Does your business rely on smallholders? Do you want to improve the cost of your operations and discover new business opportunities, while enabling your client's professionalism?

If so, join us, in the Farm and Coop Investment Program (FCIP). We offer co-financing and intelligence to:

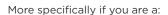
- Pilot innovative projects that aim to increase access to finance and decrease cost for cooperatives, farmers and your business (type 1 funding)
- Support farmers and coops with capacity building that enables them to professionally manage their business and use credit effectively (type 2 funding)

Through this combined approach, cooperatives and farmers will become empowered in the financial space, improving their ability to use and access finance in both farm and non-farm activities.

CAN YOU APPLY?

Are you an agribusiness or financial institution?

Interested to finance segmented farmers and coops? Then you can apply for co-funding of operational costs.



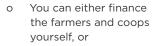
Bank, MFI, social lender or commercial agribusiness that is:

(i) registered in Cote d'Ivoire with a lending license, and/or proven records of successful lending activities in the agricultural sector (ii) interested to develop dedicated agri-finance capacity for the agricultural sector.



Are you an agribusiness?

Then you can apply for co-funding to support farmers and coops to become ready to use medium and/or long term financial products. However, you can ONLY apply for co-funding if:



 You bring along a lender that is willing to finance as soon as farmers and coops are ready.



FCIP

More specifically you are an:

 Agribusiness company (including exporters, exporting coops, processors, input suppliers) that either finances farmers and coops already or have an agreement with a bank / MFI / social lender;

Which costs are eligible for funding?

If you will provide mid and/or long term financial products to farmers and / or coops the following costs can be covered by the cocoa challenge fund:

- Hiring external expertise to improve capacity to provide the expected financial products and services
- o Investments in soft infrastructure (e.g. new software) and staff capacity to prepare introduction of new products and services
- o Operational costs of i.e. staff for expanding a lending team
- o R&D (e.g. market study)

Which costs are eligible for funding?

If you will build the capacity of farmers and / or coops the following costs can be covered by the cocoa challenge fund:

- Training / coaching of farmers and coops towards bankability
- o Developing the training/coaching methodology
- o Initial costs of setting up a monitoring and evaluation system (e.g. software to track progress, or rating system to select coops and farmers)
- o Training of Trainers (ToT)
- Support for investing in loan administration systems at cooperative level.

What are the criteria for investment?



There are two types of criteria: general eligibility criteria for all applicants and selection criteria used to assess and rate investment proposals.

General eligibility criteria for all applicants

Applicants must comply with all of these criteria in order to be eligible for co-funding:

- Willingness and ability to co-fund the proposed investment
- Commitment to the cocoa (or other comparable agri-sector)
- A bank, MFI, social lender or exporter is willing to finance the farmers and coops that will be trained/ coached (when applicable)
- o Committed to provide medium and/or long term loans to farmers and coops
- Have adopted or will adopt responsible lending practices

Selection criteria for competing investment proposals:

- The impact potential (including the probability of it being attained) of the business case for the lender and the farmer / coop for each financial product during the investment period and after the investment period.
- o Scale of the investment; # of farmers and coops that are trained/coached (when applicable) and who have received financial products & incremental loan portfolio in Y1 - Y4/5
- o Quality of the farmer & coop selection methodology
- Additionality of the investment; the contribution will enable impact that otherwise cannot be achieved or would be achieved at a slower pace without the FCIP
- o Impact per EUR invested (cost-effectiveness)

What is the co-funding ratio?

The FCIP will contribute up to 30% of the total budget of the applicant for a specific investment. The applicant's contribution needs to be a private sector contribution.

The FCIP can consider an increase of its contribution to 50% of the budget in the case the applicant has not sufficient financial capacity (cash flow) to contribute the required 70%.

MFIs and cooperatives can apply for higher co-funding ratios in the concept phase of the application procedure.

What is the minimum and maximum contribution from FCIP?

Maximum FCIP contribution per proposal will not exceed EUR 750,000 (max. 25% of funding available.)

Minimum FCIP contribution is set at EUR 150,000 (5% of current funding available) for all categories of applicants.



What is the payment structure?

The FCIP will work with a performance based payment structure with each year's payment split in 2 sub-payments.

- The first payment of 50% will be available to the applicants after approval of their Annual Plan and budget.
- o The remaining 50% of the FCIP contribution will be contingent on results achieved on the targeted number of coops and farmers receiving medium and long-term lending products.

INTERESTED TO APPLY?

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