



# The Farm & Coop Investment Program

Investing in the professionalism of smallholder farmers and cooperatives

**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.

More specifically if you are a:

- 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 can either finance the farmers and coops yourself, or
- You bring along a lender that is willing to finance as soon as farmers and coops are ready.



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
- Investments in soft infrastructure (e.g. new software) and staff capacity to prepare introduction of new products and services
- Operational costs of i.e. staff for expanding a lending team
- 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
- Developing the training/coaching methodology
- Initial costs of setting up a monitoring and evaluation system (e.g. software to track progress, or rating system to select coops and farmers)
- 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:

- o Willingness and ability to co-fund the proposed investment
- o Commitment to the cocoa (or other comparable agri-sector)
- o 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
- o Have adopted or will adopt responsible lending practices

### Selection criteria for competing investment proposals:

- o 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
- o 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.

- o 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?

### Contact:

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