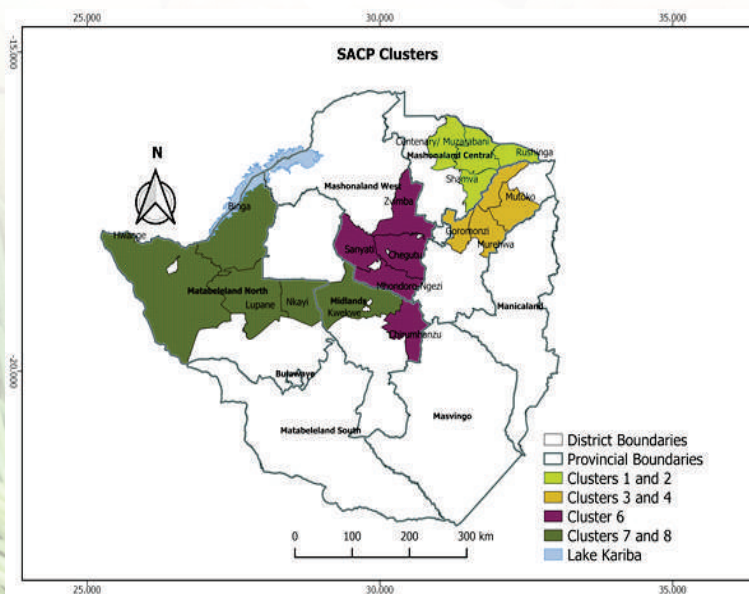




Smallholder Agriculture Cluster Project

MATCHING GRANTS FACILITY



- * Mash East (Goromonzi, Murehwa, Mutoko, UMP)
- * Mash West (Chegutu, Mhondoro Ngezi, Sanyati, Zvimba)
- * Mash Central (Mt Darwin, Muzarabani, Rushinga, Shamva)
- * Midlands (Chirumanzu, Kwekwe)
- * Mat North (Binga, Hwange, Lupane, Nkayi)



Ministry of Lands, Agriculture, Fisheries,
Water and Rural Development



Investing in rural people



Matching Grants Facility for Agriculture Producer Groups and Micro-Small Enterprise

Matching Grants for APGs and MEs-Terms and Conditions

Eligible beneficiaries to grants as part of the overall business plan

▶ APG Grants

APGs groups of average 30 members, of which 50% women and 25% youth

- 70 per cent of the group members fall into category B1 and B2 and few in C.
- Have been attending SACP training
- Present a bankable BP that includes a formal contract with VCLE or other type of off-taker
- Ability to raise the 20% matching grant contribution,

▶ MSE Grants

Micro and small enterprises that provide services to smallholder farmers, of which 25% youth-led and 7.5% women-led

25% youth-led and 7.5% women-led

- Proof of tangible benefit to the smallholder farmers
- Have been attending SACP training
- Present a bankable BP (that would include capacity to provide an acceptable collateral for bank loans)
- Ability to raise the 30% matching grant contribution

Eligible investments to Grants as part of the overall business plan

▶ APG Grants

- Protective agriculture at smallholder level (greenhouse, walk-in tunnel, shade net, etc.)
- Efficient Irrigation Technologies (drip, solar pump, etc.)
- Poultry VC start-up package: first batch of chicks, chicken/layer housing, feeding/watering equipment, vaccines (for first batch only)
- Goat VC start-up package: first batch of improved goat breeds, goat houses, feeding/watering equipment, vaccines (for first batch only)
- Pork VC: pig housing, feeding/watering equipment
- Beef ca
- Dairy VC: barns, stainless steel containers, milking machines
- Conservation agriculture equipment
- Two-wheel tractor
- Hand thresher
- Processing/value addition facilities/units
- Scales
- Plastic crates, trays
- Transport equipment
- Packhouse
- Fencing material
- Storage equipment (including cold storage)
- Solar energy equipment
- Other investments to be assessed on a case-by-case basis collateral for bank loans)

MSE Grants

- Equipment to improve food safety
- Equipment to improve animal welfare
- Climate resilient technologies
- Tractors for village
- Milling machines
- Tomato puree, juicing machines, etc.
- Cold storage

- Solar energy equipment
- Transport equipment
- Hatchery equipment
- Packaging/branding equipment
- Mobile solar dryer units
- Maputi, peanut butter processing units
- Other investments to be assessed on a case-by-case basis

Non eligible investments to grants, but that are part of the overall business plan and account for the beneficiary's contribution

▶ APG Grants

Working capital investments (that can be procured through a loan)

- Inputs (seeds, fertilizers, herbicides, fungicides, pesticides, animal feed, etc.)
- pigs
- cattle
- vaccines
- artificial insemination
- labour costs
- energy costs

▶ MSE Grants

Working capital investments (that can be procured through a loan)

- Inputs of all kinds
- Labour costs
- Energy costs
- Transport costs

Climate Smart Agriculture (CSA) and Environmental and Social Governance (ESG)

APG Grants

All APG investments adopt CSA technology solutions

MSE Grants

All MSME investments follow minimum ESG guidance

Nutrition and food security

APG Grants

Commodities with proven positive nutritional impact are preferred

MSE Grants

Financing rule

APG Grants

- IFAD 80%
- Beneficiary 20%, of which minimum 10% cash contribution from APG (either direct cash or through loans), and the rest being raised through bank loans or through inputs schemes with VCLEs

MSE Grants

- IFAD 70%
- Beneficiary 30%, of which minimum 15% cash contribution from MSE (either direct cash or through loans), and the rest being raised through bank loans

Max grant ceiling

APG Grants USD 15,000

MSE Grants USD 20,000

Minimum grant amount

APG Grants USD 5,000

MSE Grants USD 7,000

Number of grants

APG Grants 800

MSE Grants 200

IFAD Budget

APG Grants USD 12,000 (total 80% of investment)

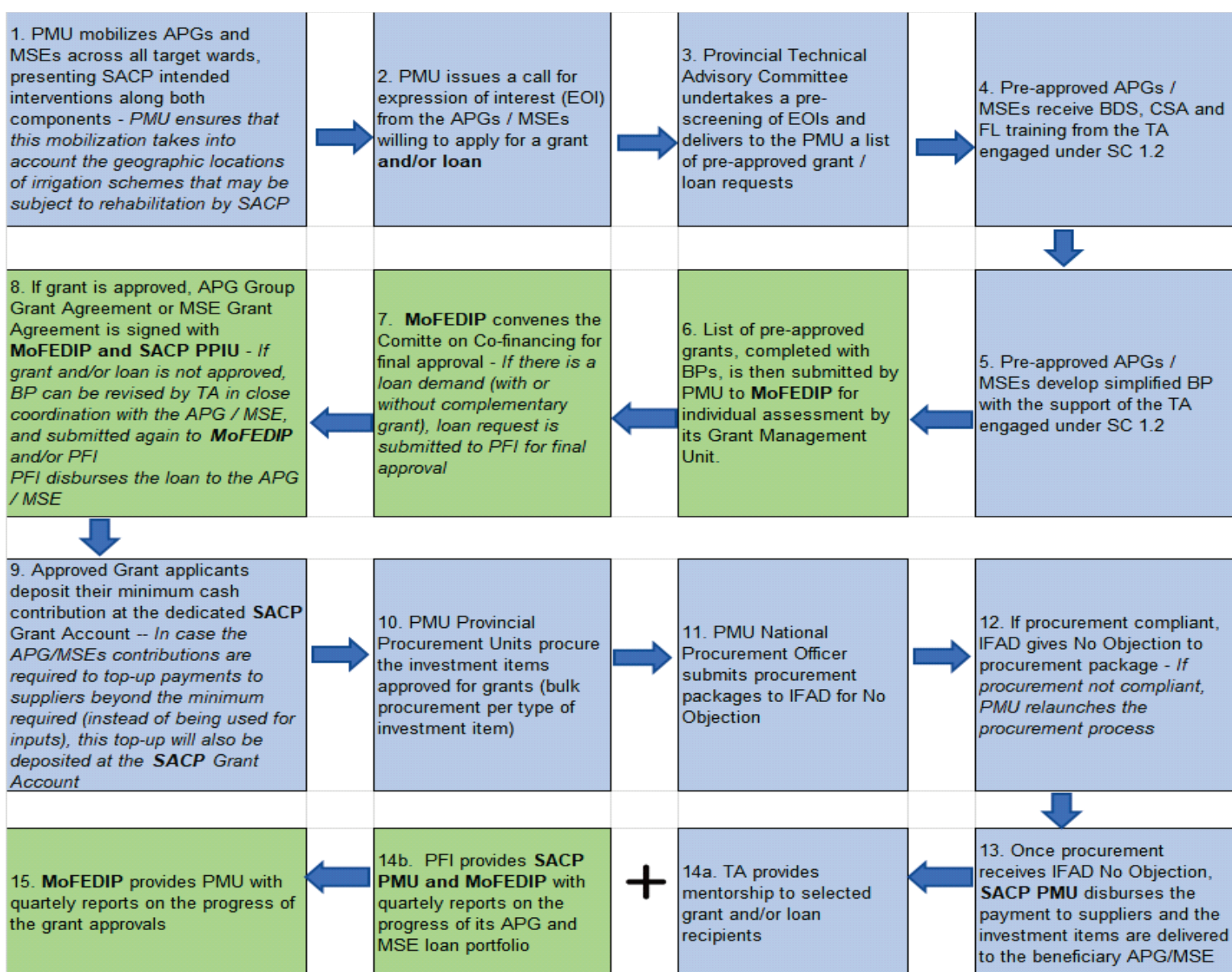
MSE Grants USD 4,000,000 (70% of total investment)

Farmers' business plans should not aim at obtaining the maximum grant amount, but at submitting a bankable investment plan with affordable beneficiary contributions

In cases where the maximum grant amount will not be requested in initial proposal, beneficiaries will have the opportunity to apply at a later stage for a second grant until the maximum grant amount limit is reached.

APG Scenario analysis for Grants amount and Matching contribution												
Grant amount	0.8	5000	6000	7000	8000	9000	10000	11000	12000	13000	14000	15000
Matching contribution from APG (20%)	0.2	1250	1500	1750	2000	2250	2500	2750	3000	3250	3500	3750
Total Investment cost	1	6250	7500	8750	10000	11250	12500	13750	15000	16250	17500	18750
MSE scenario analysis for grants and matching contribution												
Grant amount	0.7	15000	15500	16000	16500	17000	17500	18000	18500	19000	19500	20000
Matching contribution from SIME (30%)	0.3	6428.57	6642.86	6857.14	7071.43	7285.71	7500.00	7714.29	7928.57	8142.86	8357.14	8571.43
Total Investment cost	1	21428.57	22142.86	22857.14	23571.43	24285.71	25000	25714.29	26428.57	27142.86	27857.14	28571.43

Matching Grants Process Flow



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