

## Template for the “Concept Note” For SAGCOT-CTF Matching Grant Fund (MGF) Applicants

<p><b>Application Instructions:</b> (1) Submit your application with a cover letter on company letterhead; (2) Limit the Concept Note to no less than three (3) and no more than five (5) pages in a WORD document; and (3) Financial information Section 3 should be submitted in EXCEL format of no more than one page.</p> <p>In their cover letter, applicants must acknowledge that they have read and understand the terms and conditions of the SAGCOT-CTF MGF and the MGF application process and that they accept them and agree to abide by them.</p>	
<h3>1. Agribusiness Applicant Background Information</h3>	
<p>1.1 Applicant (Company Name)</p>	<p><b>Name of Applicant company</b>  <i>Please note: if the applicant is forming a consortium or partnership with other businesses and/or NGOs and/or smallholder groups, please list the name of the partner company, NGO and/or smallholder group, below, in section 1.7. Please indicate in the narrative for the Concept Note, what the Lead Applicant role and responsibility will be and what each partners’ roles and responsibilities will be.</i></p>
<p>1.2 Company Profile and Core Business Activities</p>	<p><b>NOTES:</b> Please provide a brief, 5-6 sentence overview of your company, including your main line of business or your core business activities in Tanzania, and any current business relationships with smallholders, especially in the SAGCOT area. Please include information on the ownership of the company (e.g. foreign multinational company, a joint venture company or a local firm) with any information about its ownership structure (e.g. family-owned business, holding company, privately held but with stockholders owning shares of the company, etc.). Please also indicate for how long your company has been doing business in Tanzania and especially in the SAGCOT area.</p>
<p>1.3 Registration Details in Tanzania Company Reg. No. and Date of Registration, etc.</p>	<p><b>NOTES:</b> It is necessary that the applicant, especially if a multi-national firm, has a local representative, as a matter of principle. Applicants must:</p> <ul style="list-style-type: none"> <li>• Provide proof that the applicant is a legally registered business entity, with all legal licenses and permits to operate a business in Tanzania.</li> <li>• Provide the agribusiness TIN (Tax Identification No.).</li> <li>• Provide the agribusiness VAT (Value-added Tax Registration No.).</li> <li>• Provide a notarized copy of the Certificate of Incorporation No. (for Tanzanian registered companies) or a notarized copy of the Certificate of Compliance (for foreign registered companies with permanent establishments or branches in Tanzania).</li> <li>• Provide proof that the applicant is registered as a SAGCOT (Private Sector) Partner under the broad SAGCOT Initiative, a Public-Private Partnership. For further information, please contact the SAGCOT Centre Ltd.</li> <li>• Be able to furnish the previous two years’ (CY 2016 and CY 2017) audited financial statements from an independent, recognized and registered firm which provides accounting and auditing services.</li> <li>• Have business performance records that can be traced through enquiries to National Approving Bodies in Tanzania.</li> </ul>
<p>1.4 Physical Address of the Company in Tanzania</p>	<p><b>NOTES:</b> As part of the SAGCOT-CTF process of validation of the applicant’s legitimacy, it may be necessary to visit the company premises to seek clarification or gain understanding of the company core business.</p>

1.5 Company Website	<b>NOTES:</b> If the applicant company does have a website, especially with Tanzania relevant information, please include the web site address here. If the applicant company does not have a current website, please indicate in 2-3 sentences why not and what plans, if any, your company has to establish one. SAGCOT-CTF may extract information for verification from the applicant’s web site, so please strive to ensure that your company web-site is up-to-date.
1.6 Contact Person (Name, Position/title, E-mail, Mobile phone number)	<b>NOTES:</b> Please provide all the required contact information for the main point of contact between the applicant and the SAGCOT-CTF Executive Secretary and the Matching Grant Fund Manager so that a direct line of communication may be maintained between the applicant company and the SAGCOT-CTF.
1.7 Names and contacts points of partners in the consortium.	<b>NOTES:</b> If the applicant proposes to form a consortium or formal partnership with other agribusinesses, NGOs and/or smallholder groups and those partners will be receiving a share of the MGF to perform certain activities, please provide the name, address and web-site of the partner firm, NGO or community-based group, and the name, e-mail address and mobile phone number of the primary contact person at each partner entity.
<b>2. The Proposed Project</b>	
2.1 Proposed project concept involving Smallholders: <ul style="list-style-type: none"> <li>• Intended value-chain product(s) and/or crop(s).</li> <li>• Target Market(s).</li> </ul>	<p><b>NOTE:</b> Applicant’s projects requesting Matching Grant Funds must fit within the overall objectives of SAGCOT. Please describe in 5-6 sentences how your project will strive to achieve the following:</p> <p>(1) drive improvements in smallholder productivity through the adoption of new technology and/or improved management practices;</p> <p>(2) connect smallholders to markets through agribusiness partnerships which will raise their incomes; and</p> <p>(3) create employment opportunities in rural areas, especially for vulnerable groups like women and youth, which will raise rural household living standards, improve food security and reduce malnutrition. (3-4 sentences)</p> <p>Please include a brief description about in which agricultural value chains (i.e. crops or livestock products) the applicant will work to link smallholders with lucrative markets and where along the value chain your main activities will take place. (4-5 sentences)</p> <p>All applicants will be expected to indicate the environmental impact of their planned investment project and what, if any, mitigative measures will be taken to prevent any damage to the soil, water and forest resources in the SAGCOT area. If no adverse environmental impact is expected, applicants should indicate that and explain why not. (2-3 sentences.)</p> <p>Applicants’ investment projects must not displace, evict or replace smallholders, whether they are sedentary farmers or semi-nomadic pastoralists. (1 sentence statement.)</p> <p>Applicants are cautioned that the following activities are ineligible for matching grants: (1) <b>Dams:</b> building new dams, either for the purposes of irrigation or any other agricultural pursuit; and (2) <b>Tobacco:</b> tobacco projects, including production, marketing or processing for tobacco-oriented agribusinesses.</p>

<p>2.2 Proposed Project Location &amp; Target Smallholder Population</p>	<p><b>NOTE:</b> Applicants' projects must be paired with and for the benefit of smallholders in the following six (6) SIP clusters: (1) Dakawa; (2) Ithemi; (3) Kilombero; (4) Mbarali; (5) Rufiji; and (6) Sumbawanga. For more on the clusters in SAGCOT, please see: <a href="http://sagcot.co.tz/index.php/sagcot-clusters">http://sagcot.co.tz/index.php/sagcot-clusters</a>.</p> <p>Please indicate precisely where in cluster the applicant's investment and partnership with smallholders will take place. Please give geo-positioning coordinates (GPS), i.e. latitude and longitude, of the proposed investment site(s), if possible. Please indicate with how many smallholders (disaggregated by gender, if possible) the applicant currently has a business relationship and with how many more smallholders the applicants could establish marketing relationships, if the applicant receives a matching grant. (5-6 sentences)</p>
<p>2.3 Linkages with Smallholders supported by your firm.</p>	<p><b>NOTE:</b> Preference will be given to agribusiness firms which are registered members of the SAGCOT Center Limited and which have existing business relationships with smallholders in the SAGCOT area. Therefore, please indicate if your firm is currently involved or plans to work directly with smallholders to meet the project objectives specified above in item 2.1. Please give the precise name of the group of farmers, number of smallholders (disaggregated by gender, if possible) and include any community or village names and GPS coordinates when possible. Examples of business relationships could include any of the following illustrative examples: (1) contract farming using forward contracts with groups of growers; (2) working with or through a post-harvest handling center in a "hub-spoke" or "out-growers scheme; (3) providing new technology (inputs and "know-how") to smallholders to raise productivity for livestock, small ruminants or crops which are then purchased from the smallholders; (4) providing post-harvest handling solutions to smallholders, such as a warehouse receipts program, access to milk and/or meat processing facilities; (5) providing direct technical assistance and extension services to smallholders to improve the quality and the quantity of what they produce so that they meet domestic, regional or international market demand and standards; and (6) others – please describe. (5-6 sentences.)</p>
<p>2.4 Proposed MGF Investments to benefit Smallholders</p>	<p><b>NOTE:</b> Applicant's should describe precisely how the Matching Grant Funds (MGF) will be used to deepen or broaden the applicant's investments in smallholder partnerships in the SAGCOT area. Specifically, applicants must demonstrate that the use of the MGF will enable to the applicant's project to scale out and reach thousands of more smallholders than would be possible otherwise; or to have a more profound impact in existing relationships by enhancing smallholder skills, capacities and employment, especially for women, youth and other vulnerable groups, and add more value, through local processing, to what smallholders produce than would otherwise be possible. Examples of scaling or deepening relations could include the following: (1) expanding delivery of training and technical assistance to smallholder producers of crops by adding more private-sector extension advisors to the applicant's project; (2) providing financial and technical support to groups of growers to obtain GlobalGAP certification; (3) constructing and equipping a post-harvest handling center where local communities are trained to operate and manage the facility as fresh produce is sorted, graded, packed and pre-cooled before being shipped to markets; (4) constructing and equipping a milk collection center wherein local communities are trained to operate and manage the facility for collecting, processing and storing milk for onward sale to dairy processing firms; (5) constructing and equipping a grain storage center and training the community to manage it; (6) constructing and equipping an abattoir where livestock and small ruminants could be slaughtered and the meat sold on to butchers and supermarkets; (7) linking thousands of smallholders to financial</p>

	<i>services, including agricultural credit, crop and/or livestock insurance or mobile money; and (8) other – please describe. (1-2 paragraphs.)</i>
2.5	<p>Period of time for the applicant's investment project.</p> <p><b>NOTES:</b> <i>The SAGCOT-CTF can only fund projects of three (3) years duration or less. Please indicate the time frame during which you will achieve the objectives of your project as they align with the overall objectives mentioned in section 2.1 above. Please also indicate when any significant benchmarks will be achieved during the life of the project. (3-4 sentences)</i></p>
<p><b>3. Financial Estimates</b> (Please present the financial estimates in an EXCEL spreadsheet.)</p>	
3.1	<p>Applicant's Current Annual Budget in support of Business Linkages with Smallholders.</p> <p><b>NOTES:</b> <i>The financial credibility of the application will be evaluated based on past, current and future investments which the firm has made, plans to make and could make if it receives a matching grant. Therefore, please provide the amount, in US dollars (\$) of the following: (1) the applicant's core business expenses in CY 2016 and CY 2017 devoted to establishing and/or maintaining good business relationships with smallholders in the SAGCOT area; (2) current core business expenses (CY 2018 through June 30<sup>th</sup>) devoted to establishing and/or maintaining good business relationships with smallholders; and (3) a projection of future core business expenses/investment to establish and/or maintain good business relationships with smallholders. Please also indicate what percentage (%) of total core business operating expenses or core business capital expenses these smallholder costs are compared to total agribusiness operating or capital expenses for the same periods above. (See Annex 1 below.)</i></p>
3.2	<p>Applicant's planned future investments and/or existing capital investments which will form the basis of the matching contribution required by the SAGCOT-CTF Matching Grant Fund (MGF).</p> <p><b>NOTES:</b> <i>The MGF stipulates that matching grants will be given to foreign applicants who provide a minimum of 40% of the total project costs from their own budget; and to domestic/national applicants who provide a minimum of 30% of the total project costs from their own budget. Applicants who contribute <b>more than the minimum</b>, in their own investment funds, <u>will receive preferential consideration for an award</u>. Please include a total budget which indicates in a simple format (see Annex 1, below, for an example) what the total cost (in US\$) of the proposed project will be, what amount (in US\$) the applicant will provide and what amount (in US\$) the applicant seeks from the MGF.</i></p> <p><i>Examples of the applicant's existing or planned operating expenses or capital investments which could be used as their 30% (domestic firms) or 40% (foreign firms) matching contribution to the project include the following illustrative examples: (1) the costs of a recent (within the previous 12 months of the date of the application) capital investment in the SAGCOT area which has a direct, positive impact on the ability of the applicant to have a stronger, deeper business relationship with smallholders and/or add more smallholders to the project; (2) the costs of core business staff (salary and benefits) who work directly with smallholders on behalf of the company's core business activities, including a portion of the time of the financial staff, managers and other support staff who devote a portion of their time to ensuring smooth operation of the core business with smallholders; (3) the costs of training and technical assistance provided by the applicant firm to smallholders as part of its core business so that, for example, smallholders become GlobalGAP certified and are eligible to grow for EU export markets or become certified in good hygienic practices for managing dairy cows or beef cattle and delivering high quality animal products to markets for processing; and (4) other core business activity or services' operating or capital investment costs that can be documented to be directly for the purpose of</i></p>

	<p><i>improving smallholders’ market access, or strengthening their knowledge, skills and capacity development..</i></p> <p><b>NOTE:</b> <i>If an applicant is working on land or intends to use land on which a warehouse, a collection centre or a processing facility or other core business is located in the SAGCOT area as a component of their <u>matching contribution</u> to the project, the firm must demonstrate that it has held an undisputed title to and undisputed rights over the land for a minimum of two-years before this application is made.</i></p>
<p>3.3 Please explain briefly the nature and amount of Funding requested from SAGCOT-CTF Matching Grant Fund (MGF). (The budget notes ó see Annex 1 below ó can be used to briefly note for what the funding will be used.)</p>	<p><b>NOTES:</b> <i>Applicants are eligible to apply for a minimum of \$250,000 (US) or a maximum of \$1.5 million (US) for activities that will achieve the objectives mentioned above, in Section 2.1. Eligible uses of funds, for illustrative purposes include the following: (1) to hire additional staff (salary and benefits) who will be devoted for 100% of their time to activities directly involved with linking smallholders to markets, raising smallholder productivity and incomes and/or including vulnerable groups, like women and youth, in specific activities that will empower them financially, economically and socially; (2) the costs of conducting training and technical assistance activities that directly engage and build the capacity, knowledge and skills of smallholders, especially women and youth; (3) the costs of monitoring and evaluating of smallholder MGF activities, including – for example – collecting data about the social, economic, financial and environmental impact of the applicant’s project on smallholders and their locale and writing reports for the funding agency (SAGCOT-CTF); (4) the costs of buildings which are constructed by the applicant, less the monetary value of any “in-kind” contribution from local government or smallholder groups; (5) the costs of any equipment which is purchased by the applicant and used specifically and only for the purposes of the MGF project activities linking smallholders to markets, including, for example, equipment which is leased to smallholders who have been trained in its use, operation and maintenance; and other illustrative costs.</i></p> <p><i>Questions about eligible activities and/or eligible uses of MGF monies should be directed to the SGCOT-CTF Executive Secretariat.</i></p>

**Annex 1: Sample Financial Information**

(For illustrative purposes only. The following information should be submitted in an EXCEL spread sheet as part of the “Concept Note” application process.)

3.1 Applicant Annual Budget for Smallholder Linkages Activities in the SAGCOT area (1)			
<i>Period of Time</i>	<i>Core business operating expenses</i>	<i>Core business capital investments</i>	<i>Total smallholder activities as a % of total core business costs</i>
CY 2016	\$50,000.00	0	10%
CY 2017	\$50,000.00	0	15%
CY 2018 (through 30/06/2018)	\$75,000.00	0	20%
CY 2018 (estimate for: 01/07/2018 ó 31/12/2018)	\$25,000.00	0	25%
CY 2019 (estimate)	\$100,000.00	\$150,000.00 (2)	28.5%
CY 2020 (estimate)	\$100,000.00	0	28.5%
CY 2021 (estimate)	\$100,000.00	0	28.5%

Total planned expenses and investments eligible for matching grants	\$300,000.00	\$150,000.00	\$450,000.00 (28.5%)
<b>3.2 and 3.3 Applicant Budget for the MGF (3) for a 2 and ½ year project (01/11/2018 – 01/04/2021)</b>			
<b>Item</b>	<b>Company share</b>	<b>MGF monies</b>	<b>Total MGF project</b>
Staff (salary and benefits)	\$200,000.00	\$467,000.00	\$667,000.00
Training activities (e.g. workshops)	\$25,000.00	\$58,000.00	\$83,000.00
Technical Assistance	\$25,000.00	\$58,000.00	\$83,000.00
Monitoring & Evaluation (M&E)	\$50,000.00	\$116,000.00	\$166,000.00
Equipment	\$100,000.00	\$233,000.00	\$333,000.00
Land	\$25,000.00	\$59,000.00	\$84,000.00
Buildings	\$25,000.00	\$59,000.00	\$84,000.00
Other costs	0	0	0
<b>Total</b>	<b>\$450,000.00</b>	<b>\$1,050,000.00</b>	<b>\$1,500,000.00</b>
Share of Total Smallholder MGF Project Budget	<b>30.0%</b>	<b>70.0%</b>	<b>100.0%</b>
<b>Budget Notes:</b>			
(1) Company core business expenses to establish and maintain business linkages with smallholders (without any MGF).			
(2) Company plans to invest in a local collection and processing facility that will serve smallholder partners.			
(3) This is an illustrative budget only and should not be used by any applicant. Actual line items and activities may vary depending on the smallholder activity öConcept Note.ö The budget presume this is a Tanzanian agribusiness applying for a \$1.05 million MGF with a 30:70 split in the total project funds.			