



**ALLIANCE FOR COMMODITY TRADE IN EASTERN AND SOUTHERN AFRICA
(ACTESA).**

**COMESA EAC HORTICULTURE ACCELERATOR (CEHA)
OPERATING GUIDELINES OF MATCHING GRANTS FACILITY
IMPLEMENTATION AND AWARD MODALITY (CEHA MG FIAM).**

ACRONYMS AND ABBREVIATIONS

ACTESA	Alliance for Commodity Trade for Eastern and Southern Africa;
CEHA	COMESA-EAC Horticulture Accelerator;
COMESA	Common Market for East and Southern Africa;
EAC	East Africa Community;
FCDO	Foreign, Commonwealth and Development Office;
F&V	Fruit and Vegetables
GAP	Good Agriculture Practice
IPM	Integrated Pest Management
MG FIAM	Matching Grants Facility Implementation and Award
M&E	Monitoring and Evaluation
R&D	Research and Development
RFP	Request For Proposals
SMEs	Small and Medium Enterprises
TC	Technical Committee

1 BACKGROUND

The COMESA-EAC Horticulture Accelerator (CEHA) was created in 2022 by public and private sector partners, in collaboration with the East African Community (EAC), to better coordinate policy, value chain development programs, financing, and R&D. The aim is to speed up the growth of the Fruit and Vegetable (F&V) sub-sector of the COMESA and EAC regions. The vision of CEHA is that by 2031, climate-smart horticulture value chains will become a significant driver of income growth, inclusive job creation, and improved nutrition throughout Eastern Africa. CEHA will initially focus on three priority anchor Value Chains (VCs), namely avocado, onion, and Irish potatoes as these specific value chains have sufficient scale and market growth to crowd in needed capital investment in addition to having agronomic, logistical, and regulatory challenges and opportunities that are common to many other F&V crops. Other value chains, such as tomato and cabbage, may be added in the future at the direction of the CEHA Board and based on national platform stakeholder priorities. The CEHA focus countries are Ethiopia, Kenya, Rwanda Tanzania, and Uganda.

ACTESA will be key in moving the CEHA forward through the following:

- Coordinating investments that are primarily private sector-led, public sector-enabled, and donor-catalyzed into production and processing clusters in support of the CEHA National and Regional horticulture strategies.
- Facilitating policy and standards improvement to stimulate trade and market access across the region for multiple regional fruit and vegetable value chains; and
- Facilitating access to both working capital and capex finance as well as technical assistance to processors, farmers, and other agribusinesses across the value chain to accelerate growth.

2 SCOPE OF THE CEHA MATCHING GRANTS FACILITY IMPLEMENTATION AND AWARD MODALITY (CEHA MGFIAM).

Access to finance issues, high interest rates, and collateral requirements, as well as lengthy processing times, have been identified as a constraint to growth. “Affordable and appropriate” financial products were stated as a need by SMEs across the focus value chains as well as a lack of long-term credit facilities.

The CEHA Matching Grants Facility Implementation and Award Modality (CEHA MG FIAM) aims to support innovative agribusiness projects that contribute to the improvement of farming household incomes, rural economic development, and gender equity via horticultural value chains across the region. Agribusinesses funded under this program should align with CEHA's horticulture and gender strategy and demonstrate financially viable approaches to addressing specific challenges and constraints faced by smallholder farmers, especially women. Projects must align with one or more of the focus areas outlined above and demonstrate a strong business case, feasibility, and potential for impact.

The MG FIAM process is being set up to:

- **Establish strategic horticultural production and processing clusters** by incubating agribusinesses based on unique comparative and competitive advantage to serve key markets. These would serve to “crowd in” and better coordinate infrastructure (irrigation, power, roads) and processing investments and leverage counter-seasonal export opportunities. Agribusiness incubators would allow donor support to provide SMEs (e.g., nurseries, processors, and mechanization services) the capital and technical assistance needed within a risk-sharing framework to allow these

MSMEs to reach commercial viability and scale.

- **Strengthen supply chains within the clusters through farmer organizations and digitalization**, using a processor and/or farmer organization as the entry point to provide financing, technical assistance, and mutually beneficial contracting with farmers in collaboration with input suppliers. Capacity building of farmer organizations to collect and market produce, provide financial literacy, and GAP training to farmers, and ensure timely inputs to farmers via a digital infrastructure to coordinate with logistics providers.
- **Establish strategic storage and logistical infrastructure between these clusters and key urban markets, ports, and border crossings**. These would be complemented by micro or locally appropriate solutions such as mobile, solar-powered refrigerated containers that can be deployed at commercial farms or farmer cooperatives, or rural trading centers within easy travel distance for producers and easily transported by flatbed truck. *A strong chain of custody is essential* to providing grading and quality control, securing trade and financial transactions, and helping farmers access finance.

3 MG FIAM APPROACH

While not a requirement, a consortium approach where the buyers of horticultural produce work in collaboration with farmer groups, input suppliers, storage/logistical providers, and financial services firms jointly submit a proposal to sustainably strengthen the entire value chain. Access to certified quality planting material would involve the need for further R&D into improved seed varieties and superior breeder materials (for onion and potato), as well as access to finance for nurseries to ensure a sustainable supply of seeds and seedlings. It would also require the improvement and streamlining of input supply systems (e.g., satellite seed merchandisers, regional seed bulking and storage), improved quality and affordability of plant protection products, including integrated Pest Management (IPM), and fertilizers, and improved access to mechanization services and water-saving irrigation solutions. There is also the need for improved agronomic practices, which would require better access to extension services, strengthening farmer organizations, and improved advisory and training services on business skills to a range of SMEs. In addition, given the perishability of horticultural produce, solutions to the effective storage and transportation of produce are important to maintain quality and minimize losses.

The primary mechanism for strengthening value chains and injecting capital into agribusinesses is based on a matching grant mechanism around three pillars: 1) financial support to producer groups, processors, exporters, aggregators, and consolidators, 2) capacity building (e.g., financial mgmt., marketing, equipment selection via technical consultants), and 3) regional market integration. **The clusters will serve as catalytic demonstrations for achieving economies of scale in production, processing, cold storage, and logistics along with the policy reforms necessary for improving the enabling agribusiness environment.**

ACTESA will be responsible for reviewing, shortlisting, and monitoring MG FIAM. All final decisions will be approved by the CEHA Board. Preference will be given to women-led and/or viable businesses providing significant employment and employment opportunities to women and youth. Technical assistance will be provided to help these SMEs improve their operations, food safety systems, marketing, and farmer linkages provided they are firmly anchored in the local, regional, and export market demand opportunities. This capital will be utilized to de-risk private sector investments to expand sourcing from small-scale producers, develop new

business lines to work with small-scale producers, and improve efficiencies of their commercial operations to make them more competitive.

4 FOCUS AREAS

4.1 FARMER INCOME GROWTH AND STABILITY:

Proposals should demonstrate a business case for increasing farming households' incomes, cash flow, and financial resilience via the proposed program via such activities as market access, higher yields, quality, and productivity, cost management, and diversification. If off-farm jobs are also created that allow a farming household member to supplement income, or if financial services (low-interest loans, savings, insurance) are facilitated to improve financial resilience, this should also be included.

4.2 GENDER EQUITY:

Proposals should also demonstrate promoting of gender equity in horticultural value chains, including initiatives to increase women's participation, access to resources, and decision-making power.

4.3 CLIMATE RESILIENCE:

Adoption Climate-smart agriculture practices, technologies, and innovations should enhance the resilience of horticulture value chains to climate change impacts. This may include the use of climate-resilient seeds, adoption of sustainable land management practices, and implementation of renewable energy solutions.

4.4 MARKET DEVELOPMENT:

Proposals should outline for improving market access and value addition in horticultural value chains, including initiatives to strengthen market linkages, improve post-harvest handling and processing, and enhance product quality and standards compliance.

5 FUNDING PARAMETERS

5.1 GRANT SIZE

CEHA MG FIAM grants will be awarded up to USD 100,000 over two years. Consideration given to the scope and scale of the proposed project.

The matching grant is distributed at 50% for CEHA and 50% for the grant applicant representing 100% capital outlay.

The eligibility criteria for matching grant applicants are defined in the parameters that align with the goals and requirements of the grant program.

5.2 LEGAL STATUS

Applicants of Matching Grants should be legally registered within the location of project delivery. They must be a registered for-profit agribusiness involved in the collection, processing, and sale of avocado, onion, or Irish potato procured directly from growers. SMEs, Processors, Aggregators, Exporters, Farmer Organization are eligible to apply as lead applicants. However, more favourable consideration will be given to proposals submitted by these lead applicants if they are on behalf of a consortium of value chain actors (input suppliers, farmer groups, financial services firms) working together to ensure a successful outcome of the project.

5.3 ALIGNMENT WITH OBJECTIVES:

Applications must align with the overarching goals and objectives of the matching grant initiative, as outlined above. In summary, they should:

- Establish efficient and secure regional value chains with cold chain and logistics networks.
- Ensure adequate and profitable production of quality, safe, and affordable F&V that led to significant increases in farming household incomes, financial resilience, and gender equity.
- Stimulate growth of the industry via strong enabling conditions and business ecosystem.

6 MATCHING REQUIREMENT

6.1 LEGAL AND ETHICAL CONSIDERATIONS

Applicants must adhere to ethical standards and legal requirements in all aspects of the proposed project. All the agreements will be done within the COMESA legal framework and its resolutions are binding within the matching grant agreed duration.

Applicants must commit to providing matching funds on a dollar-for-dollar basis, as specified in the grant guidelines. CEHA MG FIAM funds can be sourced from the applicant's own resources or eligible third-party investors.

6.2 FINANCIAL STABILITY

Applicants should demonstrate financial stability and sound fiscal management. Submission of audited financial statements may be required to assess financial viability.

6.3 PROJECT FEASIBILITY

The proposed project must be feasible, realistic, and have clear and achievable outcomes. A detailed project plan, including timelines, milestones, cash flow and a budget, must be submitted with the application.

6.4 CAPACITY AND EXPERTISE

The applicant should possess the organizational capacity and expertise required to successfully implement the proposed project. Relevant experience in similar projects or programs will be considered favorably.

Value Chain	Duration in the industry	Evidence of project implementation	Management structure

6.5 COLLABORATIONS AND PARTNERSHIPS

Collaboration with other organizations, community groups, or stakeholders in the value chain will be encouraged. Letters of support or partnership agreements with collaborating entities may strengthen the application.

6.6 COMPLIANCE WITH REGULATIONS

Applicants must comply with all applicable laws, regulations, and policies governing the use of grant funds. Any previous non-compliance issues may impact eligibility. The grantees are required to comply with any local regulations and the CEHA national chapter will enforce this compliance.

6.7 REPORTING AND ACCOUNTABILITY

Applicants should demonstrate a commitment to transparency and accountability by agreeing to submit quarterly progress reports, financial reports, and other documentation as required by the grantor.

6.8 EVALUATION AND SELECTION PROCESS

The applicant should agree to participate in the evaluation and selection process, which may include interviews, site visits, or additional documentation requests.

6.9 CONFLICT OF INTEREST

Applicants or the selection team members must disclose any potential conflicts of interest and provide assurances that grant funds will be used for their intended purpose.

Any member of the evaluation committee who has a potential conflict of interest will not be allowed to participate in the committee functions.

6.10 SUSTAINABILITY

The proposed project should demonstrate a commitment to sustainability, outlining plans for ongoing impact beyond the grant period. The sustainability plan should include benefits to be obtained, expansion plans and the going concern plans for the business beyond the matching grant duration.

6.11 GEOGRAPHIC FOCUS

The grant program may have specific geographic focus areas. Applicants must operate within or propose projects that benefit the designated regions. The grantees are required to produce GPS coordinates of the area where they will conduct their business to allow for tracking and monitoring of the progress of the business activities.

7 ELIGIBILITY FOR THE FUND

Eligible entities that can apply for the Matching Grant are:

- Packhouses/processors in the avocado, Irish potato and onion value chains.
- Farmer cooperatives.

Applicants submitting proposals should include the following information on their operations:

- Processing capacity per day, per season, and per year
- Estimated capacity utilization rate (in percentage)
- Volume of avocado, onion, or Irish potato sourced during the last calendar year

- Annual turnover

7.1 ELIGIBLE COSTS FOR FUNDING

Allowable costs are those costs that must be allowable, reasonable, allocable, and necessary to the project and comply with the funding requirements of the ACTESA / CEHA Secretariat and its donors.

WHAT WILL NOT BE FUNDED UNDER THE MATCHING GRANT

Examples of what ACTESA CEHA will not provide matching grants for:

- Activities already funded by other partners.
- Activities undertaken before the signing of the Matching Grant Agreement by both Parties.
- Activities that are not included in the approved work plan and budget.
- Series of workshops and participant per diem/Daily Subsistence Allowance without clear reasoning and follow-up activities (a series of workshops is not an acceptable project).
- Purchase of major equipment that is not solely for the exclusive use for the activity.
- Purchase of vehicles.
- Projects in which the sole purpose is to promote/advertise your organization.
- Core funding of the organisation's strategic plan. High administrative fees based as a percentage without proof of an audited indirect cost rate.
- Personnel costs –all expenditures for personnel shall be backed up by time and/or effort records signed by the employee and the appropriate supervisor. The allocation method used shall produce an equitable distribution of time and/or effort. Where salaries apply to execution of two or more sub-grant projects or cost activities, proration of costs to each activity must be made based on time and/or effort reports. Salary supplements including severance provisions and other benefits are prohibited.
- Unjustified Travel

8 SELECTION PROCESS

The potential applicants interested to participate in the matching grant Call for Proposals will be required to prepare their simplified business plans and submit them electronically to National Chapter offices (using a specific e-mail account set for such purpose) and them physically to their physical address. Considering that some organizations are in areas, proper time and guidance will be provided to the applicants. National Chapter staff will facilitate the process of submission.

Once the applications have been received, the National Chapter will first screen the proposals in readiness for technical evaluation by the Technical Committee (TC) of the National Chapter. The TC will conduct a detailed evaluation of the business proposals based on the agreed criteria. The TC will also provide a summarized report with ranked list of applications vis-à-vis the selection criteria provided for the call for proposals to ACTESA.

ACTESA will carry out due diligence to properly ascertain the investment readiness and conformity of the grant applicants to the set guidelines required for successful implementation of the matching grants. A total of 2-3 top business cases/proposals from each country will then be submitted to the Board for final determination of awarding.

8.1 SCORING CRITERIA FOR PROPOSALS

Criterion	Maximum Score
<p>Logic and coherence</p> <p>Logic, coherence and clarity of the rationale and description of the proposed investment in relation to CEHA focus areas. (3)</p> <p>Bottlenecks to be addressed, potential to be realized in relation to focus areas (2points)</p> <p>Productive capacity to be established (2 points)</p> <p>Business plan: i.e. availability of business plan template with clear metrics, marketing strategies and overall coherent strategy (5 points)</p> <p>Consortium with value chain partners with clear roles and responsibilities listed and letter(s) of intent attached to proposal (1 point per VC partner lead applicant jointly submitting proposal) (3points)</p>	15
<p>Feasibility</p> <p>Feasibility of the investment in making progress against focus areas (5)</p> <p>Work-plan within the proposed budget and time frame, (4)</p> <p>the risk analysis, and adequacy and feasibility of the mitigation measures (6)</p>	15
<p>Profitability</p> <p>Profitability of the enterprise (5)</p> <p>Submission of gross margin calculations (5)</p> <p>Marketing strategies (e.g. value addition, market penetration strategy) (5)</p> <p>Availability of markets/market linkages (5)</p>	20
<p>Beneficiary Contribution</p> <p>Minimum beneficiary contribution to the investment totalling 50 percent of the total cost of the business investment (16 points with additional points if > 50%)</p>	20
<p>Social economic Inclusiveness</p> <p>Extent to which the investment of promotes inclusion of the groups listed below in terms of level and stability of income, addition or improvement of employment, or empowerment. Scores are given for each group as follows:</p> <ul style="list-style-type: none"> - Small-scale farming household income improvement potential (\$): (\$not calculated or < 10% = 0, 10%<\$<30% = 2, 30%<\$<50% = 4, \$>50% = 6) - Small-scale farms <6ha (ss) farms vs. commercial farmers > 6ha (cf): (no ss=0, ss<cf=1, ss=cf=2, ss>cf=3); - Women: (none=0, low=1, medium=2, high=3); - Youth: (no=0, <30%=1, =30%=2, >30%=3) 	15
<p>Environmental Sustainability</p> <p>Contribution of the investment to environmental sustainability, in terms of:</p> <ul style="list-style-type: none"> - Improved climate resilience (none=0, low=1, medium=2, high=4); - Potential for reduction of greenhouse gas emissions as measured by the production practices, energy use, post-harvest processes, management of waste, losses and by-products (none=0, low=1, medium=2, high=3); - Sustainability of natural resources (none=0, low=1, medium=2, high=4); 	15

- Biodiversity conservation (no=0, yes=4).	
TOTAL	100%

The applicant will be required to earn a minimum score of 70% on each scoring criterions above. For example, on **social and economic inclusivity** the minimum score should $(10.5/15*100) = 70\%$. All the scoring criterions will be evaluated on equal footing of minimum score of 70% to promote equitability in the technical assessment.

Applications that do not pass the 70 points thresholds will not be further evaluated. A provisional ranked list of all applications that meet the minimum scores will then be submitted by the TC for review and approval to the Selection Committee (SC), who come up with a final list of the matching grants grantees.

8.2 MONITORING AND EVALUATION

Each grant award will encompass an in-built monitoring mechanism that is stipulated in the grant agreement. Members of the National Chapters will perform on an ad-hoc basis regular monitoring of beneficiaries' compliance with the Grant Agreement and work plan and to verify the achievement of milestones and share the reports with ACTESA.

Key performance indicators, which will be used to measure the success or failure of the Matching Fund projects, will be discussed, and agreed upon during the application process. They may include the following:

- Increased farming household net incomes
- Increased farming household financial resilience (cash flow, liability/asset ratio)
- Farmgate price as a percentage of wholesale or FOB price.
- Women's access to financial services and agency over household finances
- Increased productivity and quality of avocado, onion, Irish potato production.
- Improved volume and capacity utilization of the processor/packhouse.
- Increase in jobs created
- Improved coordination and inclusion of key stakeholders in the horticulture value chain.
- Increased adoption of good agricultural practices, including climate resilience.
- Improved contractual relations between value chain stakeholders – from input suppliers to farmers to cooperatives, packhouses/processors, and wholesalers/retailers.

The following documents will be required: (i) invoices and receipts, (ii) investment record/cash book, (iii) summary of milestones met against the original proposal, achievements about each of the focus areas, bottlenecks, challenges, areas of improvement, and course corrections required in strategy and/or implementation.

9 APPLICATION PROCESS AND DEADLINE

Applicants must adhere to the specified application deadline and submission process outlined in the grant guidelines.

All applications should be submitted **BY EMAIL**, under the subject line **APPLICATION FOR THE CEHA MATCHING GRANT** to: procurement@comesa.int All applications must be submitted within the stipulated time frame. Only one application may be submitted by each applicant. Moreover, only one business idea can be implemented by the same applicant at any given time.

10 ROLES

The ACTESA / CEHA Secretariat and its matching grant beneficiaries will each generally have the following responsibilities.

10.1 CEHA NATIONAL CHAPTERS

- Screen all incoming applications to ensure they meet the eligibility criteria outlined in the grant guidelines. This involves verifying that applicants are from participating COMESA and EAC Member States and that their proposed projects align with the objectives of the accelerator program.
- Evaluate each application based on predetermined criteria such as innovation, feasibility, market potential, scalability, and sustainability using the scoring system criteria above to objectively assess the applications.

10.2 CEHA BOARD

- Provide strategic oversight and set overall direction and priorities for grant allocation and approval ensure that the selection process aligns with the goals and objectives of CEHA.
- Approve policies and guidelines for the CEHA MG FIAM t selection process to ensure transparency, fairness, and adherence to CEHA's vision.
- Approve CEHA MG FIAM grant applications submitted by ACTESA and reviewed by the CEHA National Chapters and the Secretariat based on the selection criteria listed above. The process involves deliberations and voting to select the qualified candidates.
- Evaluate the risks associated with each grant proposal and determine the level of support to be provided to ensure a proper balance of risk/reward across value chains and countries to achieve CEHA's broader strategic aims.

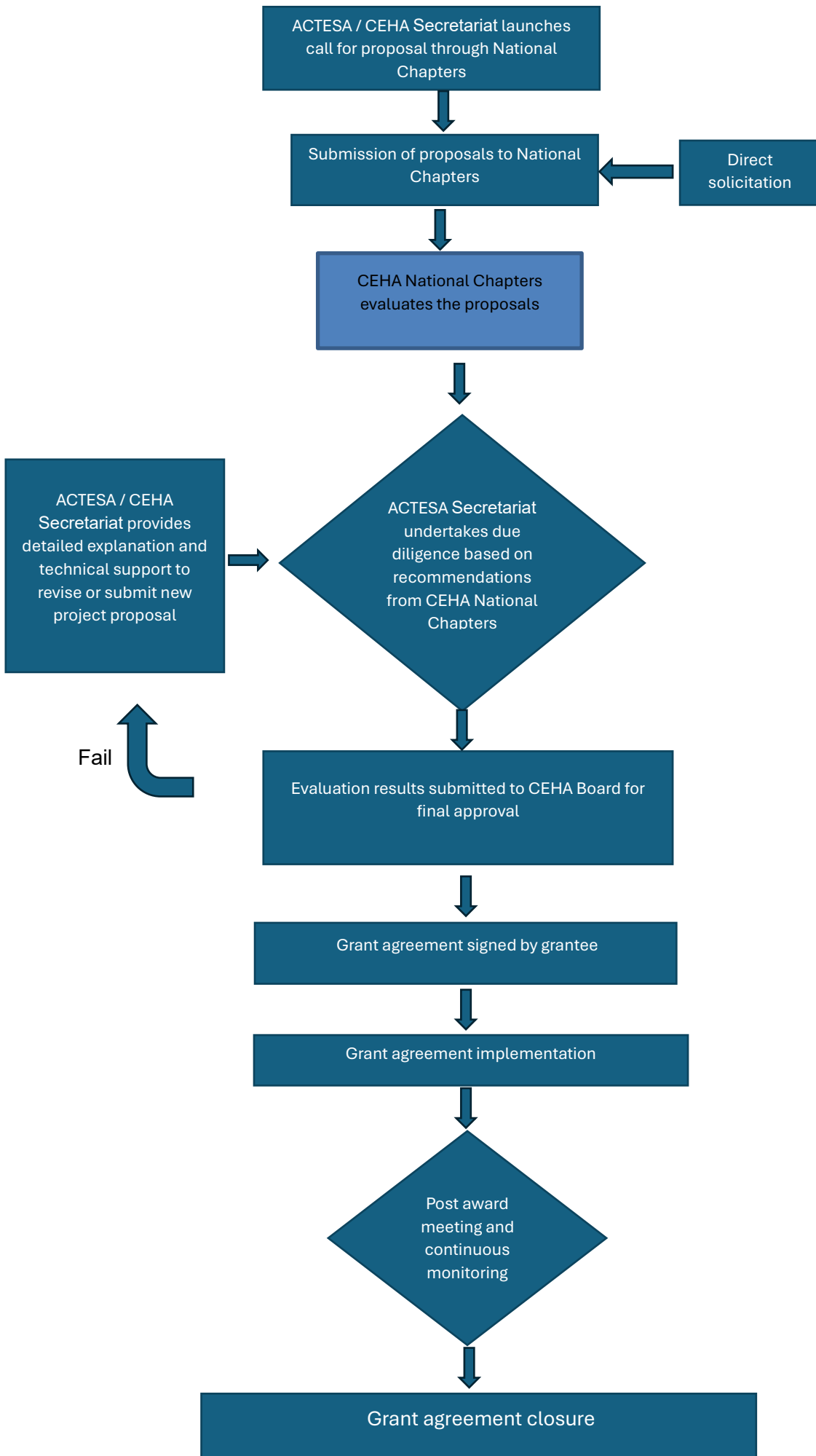
10.3 ACTESA -CEHA SECRETARIAT'S RESPONSIBILITY

- Support the review panel by providing comprehensive summaries of each application, showing key strengths, weaknesses, and any relevant information that may assist in decision-making.
- Conduct due diligence on applicants to verify the authenticity of their application, assess their capacity to execute the proposed business plan, and evaluate their financial stability.
- Facilitate decision-making process and coordinate communication between the Board review panel, applicants, and relevant stakeholders throughout the evaluation process and organize discussions to finalize funding decisions.
- Ensure that all grant awards comply with the CEHA programmes's regulations and funding guidelines. Prepare reports on the review process, including statistics, trends, and outcomes.
- Provide capacity building support to grant recipients, helping them to implement their projects effectively and maximize the impact of the funding received.
- Provide assistance to correct deficiencies in recipient's financial record-keeping systems and administrative policies – follow up and correct gaps arising from the due diligence exercise.
- Make periodic site visits to recipient to review performance, systems, expenditures and supporting documentation.
- Ensure matching grant audits are completed and followed-up on as required.

10.4 CEHA MG FIAM RECIPIENT RESPONSIBILITIES

- Adhere to the specific provisions of the agreement at all times and without exception.
- Maintain a sound, accurate financial management system based on accepted accounting principles.
- Utilize a separate bank account for project funds.
- Maintain a separate financial tracking system for grant activity.
- Ensure each expenditure is supported by original documentation.
- Make all documentation available for review and/or audit by ACTESA or its representative/s such as auditors.
- Notify ACTESA if any financial review or audit by any external party (whether representing ACTESA or not) finds significant deviation from good financial practice.
- Submit all reports on the schedule outlined in the agreement using the templates provided by ACTESA (such as financial, programmatic, advances, and any other.)
- Perform the program activities outlined in the scope of work section of the sub-agreement.
- Work collaboratively with ACTESA and the National Chapter in accomplishing program activities.
- Retain all records associated with the agreement for three years after the agreement ends.
- Collaborate with participants within the value chain and act as the lead for reporting purposes.

11 CEHA MG FIAM APPLICATION AND IMPLEMENTATION PROCESS



12 SOLICITATION AND SELECTION OF SUBCONTRACTORS/SUB-GRANTEES

12.1.1 CALL FOR APPLICATION/REQUEST FOR APPLICATION.

The call for applications will be made by ACTESA / CEHA Secretariat through the CEHA National Chapters in the respective participating countries. The call for proposals will provide the relevant guidance for the preparation of proposals. Proposals will require a minimum 1:1 in private investment to donor funding.

12.1.2 DIRECT SOLICITATION OF PROPOSALS

The Programme may directly solicit for proposals in the following circumstances.

- (a) Where the institution/organization is specifically identified by the CEHA Board and meets the evaluation criteria
- (b) Where a member State has made specific requests to ACTESA / CEHA Secretariat and the CEHA Board approves it.

12.2 SUBMISSION OF PROPOSALS

Submissions of proposals can be made in response to the Request for Proposals (RFP) process or through direct solicitation by the ACTESA Chief Executive Officer (CEO) or by the Regional Coordinator of the CEHA programme.

The proposals received shall be required to adhere to the provisions of the RFP or invitation to submit for proposal and shall be submitted under the provided guidelines.

12.3 TIMING

Once the proposals have been reviewed by the National Chapters' Technical Committees, the top 5 submissions will then be reviewed by the CEHA Secretariat, which will submit the top candidates to the CEHA Board for final award selection:

Step	Description	Initiator/actor	Submission Deadline
1	Request for Proposals (RFP)	National Chapters	4 weeks after (RFP)
2	Evaluation of Proposals by National Chapters	Technical Committees at NC level	Within 2 weeks of submission deadline
3	Submission of evaluation report	ACTESA CEHA Secretariat	1 week
4	CEHA Due Diligence undertaken	CEHA Secretariat	4 weeks after evaluation report received
5	Submission to CEHA board for approval	CEHA Secretariat	Within 5 working days from return of due diligence assignment
6	CEHA Board review and decision awards	CEHA Board	2-4 weeks

12.4 DUE DILIGENCE

Once the applications have been reviewed and a list of top proposals have been selected, a pre-award assessment will be carried out by ACTESA / CEHA Secretariat staff using the pre-

award (due diligence) checklist as a model before the final proposals are submitted to the CEHA Board for final decision on awards. The pre-award surveys will be conducted in the form of onsite field visits. The primary purpose of this assessment is to pinpoint and document any possible deficiencies or weaknesses in the:

- Capacity of the applicant to implement the project as outlined in their proposal.
- Annual budget and properly drawn up annual financial statements, annual sales figures, and implemented budgets for the past three years with a comparison to the level of planned financing.
- Ability to comply with national and international quality standards and national legislation ranging from workplace conditions to food safety requirements.
- Accounting, record keeping and overall financial management system.
- Systems of internal controls, procurement, and administering and monitoring sub-grants.
- Programme management and oversight capabilities.
- Strength and commitment of value chain actors cited in the proposal.

This will assist ACTESA Secretariat to ensure that the CEHA Board is deciding amongst viable proposals and mitigate risk.

Due diligence report will then be submitted to the CEHA Board through the ACTESA CEO for review before approval of recommended grant recipient.

If the pre-Award assessments reveal problems of such magnitude as to raise doubts about the potential sub grantees capacity to undertake the proposed activities or properly account for funds - even with technical assistance – the assessment team will notify the ACTESA CEO who will in turn notify the CEHA Board of the risks associated with certain proposals.

12.5 PRE-AWARD (PRE-CONTRACT) NEGOTIATION RESPONSIBILITIES:

CEHA Regional Coordinator represents ACTESA and coordinates with any other relevant parties in the negotiation of award conditions with grantees. Various parties have the following specific responsibilities:

- The **Regional Coordinator** is responsible for the content of the project and must ensure that the agreement reflects his/her understanding that the deliverables (including technical and progress reports) are acceptable.
- The **Legal teams** review the agreement for overall compliance with ACTESA - COMESA systems.
- The **Finance and Planning Officer** reviews the budgets for value for money.
- The **Programme Teams** are responsible for ensuring that the agreement is in line with CEHA strategies, compliant with ACTESA policies, and that from a business perspective, it is an equitable arrangement with growers. They are specifically responsible for negotiating the budget, assuring conformance to ACTESA's all requested assurances, for consulting ACTESA's legal counsel on the overall agreement but also on potential issues as publication rights, patent and licensing clauses, and financial concerns.

- The **ACTESA CEO** then gives the CEHA Board a final recommendation for acceptance of the proposal based on the negotiated work plan and budget, the strength of the proposal, and a due diligence report.

12.6 SIGNATURE AUTHORITY FOR MATCHING GRANT AGREEMENTS

ACTESA signature authority for grantees is vested in the ACTESA CEO.

12.7 AWARD AND AWARD PACKET.

When a grantee has been awarded funds by ACTESA, a grant agreement will be executed between the grantee and ACTESA.

In order to officially activate a grant award with ACTESA, the grantee must review and return all required documents contained in the award package. These documents will include but are not limited to a copy of executed grant agreement.

12.8 GRANT DISBURSEMENT

The disbursement of funds will be made based on the approved disbursement schedule, work plan and budget. Grant payment will be milestone based, once the grantee achieved a specific milestone that get reviewed and approved then they receive certain percentage of the grant.

After the grant agreement is signed, the grantee should submit to ACTESA a funds disbursement request covering the disbursement for the first 90 days or as outlined in the grant agreement.

It is the grantee's responsibility to ensure that reimbursements requests are timely and are properly supported to minimize project cash flow interruptions which in turn will disrupt project activity. The requests will be accompanied by supporting documentation such as progress reports (technical and financial) and forecasted activities for the next quarter (work plans).

Grantee will be required to submit financial report together with disbursement request for further disbursements upon fulfilling all reporting requirements as per the grant agreement.

12.9 PAYMENT METHOD

All payments shall be made by ACTESA by electronic funds transfer to the bank account designated by the grantee in writing. The bank account used must be strictly for CEHA grant funds, distinct from all other donor funding or business revenues, expenses, and savings.

12.10 GRANTEE ORIENTATION AND TRAINING

The due diligence will identify financial/administrative/programmatic capacity gaps within each specific grantee to enable the relevant ACTESA staff to organize orientation and training sessions. Technical assistance and mentoring to the grantees will be provided to achieve programme results and to strengthen the grantees capacities. The areas of technical assistance will primarily be in helping the grantee in the areas of (a) grants management (b) financial management and administration, (c) organizational development, (d) leadership/governance, and (e) in establishing farmer support services such as GAP and financial literacy training.

ACTESA will also provide technical assistance and mentoring to ensure recipient activities comply donor standard provisions and regulations and that the results achieved are mutually agreed upon and beneficial to all parties.

12.11 GRANTEE IMPLEMENTATION AND MONITORING

Grantee monitoring is an important part of the granting process. It will be done quarterly and involve mainly financial/administrative and programmatic reviews to:

- Determine and enforce compliance
- Determine technical assistance needs
- Develop grantee capacity and design grantee training programs

12.12 POST AWARD

Once the CEHA Board has approved a grant, a post award workshop will be held to clarify the grant management expectations, especially on internal controls and reporting requirements. Both parties will go through the grant agreement section by section to ensure there are no misunderstandings.

12.13 DURATIION

- **Grant Period:** The COMESA-EAC Matching Grant will be provided for a duration of **2 to 3 years**.
- **Milestone Reviews:** Regular milestone reviews will be conducted at the end of each year to assess progress and compliance with the grant objectives.

12.14 SUSTAINABILITY REQUIREMENTS

Applicants must demonstrate the capacity to sustain and grow their business beyond the grant period. The following criteria must be met:

- **Sales Growth:**
 - Applicants must present a business plan that shows projected steady growth in sales over the grant period.
 - Yearly sales targets supported by market research or historical sales data.
- **Gross Income:**
 - A detailed financial forecast indicating gross income growth should be included.
 - The applicant must illustrate how the grant will contribute to increased production, expanded market reach, or enhanced service offerings that will result in higher gross income.
- **Net Income:**
 - Projections for net income growth are required, showing the applicant's ability to manage costs and increase profitability.
 - The financial strategy should highlight cost control measures and efficiency improvements that will lead to better net margins.
- **Sustainability Plan:**
 - A comprehensive sustainability plan must be submitted, detailing how the business will continue to grow after the grant period.
 - This plan should include strategies for:
 - Market expansion.
 - Product innovation.
 - Strategic partnerships.
 - Diversification of revenue streams.

12.15 CEHA MG FIAM SUPPORT SUPERVISION PLAN

A support supervision plan will monitor grant performance and provide recipients with ongoing assistance to help them implement their grants. It will be led by the ACTESA Programme Teams, and Finance and Planning Officer. The Plan starts before the award is made and continues to close out of the grant. These supervision missions will be undertaken twice a year.

12.16 PROVISION OF REPORTING TEMPLATES

ACTESA will provide the grantee templates as well as financial and programmatic reporting tools.

12.17 PROGRESS UPDATES

Grantees will submit programmatic and financial progress updates to ACTESA every quarter in a template provided by ACTESA and approved by the CEHA Board.

12.18 MEASURING OUTCOMES

There is a need to not only monitor the performance of the specific grant activities but also broader outcome-level indicators that begin to measure the impact of the funded activities. All grantees will be taken through the M&E Framework that shows the indicators to measure grant performance and guide funding decisions. Performance frameworks will include higher-level outcome indicators and supporting output indicators for all subgrants.

12.19 ANNUAL ASSESSMENT VISITS

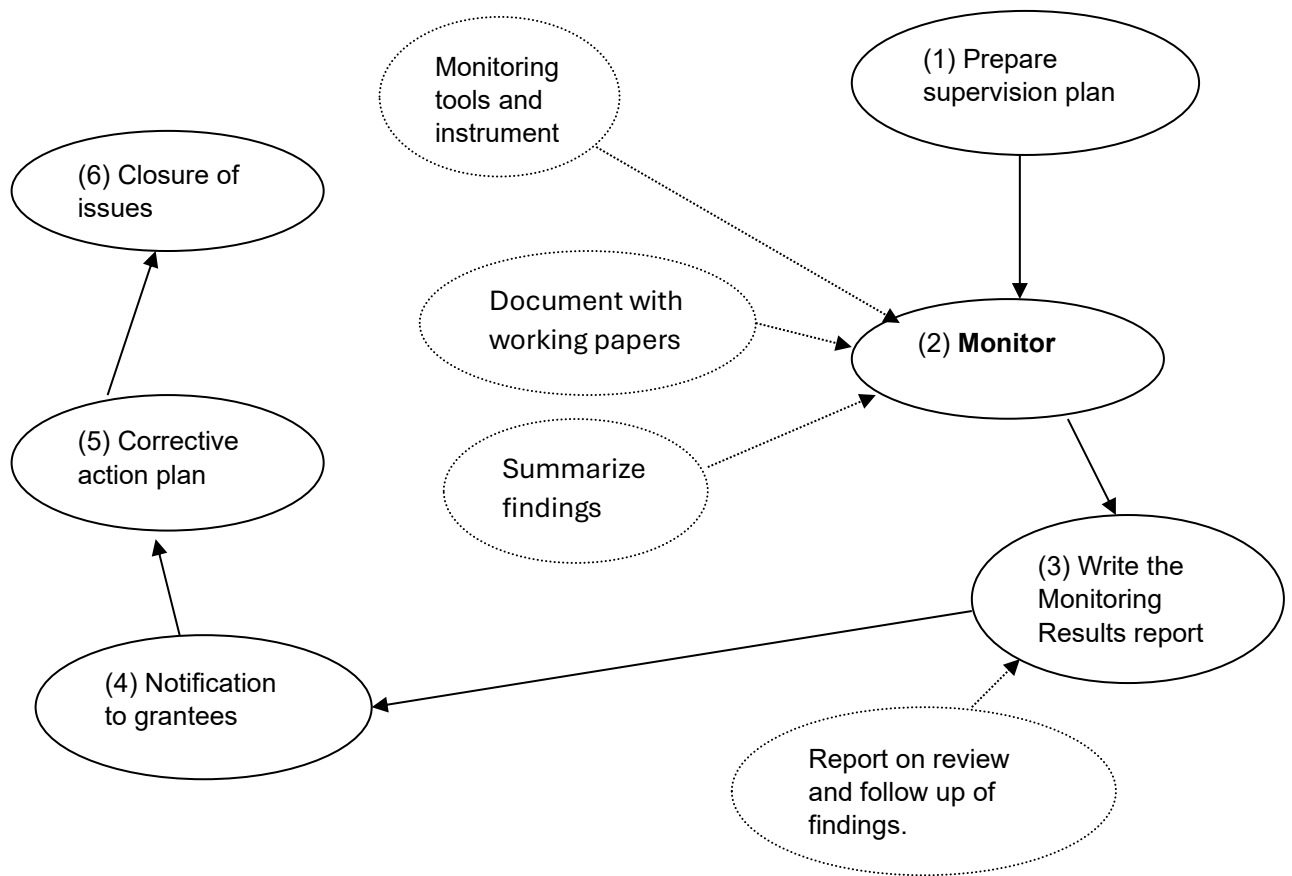
ACTESA will conduct external audit assessments once a year.

12.20 CLOSEOUT

This will typically mean the completion of progress reports and the submission of financial documentation. However, at least 45 days before the grant end date, ACTESA will hold a pre-close meeting with the grantee to review all necessary steps and procedures that must take place for a successful close.

Such monitoring is intended to institutionalize continuous improvement and will generally take the form described in the model below:

12.21 CEHA MG FIAM GRANT MONITORING CYCLE



ACTESA -COMESA will normally use the following monitoring tools.

- Review of financial and performance reports submitted by the grantee.
- Site visits to the grantee to review financial and programmatic records and observe operations.
- Regular contact with the grantee and making appropriate inquiries concerning program activities.
- Procedures for certain aspects of grantee activities such as eligibility determination.

ACTESA's CEHA MG FIAM monitoring approach will be determined by the size and nature of the relevant grant and the grantee in question.