' infrastructure for manufacturing animal vaccines.**
	Establishment/expansion of cold chain hubs and clean energy cold storage facilities to support animal health supplies.
	Feed crushers and hatchery for local chickens
	Animal Feed and Health Supplies Factory optimization
	Distribution infrastructure development

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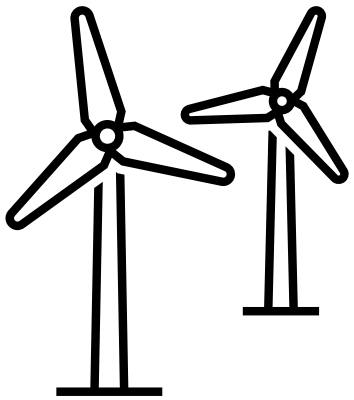
Eligible Market Segments for the Call for Proposals (CfP)

Market Segment 2	Examples of Eligible Interventions
Climate Smart Agricultural Inputs and Food processing	**Climate smart seed varieties Access/distribution infrastructure development**
	Expansion for biofortified food processing factory facilities and warehousing facilities to improve availability, quality and safety of food.

Eligible Market Segments for the Call for Proposals (CfP)

Market Segment 3	Examples of Eligible Interventions
Climate Smart Technologies 	Solar & Manual irrigation pumps
	Solar cold storage units
	Cold Transportation facilities
	Electric transportation solutions
	Solar Drying Infrastructures
	Solar Cold chain storage facilities
	Any alternate energy solution that improves efficiency, effectiveness and reduces GHG emissions whilst expanding market access for a large population of underserved groups

Eligible costs (1)

1. ASSET PURCHASE OR CREATION

The primary purpose of the CSA Facility is to provide co-financing capital to support critical elements of the applicant's business model for scaling and expanding its climate smart agricultural goods and solutions. The Facility intends primarily to support the production or purchase of durable, productive assets. These include the following categories:

- **Equipment, plant, and machinery assets:** This category should be used to budget for co-financing the purchase of equipment, machinery or plant asset or a significant component part of a capital asset.
- **Climate Smart Agriculture Inputs and Raw Materials:** These are costs related to the acquisition or storage of climate smart agro products such as seeds, plantings, food processing raw materials e.g grains and supporting infrastructures.
- **Climate Smart Technologies:** The CSA Facility will provide co-financing for the production or procurement costs of climate smart technologies for agricultural production, e.g. solar pumps, threshers, cold storage or e-transport solutions.

Eligible costs (2)

2. ASSET DELIVERY SUPPORT: This category includes costs that are directly attributable to bringing the asset to a durable, productive condition such as designing specifications, construction supervision, installation, site preparation and internal resource training. This section can also include the cost of personnel - external professionals or experts - who will be engaged on project delivery or output basis to construct or set up the asset.

3. ADMIN & OVERHEAD COSTS: These are costs that are not directly linked to the project activities but are critically necessary for facilitating the activities taking place or for managing the Grant (e.g. , office utilities etc.), office space. This includes the use of personnel for conducting Grant Management e.g Finance Manager for managing financial Reporting of the project. These cannot be indirect or grouped percentages and must always be evidencable. They also cannot be business as usual costs (e.g. if your office already exists and you are not acquiring more space, a portion of the rent cannot be attributed to the project).

What’s required? Project Eligibility requirements

Project Eligibility

- ✓ Strategic fit with the Propcom+ priorities outlined
- ✓ Demonstrate clear pathway and plan to engage intended beneficiaries in Nigeria
- ✓ 12 months duration (including delivery of intermediate outcomes)
- ✓ Incorporating opportunities for Gender Equality and Social Inclusion (GESI)
- ✓ Demonstrating climate adaptability angle
- ✓ Well articulated response to the Technical proposal questions and corresponding Financial Proposal.

Key Notes

- All Admin and Overhead Costs MUST be part of the matching-funding of the partner.
- All grants and matching funding actual project expenditures will be validated in line with the programmes' financial reporting and compliance procedures during the project implementation phase.
- Grant disbursement will be based on achieved agreed milestone deliverables evidenced satisfactorily and approved financial report.
- The Programme reserves the right to structure disbursement schedule in agreement with partner.
- On case -by -case basis, the programme reserves the rights to explore possibilities of third-party disbursements to mitigate applicable risks.

Partner Match-Funding

CSA Facility investments require a partner match-funding contribution requirement of a minimum of 25% of the total grant amount requested.

Match contribution can be in cash or in-kind.

The commitment sources will be proposed at proposal stage and agreed in pre-award phase.

Actual contribution would be validated during implementation.

Partner Match-Funding Types

Types of Match Contribution	Description	Example
In-cash	Direct financial contributions to the project from the applicant and/ or third parties such as investors or partnerships.	Payments for the purchase of goods or services that are necessary and relevant to the delivery of the project.
In- Kind	In-kind matching contribution includes critical, relevant, and quantifiable contribution to the project that is not financial.	Staff inputs, Goods such as Farm Inputs, Equipment, Land, Facilities etc.

Application Key Steps and Timeline

Call for Proposal launched
April 3, 2024

Deadline for submission of proposals
April 24, 2024

Review Period
Up to May 8, 2024

Due Diligence, Co-Creation and Contracting
May 9 – June 15, 2024

Project Launch (start date)
Mid-June, 2024

First Quarter of Delivery
June-Aug 2024

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Selection Criteria (1)

Selection Criteria for SMEs and Market Intermediaries	
Potential for Impact • Agricultural Production • Climate Resilience and/or mitigation • Catalysing women led CSA	Clear and detailed impact on agricultural productivity with benefits extended through the market value chain Clear pathway to climate benefits Clear pathway supporting women owned SMEs and organisations in the value chain, including co-benefits for women and households
Catalytic potential of funding	Ability to leverage other resources (financial, human technical)
Innovation	Potential and level of climate innovation as it relates to adaptation of CSA in partner's business model

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Selection Criteria (2)

Preliminary Selection Criteria for SMEs and Market Intermediaries	
Org. Management and Personnel	Past performance of organisation and experience of key personnel
Replicable and scalable	Prospects for replication in other regions in Nigeria
	Ability to achieve scale
	Pilots: Ability to contribute new CSA practices/technologies being adopted
Viability and sustainability	Technically and operationally viable

Key principles of selection: Catalysing Women Led Climate Smart Agriculture

Gender Equality and Social Inclusion (GESI) will be mainstreamed into the investment process:

- Identify possible positive and negative outcomes or unintended impacts
- Identify activities that offer opportunities for inclusion
- Identify how they will monitor and evaluate specific GESI related impacts during project implementation

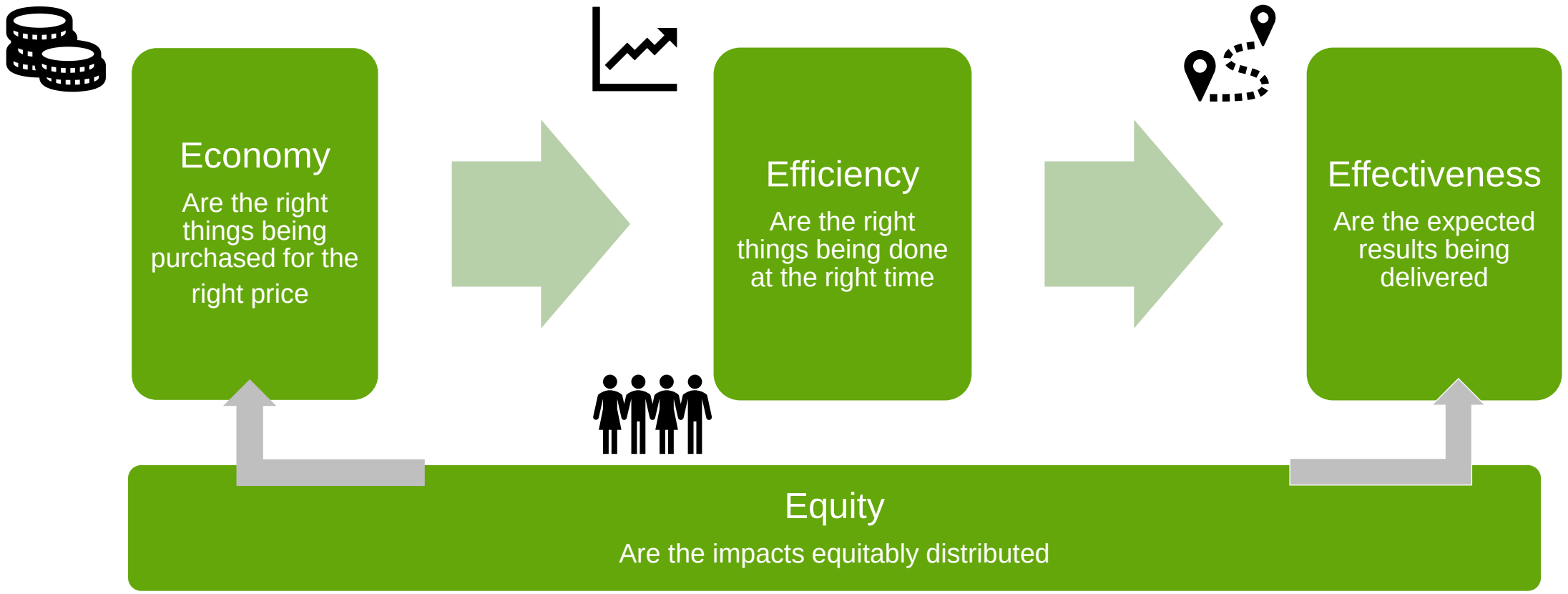
Social inclusion: improving the conditions of disadvantaged individuals and groups

Equality: distribution of opportunities, choices and resources

Key principles of selection: Commercial Viability

- Budget within the available funding range
- Costs indicated are eligible and clearly linked to the activities and outputs outlined
- Cost reasonableness
- Procurement approach and policy
- Project Management
- Financial management
- Risks management
- Environmental impact

Key Principles of Selection: Value for Money



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Summary Budget categories

Breakdown by Budget Category	Total Cost (Grant + Match) (NGN)	Propcom+ Grant Amount (NGN)	Match Funding (NGN	Match Funding % of Budget Category Total Cost
1. Equipment, plant & machinery assets				
2. Climate Smart Agricultural inputs & raw materials				
3. Climate Smart Technologies				
4. Asset Delivery Support (including employees & consultants)				
5. Admin & overhead costs*				

*Not an eligible grant cost but will be monitored as part of partner match-funding contributions

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Due Diligence – The following areas will be assessed pre-award and monitored post award

- Financial Health, Financial Governance, and Fraud Control Policies
- Governance (including good conduct)
- Conflict of interest
- Data security
- Assets Management practices
- Procurement policies and processes
- Recruitment and employment practice
- Safeguarding practices
- Environmental Safeguards
- Sub-subcontractors
- Any additional disclosures
- Self-certification

How to apply?

- **Download, complete application and submit Technical and Financial proposals and relevant supporting documentations.**
- **All sections of proposal templates must be completed, within word limits**
- **Email: propcomplusgrantfacility@thepalladiumgroup.com**
- **The Subject of the email should be: “CDEL Grants Application: Applying Organization’s Name”**
- **Due date: April 24, 2024**
- **Language of application: English**
- **Questions can be submitted using the email above through April 11, 2024.**

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THANK YOU