

# Call for Proposals

## Climate Smart Agriculture Capital Assets Grant Facility

**Grant value:** Between GBP100k and GBP500k (Disbursements will be in Nigerian Naira)

**Match Contribution:** Not less than 25% of Grant Value.

**Period of expenditures:** Up to 1 year (12 calendar months period)

**Deadline for submission of applications:** Window for application opens April 3, 2024, and will be reviewed on a rolling basis through April 24, 2024.

**Submission of Application:** Download, Complete and Submit the Application Pack:

- i. Technical Proposal
- ii. Financial Proposal

Provide relevant supporting documents as attachments to the email (attachment should be clearly labelled).

Application pack should be submitted as email to [propcomplusgrantfacility@thepalladiumgroup.com](mailto:propcomplusgrantfacility@thepalladiumgroup.com).

The Subject of the email should be: ***“CDEL Grants Application: Applying Organization’s Name”***.

**Additional Details :** Kindly follow the link [market information](#) for more details

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### About Propcom+

Propcom+ is an eight-year (2023-2030) FCDO-funded rural and agricultural market development programme. It aims to improve the incomes and climate resilience of 3.79 million vulnerable women and men in Nigeria whilst benefiting climate and nature. The Programme’s Climate Smart Agriculture Catalysing Grant Facility (CSA CGF) aims to deliver an integrated approach that addresses the interlinked challenges of food security in Nigeria and accelerating climate change. This is to increase productivity and quality of food to improve nutritious outcomes and increase incomes; climate resiliency by reducing vulnerability; and climate mitigation by pursuing lower emissions. Propcom+ operates a two-tiered system- **Tier 1** focuses on investments that promote livelihoods and resilience,

with Bauchi, Adamawa, Gombe, Kano, Kaduna, Jigawa and Plateau as the focal states. **Tier 2** focuses on deforestation-free commodities and pro-forest investments, with the focus states being Enugu, Ekiti, Edo and Cross River all in Nigeria.

### Purpose of this Call for Proposals

This call for proposal seeks to identify investible projects from businesses in Manufacturing, Climate Smart Agriculture and Agribusiness space seeking to access **durable capital assets financing support**. Propcom+ seeks to receive applications from solutions that can be supported with capital grants to enable applicants acquire durable assets that provide social, environmental, and developmental benefits albeit less immediate commercial returns. Fundable **durable assets** should aim to create or improve market access of smallholder farmers in ways that align with the objective of the grant facility as outlined below. An asset is considered durable if it has a lifespan of at least 5 years. To achieve the CSA CGF objectives, the investment facility will prioritise initiating, incubating and/or de-risking - i). innovative climate-smart technologies and the provision of support services to catalyse their expansion, ii). New or under-developed business models, iii). Addressing infrastructural gaps, iv). Lack of affordable commercial capital.

### Objectives of the Grant Facility

**The Climate Smart Agriculture Catalysing Grant Facility (CSA CGF)** supports Propcom+ to deliver an integrated approach to managing landscapes – including cropland, livestock, and forests – that addresses the interlinked challenges of food security in Nigeria and climate change.

The CSA CGF funding will support the following specific objectives:

- i. **Increased agricultural productivity** and quality of food to improve nutrition outcomes and increase incomes.
- ii. **Climate objectives** in the form of:
  - a. **Climate Resiliency: Enhancing climate resilience** by reducing vulnerability to drought, pests, diseases and other climate-related risks and shocks, and improving capacity to adapt and grow in the face of longer-term stresses such as shortened seasons and erratic weather patterns; or
  - b. **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.
- iii. **Support Propcom+ to reach 50% women beneficiaries** and increase the leadership and income of women throughout the agricultural value chain.

**Specifically, the facility will provide grant finance** to small and medium enterprises and other agricultural allied market intermediaries to help:

- Support access to capital assets financing with the aim of improving the productivity and income of smallholder farmers.
- Support food processing enterprises to fund assets needs to expand production capacity, enhance food quality, safety and availability, and especially improve access to biofortified foods.
- Scale and/or de-risk climate-smart agriculture business models,
- Pilot innovative frontier climate-smart technologies.

## Eligible Market Segments

Market Segment	Examples of Eligible Interventions
<b>1. Animal Health &amp; Vaccines</b>	<ul style="list-style-type: none"> <li>Expansion/establishment of 'fill and finish' infrastructure for manufacturing animal vaccines.</li> </ul>
	<ul style="list-style-type: none"> <li>Establishment/expansion of cold chain hubs and clean energy cold storage facilities to support animal health supplies.</li> </ul>
	<ul style="list-style-type: none"> <li>Feed crushers and hatchery for <b>local</b> chickens</li> </ul>
	<ul style="list-style-type: none"> <li>Animal Feed and Health Supplies Factory optimization</li> </ul>
	<ul style="list-style-type: none"> <li>Animal Health Supplies Distribution infrastructure</li> </ul>
<b>2. Climate Smart Agricultural Inputs and Food processing</b>	<ul style="list-style-type: none"> <li>Climate smart seed varieties access/distribution infrastructure development</li> </ul>
	<ul style="list-style-type: none"> <li>Expansion for biofortified food processing factory facilities and warehousing facilities to improve availability, quality, and safety of food.</li> </ul>
<b>3. Climate Smart Technologies</b>	<ul style="list-style-type: none"> <li>Manual irrigation pumps</li> </ul>
	<ul style="list-style-type: none"> <li>Solar cold storage units</li> </ul>
	<ul style="list-style-type: none"> <li>Cold Transportation facilities</li> </ul>
	<ul style="list-style-type: none"> <li>Electric transportation solutions</li> </ul>
	<ul style="list-style-type: none"> <li>Solar Drying Infrastructures</li> </ul>
	<ul style="list-style-type: none"> <li>Solar Cold chain storage facilities</li> </ul>
	<ul style="list-style-type: none"> <li>any alternate energy solution that improves efficiency, effectiveness and reduces GHG emissions whilst expanding market access for a large population of underserved groups</li> </ul>
	<ul style="list-style-type: none"> <li>Solar irrigation pumps</li> </ul>

**Note:** These are indicative examples of the types of investments supported in these three market segments. This list is not exhaustive and may extend to other investments that otherwise meet the criteria.

## Eligible Organizations

To be eligible for funding, applicants must:

- i. Be registered and operating in Nigeria; or if in partnership have the lead Applicant registered in Nigeria.

- ii. 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.
- iii. Provide climate-smart agriculture technology or services target at climate risks mitigation, resilience or adaptability.
- iv. Be able to demonstrate a minimum of two years of revenue-generating operations in Nigeria and certified by a signed audited account.
- v. Business 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.
- vi. Complete and submit the proposal Application pack (Technical Application and Financial Application and well labelled supporting documents as attachments to the application email)
- vii. Complete and pass the Palladium’s due diligence assessment (details of this will be communicated to shortlisted applicants).
- viii. 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.
- ix. Matching contribution cannot be from existing funding from UKAid/Foreign, Commonwealth and Development Office (FCDO).

Types of Matching Contribution	Description	Example
<b>In-cash</b>	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 relevant to the project's delivery.
<b>In- Kind</b>	In-kind matching contribution includes <b>critical, relevant, and quantifiable</b> contribution to the project that is not financial.	Employee inputs, Goods such as Farm Inputs, Equipment, Land, Facilities etc.

### Eligible Costs

To be supported, proposed cost must fall into the below eligible costs and categories.

1. **Assets 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:
  - a. **Equipment, plant, and machinery assets:** This budget category should be used to budget for co-financing the purchase of an equipment, machinery or plant asset or a significant component part of a capital asset.

- b. **Climate Smart Agriculture Inputs and Raw Materials:** These are costs related to the acquisition or storage of climate smart agro products such as seeds, seedlings, food processing raw materials e.g. grains and supporting infrastructures.
  - c. **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.
2. **Asset Delivery:** 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).

**Please Note:**

- 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.

**Budget and funding availability**

Applicants can apply to deliver projects based on the Eligible Market Segments categories above. Each proposal will be assessed independently. The program will support projects with grants values between GBP100k and GBP500k (disbursements will be in Nigerian Naira) within 2024 and 2025.

**Duration of projects**

Applicants should propose investment projects that can be substantially completed in 12 months starting from mid-2024. If projects are contributing to longer-term strategic plans, the proposal should indicate how the CSA Facility contribution can complete its proposed outputs in the 12-month period and how these will contribute to longer-term investment plan. All proposals **must** demonstrate how they would achieve results and impact **within one year**. Propcom+ reserves the right to ask clarification questions or to ask for amendments after the initial proposals have been reviewed.

## Timeline for Selection

Stage	Tentative Dates
1. Terms of Reference (ToRs) and Application process launched	April 3, 2024
2. Deadline for submission of applications	April 24, 2024
3. Completion of Technical and Financial Proposal Evaluation and Shortlisting	May 8, 2024
4. Due Diligence Assessment & Co-Creation	May 9- May 23, 2024
5. Contracting (On rolling basis)	May 24 – June 15, 2024
5. Project start/launch date	Mid-June, 2024

## Selection Criteria

The table below provides guidance on the criteria that will be used to evaluate proposals for funding selection.

Selection Criteria for SMEs and Market Intermediaries		Points	Section of the Technical Proposal Template
<b>Potential For Impact:</b> <ul style="list-style-type: none"> <li>- <b>Agricultural Production</b></li> <li>- <b>Climate Resilience and/or Mitigation</b></li> <li>- <b>Catalysing Women Led CSA.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Clear and detailed impact on agricultural productivity with benefits extended through the market value chain.</li> <li>• Clear pathway to climate benefits.</li> <li>• Clear pathway supporting women owned SMEs and organisations in the value chain, including co-benefits for women and households.</li> </ul>	20	6,12,13,16

<b>Viability And Sustainability</b>	<ul style="list-style-type: none"> <li>• Technically and operationally viable.</li> <li>• Financially viable and sustainable.</li> <li>• Prospects for timely implementation.</li> <li>• Local ownership</li> </ul>	20	10
<b>Propcom+ grant will provide Catalytic Potential of other Funding</b>	<p>Demonstrate:</p> <ul style="list-style-type: none"> <li>• There is ability to leverage other resources (financial, human technical) but requires capital investments which may not generate immediate commercial returns for businesses, but with high developmental impact.</li> <li>• Commercial capital is not affordable at this point in time for the project/solution.</li> <li>• Solution is a case of untested innovations, that is harder to secure finance and investment for,</li> <li>• Viability gap that exists needs a grant to accelerate commitments from investors.</li> </ul>	15	17
<b>Replicable And Scalable</b>	<ul style="list-style-type: none"> <li>• Prospects for replication in other regions in Nigeria</li> <li>• Ability to achieve scale.</li> <li>• Pilots: Ability to contribute new CSA practices/technologies being adopted</li> </ul>	15	10, 13
<b>Innovation</b>	<ul style="list-style-type: none"> <li>• Potential and level of climate innovation as it relates to adaptation of CSA in partner's business model</li> </ul>	15	4, 7
<b>Org. Management and Personnel</b>	<ul style="list-style-type: none"> <li>• Past performance of organisation and experience of key personnel</li> <li>• Additionality of Propcom+ funding</li> </ul>	15	7,8,15,20

### What to do if you have questions?

- Further questions on the scope of this call for proposals can be addressed to [propcomplusgrantfacility@thepalladiumgroup.com](mailto:propcomplusgrantfacility@thepalladiumgroup.com)
- The Subject of the email should be: **“CDEL Grants Application: Applying Organization Name”**.

- Clarification questions will be accepted until April 17, 2024.