

COCOOPERATION

Cocooperation is an IDH-sponsored program that has started in 2022 and will continue at least until the end of 2025. The overall objective of the program is to make sure that 100,000 cocoa farming households in different production regions of the country will have reduced the average living income gap from more than 50% to less than 30% by the end of the program's implementation cycle.

The target group for this program will be in particular the median group of cocoa farming families who have 2.0 – 5.0 ha of farm land and their cooperatives. However, this focus does not exclude other categories of cocoa farms and cooperatives.

The main outcomes of the Cocooperation program will be that:

- I. The targeted 100,000 cocoa farming families will operate a more profitable and sustainable agri-business with cocoa farming as an important component;
- II. Their cooperatives and/or other rural community organisations (around 200) have become more effective and efficient in providing marketing services, credit management and technical support to their members;
- III. Conseil du Café-Cacao and IDH Sustainable Trade Initiative successfully convene the different stakeholders in the sector and align support and commercial activities of cocoa traders, brands, financial organisations, cooperatives and specific donor supported projects.

Objective of the Call for Proposals

As part of Cocooperation, IDH has set up a Technical Assistance facility (TA-facility) to support projects that contribute to the above outcomes. Its main objective is to work with consortiums of Cocooperation Partners on projects that improve, innovate, scale or accelerate the effectiveness and efficiency of strategies that enable identified groups of cocoa farming households in Côte d'Ivoire to reduce the living income gap.

The TA-facility is funded and managed by the IDH Business Unit Agri-Commodities and will avail co-funding to consortiums comprising at least one representative of the cocoa industry (a cocoa trade company, a professional cooperative and/or brand) and one financial institution. A consortium may have additional partners based on needs and complementarity. The cooperating partners will use the co-funding from the TA-facility for new or improved interventions that enable cocoa cooperatives and/or cocoa farmers to upgrade their business activities and thereby earn a significantly higher income.

The projects that will benefit from the TA facility will be selected on the basis of Calls for Proposals (CfP). The first Call for Proposals was launched on July 27th 2022 and proposals will be submitted

until October 31st 2022. The Call for Proposals will be launched at least twice a year until the entire program budget is committed.

The scope and likelihood of the potential impact at farm income and the overall viability and sustainability of the interventions will be key criteria when IDH decides on the allocation of co-funding.

The interventions that may be co-sponsored through the TA-facility will have to be additional to the existing products and services of the partners. The TA-facility contribution will co-finance up to 1/3 of the total costs of the interventions.

SELECTION PROCESS

The execution of the selection process of the Cocooperation program will be done by IDH and will fall under IDH’s overall governance structure.

The selection process will enable the identification, screening and validation of proposals who are the most suitable for our objectives. This process comprises 2 main stages and includes 2 committees:

- Stage 1: PROPOSALS SCREENING BY THE COCOOPERATION TEAM
- Stage 2: PROPOSALS GRADING AND RANKING BY THE SELECTION COMMITTEE

The selection process takes a maximum of three (3) weeks in overall.

It starts on the day following the CfP deadline (day 1) and ends 20 days after (day 21). Final decision will be perused to the leaders of the consortiums the following working day.

Figure 1 shows the summarized process for the call for proposals

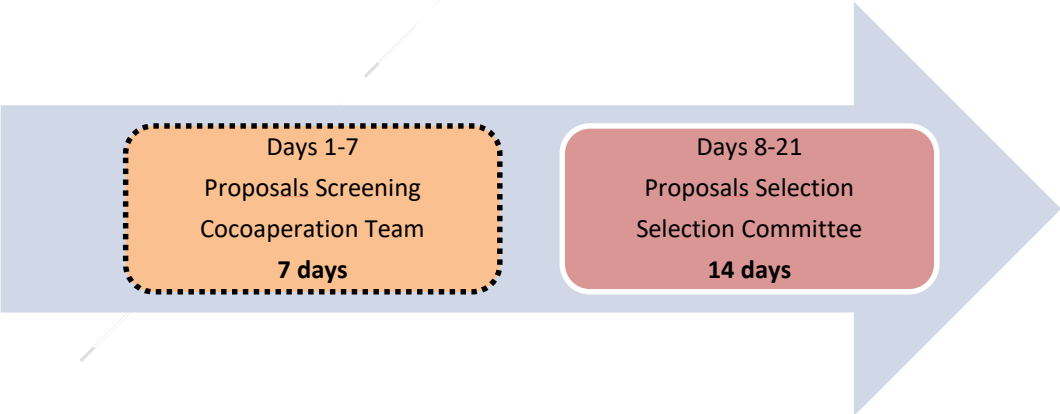


Figure 1

- **Stage 1: PROPOSALS SCREENING BY THE COCOOPERATION TEAM**

The Cocooperation Team will ensure that the submitted proposals meet the basic requirements as set out in the terms of reference (TORs). In order to do so, he/she will assess the submitted proposals documentation with regards to the threshold criteria as per the TORs. The assessment will be aligned to the following criteria, available in annex 1, for notation:

1. The application for TA-grant support is submitted by an officially registered private entity (limited liability company, cooperative business). The business is registered in Côte d'Ivoire and is fully licensed to operate.
2. The applicant business will have formed a consortium comprising at least one private entity operating in the cocoa industry and one in the financial sector; the consortium partners will have signed a partnership agreement in which at least the following is specified:
 - a. the applicant business is recognized by the other(s) as consortium leader;
 - b. the common objective(s) of the consortium and the scope of the partnership;
 - c. the division of roles, responsibilities and contributions.
3. The ownership structure of the applicant business is made transparent and the shareholders give their consent to the proposed investments and developments.
4. Audited accounts of the respective applicant businesses can be submitted:
 - a. for the last two financial years,
 - b. the balance sheet shows a positive equity position, and
 - c. the cash flow position enables the company/ies to contribute 66.6% or more of the projected project costs.
5. In case criterion 4c above cannot be met, the company will have to submit a loan agreement or financial guarantee from a reputable financial organization, shareholder and/or mother company.
6. The TA-grant application will relate to investments in improving the capacities of and/or creating the more favourable production and supply conditions for smallholders in a specified cocoa production area in Côte d'Ivoire.

For each criterion, the assessment will lead to a “yes” (if the requirement is met) or a “no” (if the requirement is not met). A proposal is eligible when all criteria have received a yes and will move on to the next stage in the proposal assessment process. If one of the above requirements is not met, the proposal will be rejected. If the proposal is rejected, an email is sent to the related consortium with a feedback on the rejection reasons.

The message circulated will be similar to the following:

“ Dear (Name of the Leader of the Consortium),

Thank you for taking the time to submit your proposal to the Cocooperation’s Team. However, we regret to inform you that your proposal cannot be processed due to the following documentation missing:

- XXXXXX

Please submit the missing documents by xxx for your application to be processed, otherwise please note that your application will not be considered.

Thank you,

Kind regards,

Signature”

All eligible proposals will be transmitted to the Selection Committee with annex 1 duly filled for review.

The Leader of the Consortium will receive the following message:

“ Dear (Name of the Leader of the Consortium),

Congratulations on moving to the next stage of the selection process. Your proposal is currently being reviewed by our committee.

Kind regards,

Signature”

It is expected that the Cocooperation Team will fulfil its duties by meeting during the week following the closing date of the Call for proposals. The team will be led by the Cocooperation Program Lead.

- **Members:** Cocooperation Program Team (IDH)

No external member required at this stage.

The screening phase will take, at maximum, **7 days**.

Eligible proposals will be sent concomitantly to both the Legal and Finance departments as well as the Selection Committee for further assessment.

The grounds for exclusion criteria will be evaluated at this stage by one person in the IDH Legal Department and one person in the Finance Team.

The grounds for exclusion are as follow:

Applicants shall be excluded from participation in the call for proposals if:

- they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- they, or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- they have been guilty of grave professional misconduct proven by any means which the IDH can justify;
- they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of Côte d'Ivoire;
- they, or persons having powers of representation, decision making or control over them, have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the IDH core funder's financial interests.

- Applicants and their supply chain partners shall not make use of child labour or forced labour and/or practice discrimination and they shall respect the right to freedom of association and the right to organise and engage in collective bargaining, in accordance with the core conventions of the International Labour Organization (ILO). Project applicants must confirm in writing that they are not in one of the situations as listed above.

In the event of a consortium, being rejected because of the grounds for exclusion criteria, the following message will be sent to the Leader of the Consortium:

“Dear (Name of the Leader of the Consortium),

Thank you for taking the time to submit your proposal to the Cocooperation’s Team. However, at this time, your proposal will not move to the next stage of the selection process because one of the entities of the consortium falls under one of IDH’s grounds for exclusion criterion.

Kind regards,

Signature”

STAGE 2: PROPOSALS SELECTION BY THE SELECTION COMMITTEE

The Selection Committee (SC) will be in charge of carrying out the selection and ranking of the shortlisted proposals. Two main outcomes will be expected from the SC:

1. The proposals selected for potential funding by IDH and those excluded are clearly identified.
2. The selected proposals are ranked in order of priority in case the budget envelope requires arbitration.

This process will take no more than **two weeks** (14 days).

The SC will be composed of:

- internal IDH staff in the following Teams/expertise:
 - IDH Members:
 - Living Income/Gender (1)
 - CDI Country Team (1)
 - Management Team Europe (1)
 - Management Team Africa (1)
 - Farmfit (1) (depending on the type of project)
- and a few experts in the cocoa sector.
 - Members:
 - Consultancy Firm with relevant expertise (1)
 - Financial Institution (1)
 - Regulatory Institution (1)

The external experts with expertise and backgrounds relevant to Cocooperation will be able to evaluate the development impact from an objective point of view to make sure that the project will be sustainable after IDH exit. They will be fully integrated in the Selection Committee and their vote will count with the same weight as that of IDH members.

The external experts will be selected by the Cocooperation Team and the list will be submitted to validation to the CDI Country Director before being appointed. Once the list is validated, the Cocooperation team will meet the identified candidates to assess their interest in joining the Selection Committee. After their interest has been confirmed, they will be sent a letter formalizing their participation in the committee with the Terms and References of the Selection Committee that will describe the Program, the objectives/mandate of the committee and the fact that this is an honorary work (unpaid).

It is to be noted that the external members of the Selection Committee will be appointed for a year, renewable.

The organisation from which an external member of the selection committee comes from cannot be part of a consortium under the Calls for Proposals for which he/she is on duty.

The selection process that will be conducted by the SC will follow the below steps:

- The SC receives the shortlisted proposals following initial screening from the Cocooperation Team.
- Each SC member reviews the proposals and makes written observations on their own in Annex 2 for each proposal submitted, based on the Business Case Proposal (BCP) and rank them according to the Development Impact of the Project (DIP), prior to meeting together to render one final outcome. The written observations are expected to be returned to the Cocooperation Team within a week following reception of the proposals. The deadline will be specified in the email when sending the shortlisted proposals.

The Business Case Proposal Criteria, available in annex 2, is the following:

1. The business case(s) that will be pursued through the interventions and how this will be beneficial/ profitable and feasible for the targeted cocoa farming families and the cooperatives involved.
2. How the proposed strategy towards improving the cocoa farming businesses has been developed with direct participation of the targeted cooperatives and farming communities.
3. A workplan with a clear division of roles and responsibilities of the farmers, cooperatives and consortium partners.
4. The terms and conditions that will govern the lending operations and market arrangements between the supply chain partners
5. The additionality of the proposed interventions demonstrating that support from the TA-facility is precondition for implementation.

The Development Impact of the Project (DIP) criteria is as follows:

The applications that meet the criteria listed under A & B will be further assessed and then ranked according to the following criteria:

1. The number of smallholder cocoa farming families and cooperatives that will benefit from the proposed investment project and to what extent the proposed interventions will impact positively on their business development and income situation
2. The number of female farmers that will benefit from the proposed interventions and the level of benefit (financial benefits, capacity building, employment opportunities, and/or other types of benefit).
3. The way in which the proposed investment project will contribute towards:

- a. greater gender equality at farm and cooperative management
 - b. the introduction and adoption of climate smart agricultural practices
 - c. conservation and sustainable use of available forests, water and soil resources
4. The extent to which the proposed strategy and interventions will be:
- a. contributing towards system change in the cocoa sector
 - b. scalable and/or replicable upon successful implementation
 - c. complementary to other national or regional initiatives of public or private sector stakeholders.
5. The proposed field level activities and credit provision should be sustainable in the long-term. This means that a clear strategy is to be defined on the continuation of the proposed project when co-funding from the Cooperation TA-facility has ended.
- The SC meets together to render one final outcome based on individual rankings and the discussions. The meeting should happen within the week following reception of the individual written observations on the shortlisted proposals. The meeting will be set up and coordinated by the Cooperation Team. Individual rankings will be made available to all SC members ahead of the meeting.
- In the event of participation of at least half of the SC, the meeting will take place and the results thereof will be considered valid for the next step. However, in the case more than half of the members of the SC are missing, the meeting will be rescheduled no later than 3 days after the final day of the time allotted to the Selection Committee process.

For each project proposal, the decision from the SC will be either:

NO: the proposal is excluded and no longer considered for an IDH TA funding.

MAYBE: the proposal is selected for funding on the condition that the consortium accepts the changes which will be proposed by the SC.

YES: the proposal is selected for the IDH TA funding.

The deliverables of the Selection Committee's assessment and deliberations will be:

1. **The list of excluded proposals:** proposals which received a "NO". These projects will not receive a funding. The consortiums will be notified to resubmit their proposal during the next call for proposals together with an advice on how to enhance the potential impact.
2. **The list of selected proposal ranked by priority order:** proposals which received a "MAYBE" and a "YES". In case the budget needs of the qualifying proposals exceed the available TA funding, the proposals with the highest priority will receive funding and the consortiums will be informed that IDH will start the contracting phase. The proposals accepted under certain conditions ("MAYBE") will only be definitively selected after approval of the changes by the consortium. The selected proposals that will not be able to be funded because of budget availability will be postponed to the next call for proposals with a waiver (no need to go through the selection process again), subject to approval by the members of the Consortium.

It should also be noted that for the selected proposals, the SC could propose a TA allocation different from that requested by the Consortium, in this case, it will be discussed and agreed with the Consortium before moving on to the contracting phase.

The Cocooperation Team will lead the conversations with the consortiums and communicate on the outcomes to the SC before moving to the contracting stage.

Once the selection process is made by the Selection Committee, the leader of the consortiums will be notified on the final decision by the Cocooperation Team. Thus, the contracting and implementation phase will begin. It should be noted that as part of the contracting phase, the selected proposals will be sent to IDH's Legal, Finance and M&E Teams for review. Changes could be suggested based on their feedback, to be discussed and approved with the consortiums.

The implementation starts from the date of signing and consortiums can submit their invoice for a first financial instalment through the company leading the consortium.

The message of approval will be as follows:

“ Dear (Name of the Leader of the Consortium),
We are pleased to announce that your proposal has been selected.
You will be contacted by the Cocooperation Team for the contracting phase.
Kind regards,
Signature”

If the proposal is not selected, the following message, will be circulated to the Leader of the consortium:

“ Dear (Name of the Leader of the Consortium),
Thank you for taking the time to submit your proposal to the Cocooperation's Team. However, your proposal has not been selected for the implementation phase. We encourage you to resubmit your reviewed proposal based on the recommendations received, at the next Call for Proposals launch.
The recommendations are the following:

- XXXXXXXX
- XXXXXXXX

Kind regards,
Signature”

Annexes:

- Annex 1: Pre-selection
- Annex 2: BCP
- Annex 3: DIP