



Invitation to submit applications for Matching Grant Funds for investments in the Dairy Value Chain (DVC) in Zimbabwe.

The Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project invites farmers, processors and other DVC players to submit applications for matching funds for investments in productive assets that enables improved performance of the DVC in Zimbabwe. The Matching Grant Facility (MGF) operates within the framework of the EU funded Agricultural Growth Programme – Transforming Zimbabwe's Dairy Value Chain for the future. The purpose is to support investments that enable increased;

- milk production and milk sales,
- participation by small-scale farmers in the DVC,
- greening of manufacturing and production processes,
- decent job creation and local production of affordable feed.

All applications will be assessed against the above purposes. The MGF is limited to capital investments in productive assets such as machinery, equipment and buildings and does **NOT** include finance for working capital and services. Interested parties are welcome to submit applications within the framework of the following Windows:

MGF Window 1: 50:50 Match

Window 1 seeks to co-finance investments with private sector actors, including large-scale processors and large-scale farmers (milking over 500 litres of milk per day) serving as integrators. This window aims at securing the long-term commitment of integrators to act as value chain promoters. In this way, the MGF will be used as a mechanism for sharing of cost and risk and, in so doing, leveraging investment from a commercial partner to promote small-scale farmer entry into markets. We call for investment in feed and fodder production like Silage, Lucerne, Rye grass, Rhodes grass, Katambora grass, Lablab, Velvet beans among others to support an out-grower scheme of at least 10 small scale farmers especially women and young farmers. Examples of investment would be towards purchase of centre pivots, silage cutters, planters, balers among others. The MGF will cover a maximum of 50% of a capital investment cost not exceeding Euro 80,000 or USD equivalent per scheme. These investments should be considered as mandatory for the active development and expansion of the value chain operations.

MGF Window 2: 70:30 match

Window 2 is responding to the investment needs by farmer owned MCCs/dairy hubs and medium/small-scale processors. This window will support investments in establishment/upgrading of bulking centres, procurement of cooling tanks, solar heating equipment, biogas digestors and related cooling systems and small-scale milk and feed processing equipment. Solar and energy saving technology and technology protecting the environment will be promoted. The MGF will cover a maximum of 70% of a capital investment cost not exceeding Euro 14,285 or USD equivalent.

MGF Window 3: 70:30 match

Within this window small-scale dairy farmers (with a milk production not exceeding 200 litres per day), and feed entrepreneurs are invited to submit co-investment proposals that improves their farming business performance. It is envisaged that farmers and feed entrepreneurs will invest in productive assets that would lead to improved productivity and production and links to markets. This includes investments of in irrigation equipment, fodder and silage processing equipment, milk parlours, small-scale milk and feed processing equipment, biogas digestors, tricycles for milk transportation, milking cans, milking tanks etc. Solar and energy saving technology and technology protecting the environment will be promoted. At least 50 per cent of the allocation to this window will go to women and youth. The MGF will cover a maximum of 70% of a capital investment cost not exceeding Euro 2,857 or USD equivalent but not less than **USD \$1000** per farmer/ feed entrepreneur.

MGF Window 4: 70:30 match

Window 4 is responding to the investment needs by medium-scale dairy farmers. The investments include solar cooling tanks, solar boreholes, milk transportation equipment, feed production and processing equipment, dairy breeding equipment, irrigation equipment etc. Solar and technology protecting the environment will be promoted. *A medium scale dairy farmer is defined here as any farmer producing between 200 litres and 500 litres of milk per day.* The MGF will cover a maximum of 70% of a capital investment cost not exceeding Euro 14,285 or USD equivalent.

Application process

All applicants are expected to use TranzDVC application forms to submit their full proposals and business plans which include a list of the productive assets required and estimated cost for those investments, the number of beneficiaries (including age and gender), increased milk production, green technology to be used, expected job creation, and the expected improved business performance because of the investment. Application forms can be downloaded at

<https://www.dropbox.com/sh/xd92fm7c52faqj5/AABP0soU4NunNn2Jlljd7SDva?dl=0>

Window 1 and 2 should explain how the out growers will benefit from the assets applied. Applicants are expected to explain why co-finance from the MGF is necessary in order to carry out the investment and why the finance cannot be accessed from banks and/or other Financial Institutions. All applications will be competitively assessed by the Grant Management Committee based on the following main criteria:

- i) **Relevance of the proposal to the objectives of the action,**
- ii) **Financial and Operational capacity of the applicant,**
- iii) **Cost effectiveness of the investment and**
- iv) **Feasibility and sustainability of the action.**

For more information and application forms please contact:

- We Effect on +263 (242) 707494/ 795865

- or email rudo.zenda@weeffect.org or edson.chifamba@weeffect.org
- ZADF on +263 (242) 251848 or email ceo@zadf.co.zw
 - Any Zimbabwe Farmers' Union (ZFU) offices
 - Dairy Services provincial offices.

All applications for **Window 1 and 4** to be submitted electronically to MGF@weeffect.org addressed to the Matching Grant Manager.

Window 2 and 3 applications to be submitted to ZFU or ZADF or Dairy Services offices or electronically to ceo@zadf.co.zw addressed to the CEO.

Closing date for all Windows applications is 31st May 2022.

