

Funding Opportunity Announcement

Introduction: The Southern Growth Corridor of Tanzania (SAGCOT) initiative is a long term public private partnership designed to stimulate responsible and sustainable (green growth) transformation and commercialization of agriculture in the designated corridor ensuring clear and direct benefits to smallholder farmers, livestock keepers and fishermen. The SAGCOT Catalytic Trust Fund (SAGCOT-CTF) has been established as a Public-Private Partnership to provide the financing mechanism to link smallholders to agricultural value chains. SAGCOT-CTF has received funding from the World Bank (WB) as a **loan** to the Government of Tanzania, (P125728) through Credit No. 5776-TZ, and intends to use part of this funding for a Matching Grant Fund (MGF) which is designed to stimulate, strengthen and scale-out business linkages between smallholder farmers and agribusinesses operating in the SAGCOT.

Purpose of the Announcement: The SAGCOT-CTF, therefore, announces the availability of Matching Grant Funds (MGF) to accelerate agricultural transformation and commercialization by facilitating the expansion of sustainable market linkages and business relationships between smallholder producers (in crops, livestock and fisheries) and agribusinesses operating in the SAGCOT. The MGF objectives are to: (1) drive improvements in smallholder productivity through the adoption of new technology and improved management practices; (2) connect smallholders to markets through agribusiness partnerships which will raise their incomes; and (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.

Agribusiness Linkages Financing: The SAGCOT-CTF proposes to provide agribusiness linkage Matching Grants (MG) of between \$250,000 (US) (the minimum) and \$1.5 million (US) (the maximum) to successful applicants. Applicants must make a minimum matching investment contribution of 30 percent (for national businesses) or 40 percent (for international business operators) to the proposed project that will directly benefit smallholders. Applicants who contribute more than the minimum, in their own funds, will receive preference for an award. The SAGCOT-CTF hopes to approve a minimum of three (3) MGs by 31 October 2018.

Eligibility Criteria: Applicants should meet the following criteria:

1. Be a Tanzanian registered private agribusinesses with legitimate licenses and/or permits to do business in Tanzania.
2. Be a financially viable agribusiness, with two years (CY 2016 and CY 2017) audited financial statements from an independent, recognized and registered firm which provides accounting and auditing services.
3. Have existing relationships with smallholder groups, associations or cooperatives and want to deepen, strengthen or expand those relationships.
4. Preference will be given to applicants which are registered SAGCOT partners under the broader SAGCOT Initiative, a Public-Private Partnership. For further information please contact the SAGCOT Centre Ltd. (See: <http://sagcot.co.tz/>).
5. Applicants may form partnerships or consortiums that include NGOs and/or community organizations, but the lead applicant must be a private sector agribusiness.

The Application Process:

- All applicants are required to use the SAGCOT-CTF "Concept Note" template which is available at the SAGCOT-CTF web site.
- Applicants who are approved at the "Concept Note" stage will then move on to complete a more detailed "Proposal." Guidance for proposal preparation will be available to successful "Concept Note" Applicants.
- All "Concept Notes" with the required, complementary documentation must be submitted by e-mail to two (2) separate, but complementary, e-mail addresses: mgf@sagcotctf.org and sagcot@kpmg.co.tz on or **before 5:00 PM on Friday, August 25th, 2018**. Proposals submitted in

any other manner than electronically will not be accepted and will be deemed to be ineligible for consideration. Proposals not submitted on time will also be deemed ineligible.

- Successful "Concept Note" applicants should be informed on or before **Monday, September 4th, 2018** that they are eligible to proceed to the second stage of the application process and develop a Full Proposal which will be **before 5:00 PM on Friday, September 29th, 2018**.
- Successful "Concept Note" applicants may be eligible to receive technical assistance from an expert advisory team, appointed by the SAGCOT-CTF, for development of their full business plan which must be included in the final "Full Proposal" application.