

IDH Market-led SMEs and smallholder farmer business support project in Rwanda – Phase II Project
CALL FOR CONCEPT NOTES FOR GRANT CO-FINANCING

Opening date	16 th December, 2022
Closing date	5 th January, 2023
Closing time	5:00 pm, Kigali time
Description	Call for concept notes for grant co-financing (hereafter the “Call for Concept Notes”)
Funded by	GIZ
Implemented by	IDH
Currency of budget	Euro
Point of contact	Francine Nizongabire

1. Introduction to the IDH Market-led SMEs and smallholder farmer business support project in Rwanda – Phase II

Rwanda’s horticulture sector still has unrealized potential that can contribute to local, regional and export markets growth. Through the “**Market-led SMEs and smallholder farmer business support project in Rwanda – Phase II**”, IDH aims at creating new good jobs¹ and improving the working conditions of workers in SMEs involved in Rwanda’s horticulture sector, and to improve the farmers’ livelihoods through enhanced production of high value horticulture crops. This will contribute to the commercialization of Rwanda’s horticulture sector, and its access to local, regional and export premium markets.

This project is designed to attract and catalyse private investments in the Rwandan Horticulture sector, capitalize on market opportunities in domestic, regional and export markets through supporting the development of inclusive and sustainable horticulture value

¹ A “new good job” must meet the following criteria:

- Min salary of Frw 42,500 per month
- Working for at least 20 hours a week for a duration of at least 26 weeks (520 hours a year)
- Compliance with the ILO core and basic labour standards (no child or forced labour, prohibition of discrimination in employment and occupation, freedom of association and right to collective bargaining).

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chains. The project will support activities across horticulture value chains in Rwanda, from production to processing, distribution and marketing and the key target group is SMEs in the business of horticultural products. The essence of this project is to co-invest with SMEs in horticulture to create new good jobs in the sector and improve working conditions of the beneficiaries.

ETHICAL AND BUSINESS CONDUCT REQUIREMENTS

Transparency and integrity are key values of IDH. IDH adheres to high standards of good practices and transparency in governance and reporting. IDH's code of conduct provides an overview of the values, commitments, responsibilities, and integrity that IDH stands for. It applies to and governs all decisions of our people. This includes employees and consultants acting on behalf of IDH. It is our expectation that our business partners apply similar standards of conduct when working with IDH.

2. Introduction to the Horticulture Grant Facility II

The Market-led SMEs and smallholder farmer business support project in Rwanda – Phase II project is opening an application window for its grant facility (the Horticulture Grant Facility II, hereinafter referred to as the “**HGF II**”) on 16th December, 2022. The purpose of HGF II is to co-invest with Rwandan companies in business cases of fruit and vegetable value chains that support the creation of new good jobs (focusing on women and youth empowerment) and the inclusion of smallholder farmer cooperatives.

The HGF II has EUR 240,000 available as grant to co-finance private investments with six Rwandan SMEs. The HGF II is managed by IDH, following IDH's internal grant management rules. Grant allocations from the facility will only be issued against confirmed co-investments from the six SMEs. Through a market-pull approach, these investments will support the further commercialization of the business operations of selected SMEs, with a central focus on development impact, new good job creation, and smallholder farmers and cooperatives inclusion. Project activities and deliverables must be in-line with the project objectives; the application assessment teams will focus on ensuring beneficiary SMEs are able to manage and implement the projects accordingly.

Applicants are encouraged to develop business cases that create new employment opportunities (with a focus on women and youth empowerment) and are inclusive of smallholder farmers grouped in cooperatives. The nature and value of the business cases may vary and can be applicable to different stages of the value chain.

The grant under the HGF II cannot exceed EUR 40,000 for the total business case budget. The remainder of the necessary investments will need to be provided by the applicant in the business case on a 1:1 co-financing basis (i.e., EUR 40,000 private co-financing against a EUR 40,000 grant from the HGF II).



3. Application process

Applications open on the 16th of December 2022. Applicants are invited to send in concept notes with the format that can be **found in Annex to this document.**

If the concept note is approved, the applicant will be invited to develop a full proposal, which will be submitted to IDH for review. If the full proposal is approved, it is the intention to sign a grant agreement between the applicant and IDH, against the project proposal, budget and KPI targets. The procedures for approval are described in the paragraphs below.

We expect the process to take place from 16th December 2022 to 28th February 2023, with project implementation envisioned to start on the 1st of March 2023. According to the following timelines:

Application stage	Timeline
Submission of concept notes	16 th Dec 2022 to 5 th Jan 2023
Review of concept notes and feedback to applicants	5 th Jan to 10 th Jan 2023
Call for full proposals (the “Call for Proposals”)	11 th Jan to 31 st Jan 2023
Review of full proposals	1 st Feb to 15 th Feb 2023
Feedback on applications and contracting of selected applicants	16 th Feb to 28 th Feb 2023
Start of project implementation	1 st March 2023

All applicants should submit their concept notes by sending an e-mail to nizongabire@idhtrade.org by **Thursday 5th January 2023 by 5:00 PM Kigali Time** (Central Africa Time). Submissions received after this time will not be considered.

IDH is available to provide feedback and to answer any additional questions that relate to the HGF II or the application process. For the submission of draft concept notes for review and for additional questions, please contact nizongabire@idhtrade.org.

Applicants are responsible for ensuring that their concept notes are received by IDH in accordance with the instructions, terms, and conditions described in this Call for Concept Notes. Failure to adhere to the instructions described in this Call for Concept Notes may lead to disqualification for consideration.

IDH shall inform all applicants whether or not they are selected to submit a full proposal, i.e., the Call for Proposals. Successful applicants will be invited for the Call for Proposals within three weeks after selection of their concept notes.



4. Instructions to applicants

To qualify for the HGF II, applicants must submit a concept note (not exceeding 5 pages) to IDH, describing:

- a description of the applicant's company structure, general objectives and legal form.
- the project objectives;
- activities;
- targeted outcomes and impact; and
- a high-level budget overview (including amount requested from the HFG II, and the amount to be co-financed by the applicant).

The following must also be included as part of the concept note submission:

- Disclose any close, familial, or financial relationships with IDH or project staff. For example, if an applicant's cousin is employed by the project, the applicant must state this.
- Disclose any family or financial relationship with other applicants submitting concept notes. For example, if the applicant's father owns a company that is submitting another concept note, the applicant must state this.
- Certify that the prices in the offer have been arrived at independently, without any consultation, communication, or agreement with any other applicant or competitor for the purpose of restricting competition.
- Certify that all information in the concept note and all supporting documentation are authentic and accurate.
- Certify understanding and agreement to IDH' prohibitions against fraud, bribery, and kickbacks.

5. Evaluation criteria

5.1 Eligibility

Eligible applicants are SMEs involved the horticulture value chains from production to processing, targeting the local, regional or export markets. Other types of organizations (e.g. NGOs, knowledge and research institutes, government institutions, foundations, religious organizations, etc.) can be partners in a consortium to the project implementation, but are not eligible to be lead applicant or submit a concept note by themselves.

Applicants are responsible for ensuring that their concept notes are received by IDH in accordance with the instructions, terms, and conditions described in this Call for Concept Notes. Failure to adhere to the instructions described in this Call for Concept Notes may lead to disqualification for consideration.

5.2 Scope of Work

For activities to receive support through the HGF II, the concept note will need to demonstrate that the project will be to the mutual benefit of both development impact and business viability.



Development impact

- Activities should contribute to job creation (with a focus on women and youth empowerment), and improve access to premium local, regional and export markets.
- Activities need to support the inclusion of smallholder farmer cooperatives through company sourcing strategies.
- Concept notes need to demonstrate a positive impact on the Rwandan horticulture sector by addressing key sustainability issues that constrain horticulture sector development.
- Women and youth (i.e., persons of 30 years old or younger) should directly benefit from proposed activities, especially reflecting improvement of their working conditions.
- While project activities need to have a demonstrable development impact, activities should be complimentary to commercial activities (not disruptive of). It should also be clear that proposed activities would not be possible without the support of the HGF (demonstration of the additionality² of the HGF II on the project).

Business viability

- Activities need to be market driven (i.e., reflecting the actions required to meet the buying requirements of premium markets (either local, regional or export)).
- Activities need to be led by a private company (lead applicant) with a healthy financial position (i.e., having a positive equity position and profit/loss account). (This criterion will be again verified for pre-selected applicants through their financial statements)
- Only activities of which there is a realistic potential for operational and financial feasibility and long-term sustainability will be supported: the business case for proposed activities needs to be clear.
- Proposed activities need to benefit all partners that are included in the submitted project.
- The HGF II can co-finance a maximum of 50% of the total budget of the activities, and with an amount not exceeding EUR 40,000. Co-financing by the HGF II needs to be matched with private (of the applicant) co-financing on at least a 1:1 basis.
- A minimum of 60% of the applicant's own contribution should be in-cash. A maximum of 40% of the applicant's own contribution can be in-kind.

² Additionality criteria:

- The applicant is unable to self-finance the whole project
- The applicant does not have the knowledge or skills to implement the project activities alone
- Without the grant, the applicant is unwilling to implement the proposed project
- The applicant cannot access the requested funds on a commercial basis
- The cost-shared contribution does not displace other companies already in the market or ready to undertake the same project without public support
- The cost-shared contribution does not duplicate other donor-funded support
- This grant support leverages investment by other entities that would otherwise not be forthcoming
- Conditions attached to the cost-sharing project are expected to have a positive influence on wider business operations, business environment or other institutional factors



5.3 Required skills and experience

The applicant and its partners (if any) need to demonstrate that it has experience and capacity to successfully implement the proposed activities.

If the applicant has any experience in projects similar to the HGF II in horticulture to improve the value chain while creating jobs and working conditions of beneficiaries as outlined in this Call for Concept Notes, this should be clearly outlined in the applicant's concept note.

5.4 Duration

Proposed activities cannot take more than 13 months in total. Project start dates can be from the 1st of March 2023, and project end-dates cannot be later than the 31st March 2024.

5.5 Selection criteria

Concept notes shall be evaluated against the following criteria:

- The quality of the concept note.
- The relevant experience of the applicant and its partners.
- Impact in the "IDH Market-led SMEs and smallholder farmer business support project in Rwanda – Phase II" intervention areas: job creation (with a focus on women and youth empowerment) and supporting the inclusion of smallholder farmer cooperatives.
- The extent to which activities are market-led and private sector driven.
- The extent to which key horticulture issues addressed.
- The extent to which the proposed activities are innovative.
- The value or proposed co-financing (total budget and HGF II and applicant co-financing contributions).
- The proposed project has high potential to create new good jobs
- Areas of job creation within the proposed project are well defined/identified
- The proposed project budget contributions are within the agreed IDH ratio (1:1 ratio)
- The concept note identifies at least two farmer cooperatives working with the applicant with their clearly identified contribution to the project objectives
- Proposed project is reflective of a clear business case
- Additionality of the requested grant clearly identified

6. Expected outcomes

Concept notes of good quality that are market driven propositions and that contribute to achieving the objectives of the "Market-led SMEs and smallholder farmer business support project in Rwanda – Phase II", especially in regards to creation of new good jobs in the horticulture sector, may be selected for the next stage of Call for Proposals.

Please note that this is a competitive process, and a limited number of concept notes will be selected to continue to the next stage of Call for Proposals.



Eligible applicants are SMEs involved the horticulture value chains from production to processing, targeting the local, regional or export markets. Other types of organizations (e.g. NGOs, knowledge and research institutes, government institutions, foundations, religious organizations, etc.) can be partners in a consortium to the project implementation, but are not eligible to be lead applicant or submit a concept note by themselves.

7. Coordination and supervision

The applicant will perform activities in coordination with the IDH team in charge of project implementation, monitoring and evaluation “Project Implementation Team (PIT)”; however, the successful applicant will have to assign a staff in charge of reporting to the project management on agreed regular basis.

8. Applicant Checklist

- Concept note must be submitted to nizongabire@idhtrade.org before the deadline of January 5th, 2023 at 5:00 PM Kigali time (Central Africa Time)
- Concept note must not exceed 5 pages
- Submission of the company registration certificate

This Call for Concept Notes does not create any obligation for IDH to conclude any contract with any applicant. Nothing in this Call for Concept Notes shall be construed as setting an obligation for IDH or any other party to disburse any funds to an applicant.

No claim for compensation can be made towards IDH, its employees or third parties acting on their behalf. IDH is not liable for any cost incurred during preparation, submission, or negotiation of the award/contract. All submitted documentation and/or materials shall become and remain the property of IDH and shall be handled in confidentiality.

IDH reserves the right to:

- *Conduct negotiations with and/or request clarifications from any applicant prior to award.*
- *Cancel, withdraw, update, change, extend and postpone this call for Concept Notes at any time.*