



Vines Vanilla innovation and Expansion Fund

Call for Concept Notes, Processes and Application Guidelines

01. Introduction

This is a call for proposals for Vanilla Innovation Expansion Fund under Vines project that is being implemented by CRS with the grant from USDA.

We invite you to read the call documentation carefully, and this Call Document, the application process, and the evaluation process.

These documents provide clarifications and answers to questions you may have when preparing your application, the Call Document outlines the:

- Background, objectives, scope, activities that can be funded and the expected results.
- Timetable and available budget
- Eligibility for the partner.
- The application Process.
- Evaluation and award procedure.
- Legal and financial set-up of the Grant Agreements
- How to apply.

02. Background.

Vines is a five-year (2020 – 2025) USDA-funded Food for Progress project that aims to make Uganda the world's next leading supplier of high-quality vanilla. Vines is seeking to work with leading Ugandan vanilla processors and their associated farmer networks to enhance the production of safe, pure vanilla and develop sustainable market linkages with global vanilla buyers. The project partners consist of Catholic Relief Services, Techno Serve, Frontier Co-op, Virginia Dare, Purdue University, and the Sustainable Vanilla Initiative.

VINES goal is to increase and improve the supply of high-quality vanilla by improving the productivity of vanilla-based agroforestry systems with 16,200 farmers (Strategic Objective 1); and to enhance vanilla quality and compliance with food safety standards with 30 vanilla processing firms, and (Strategic Objective 2); to expand global trade in vanilla to meet growing international demand.

As part of its vanilla production, quality and safety and market access improvement strategies, Vines has established the **Vanilla Innovation & Expansion Fund (VIEF)** to facilitate and support vanilla market actors to invest in strategic activities that strengthen their supply chains, expand farmer networks and production, increase traceability, differentiate their products among others through targeted contracts.

The objective of the VIEF is to support sustainable, commercial investments that contribute to business growth and improve production/productivity, quality and food safety and contribute to expanded exports and returns to farmers.

This document outlines the Vanilla Innovation Expansion Fund (VIEF) application process, including the cost share requirements.

3. Eligibility Criteria

- Applicant must be a registered business in Uganda involved in processing and/or exporting vanilla
- **Consortiums:** Applicants must be part of a **vanilla supply chain upgrading consortium** that is vertically integrated and consists of an anchor vanilla processing company that has a direct relationship with a network of suppliers (farmers and local traders), and a direct relationship with at least 1 active international buyer.
- **Scale:** The applicant supply chain upgrading consortium directly trades with at least **500 farmers** at the time of submission, and their direct trade relationship with smallholder farmers has the potential to grow over the course of the investment to at least 1,000 farmers.
- **Employment:** The investment has the potential to generate a minimum of 10 new formal jobs along the supply chain that respect local labor laws. Provision of information on generation of new part time and informal jobs is also of interest at any stage in the supply chain.

Solutions Sought

Submissions should clearly state how the supply chain upgrading consortium intends to increase vanilla production, quality, and sales of cured vanilla in response to a specific market need, and how proposed interventions will address key areas such as sustainable production systems, diversification, traceability, quality assurance; through improvements in technology, new processes, methods, equipment, or techniques; that advance your business case. Concept notes and full applications should draw on a combination of the business solutions and impacts outlined below and be supported by a business case:

- **Increased farmer engagement and direct sourcing and expanded access to services**
 - Establishing Farmer Learning Centers and training groups
 - Expanded farmer extension service and support networks and capacity building of extension agents to deliver agronomy, agroforestry, marketing, and farming as a business content
 - Support to transition extension agents to fee-for-service providers
 - Expanding or establishing systems to support farmers to establish and manage mixed-cropping and agroforestry systems
 - Investment in programs to increase access to planting materials (e.g., vines, shade trees and other cash crops)
- **Strengthen businesses delivering products/services to farmers**
 - Support entrepreneurs and farmer groups to establish businesses:
 - Nursery and vine multiplication/distribution services
 - Mulching and pollination services
 - Support to expand or establish mixed-cropping and agroforestry systems
 - Investments in producer organization formation and strengthening
- **Expand farmer access to finance**
 - Promote the establishment of Savings and Internal Lending Communities (SILC) with farmers
 - Innovative programs to improve processor lending to farmers in supply chains
 - Business Capacity Development, Planning and BDS support
- **Improve Quality, Safety and Certification**
 - Investments in efficient and enhanced post-production handling and curing practices
 - Upgrade processes and facilities to ensure compliance with global food safety standards and/or secure certification
 - Organic (or other) certification pilots and/or expansion
 - Strengthen or expand internal audit capacity
 - Assistance with hazards analysis and critical control point(HACCP) plan preparation & implementation

- **Traceability**

- Investments in digital supply chain management platforms and traceability systems
- Investments in field level data collection systems, processes, and tools
- Establishing and monitoring systems to monitor adoption of best practices, impact, and delivery of sustainability targets.

- **Impact**

- Return to Farm/Farmer: The investment has the potential to generate an increase in farm income and or price/premium for vanilla, which will directly benefit the farmer, this increase in income should be a minimum of 10% above current levels of income by the end of the VINES
- Increase in smallholder farmers integrated into higher-value supply chains
 - *Number of farmers linked to the business case in sustainable value chains that provide long term business relationships.*
- Employment for Men, Women & Youth:
 - *Number of formal part- or full-time jobs generated by the consortium.*
- Landscape Restoration and Climate Resilience:
 - *Number of acres implementing diversified agroforestry systems and soil/water/land restoration practices to improve natural resource management and build climate resilience.*
- Ensure women and youth are integrated into supply chains and benefit from the consortium investment
 - *Number of businesses started or expanded by women and youth delivering services to farmers or other supply chain actors*
- Child labor law compliance.

- **Contribution towards Sector strengthening**

- Addresses sector-level challenges and constraints and develops models that can be replicated by other industry players such as addressing working capital financing for processors.
- Supports the strengthening and enforcement of regulations designed to enhance farm-level security/safety
- Reinforces Uganda’s commitment to improving the overall quality of Ugandan vanilla and the strengthening of Uganda’s vanilla brand, including compliance with international food safety regulations
- Contributes efforts to strengthen vanilla’s position as a priority crop with the Government of Uganda

4. Geographical districts of operation

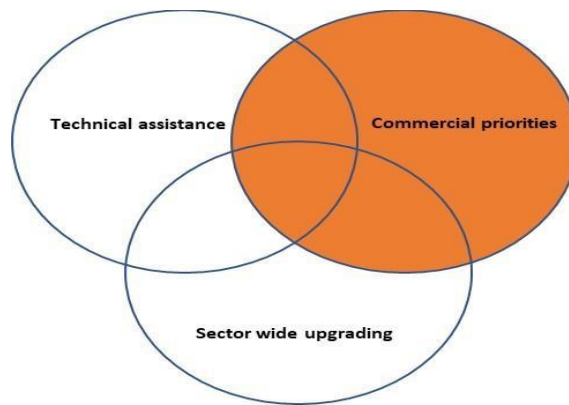
Vines is seeking to have a good geographical coverage within the vanilla producing districts to increase production and boost the production of already existing farmers. Under the area of operation, Applicants must select from any of the specified region/ districts below and for some, the main applicant should specify the subcounty of operation.

	Districts	Sub counties
Rwenzori Region	BUNYANGABU	ALL VANILLA GROWING SUBCOUNTIES
	KABAROLE	ALL VANILLA GROWING SUBCOUNTIES
	KAGADI	ALL VANILLA GROWING SUBCOUNTIES
	KYENJOJO	ALL VANILLA GROWING SUBCOUNTIES
Southwest Region	IBANDA	ALL VANILLA GROWING SUBCOUNTIES
	MBARARA	ALL VANILLA GROWING SUBCOUNTIES
	SHEEMA	ALL VANILLA GROWING SUBCOUNTIES

	BUSHENYI	ALL VANILLA GROWING SUBCOUNTIES
Central Region	BUIKWE	ALL VANILLA GROWING SUBCOUNTIES
	MUKONO	ALL VANILLA GROWING SUBCOUNTIES
	BUKOMANSIMBI	ALL VANILLA GROWING SUBCOUNTIES
	MASAKA	ALL VANILLA GROWING SUBCOUNTIES
	LWENGO	ALL VANILLA GROWING SUBCOUNTIES
	KALUNGU	ALL VANILLA GROWING SUBCOUNTIES

How the VINES project will support consortiums

Vines is seeking to strengthen the vanilla sector through a combination of the following support and investments: (i) co-investment support to the commercial priorities of supply chain consortiums or innovative pilots driven by a clear market need, (ii) project provision of technical assistance to support expanded input/service delivery to consortium farmer networks, diversification of farmer income and improvements in quality and food safety to increase sustainability, and (iii) sector-wide interventions to strengthen the competitiveness and stability of the market system.



Co-investment

Through the Vanilla Innovation Expansion Fund (VIEF), Vines will provide targeted co-financing to de-risk select commercial investments that are part of a broader consortium strategy to respond to emerging and expanding market opportunities. Applicants should not look to Vines to fund large capital investments that could be financed through a commercial bank or fund salaries for additional staff that may not be sustainable. Applicants should be aware that the VIEF model is different from traditional grant mechanisms. **Applications that reflect high levels of consortium investment will be received favorably.**

When preparing concept notes, full proposals and associated budgets, consortiums should focus requests for support on those activities that will enable them to deliver on select commercial priorities (see illustrative activities / cost drivers in the middle column of the table below and note that this list is not exhaustive). Proposals should also clearly articulate what support the project will require from the Vines team in terms of technical assistance/support to help deliver targeted results and impact (see column three below for an illustrative list of available support).

Table 1. Illustrative Activities

Illustrative activities delivered with consortium funding	Illustrative activities supported with VIEF funding	Illustrative activities supported by Vines technical assistance
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Vine distribution and production expansion	Vine distribution (co-financing)	Savings and loans (SILC) training to target farmer groups
Traceability and digital supply chain management systems	Traceability, digital supply chain management and monitoring and evaluation systems (co-financing)	Technical and business training to extension staff and establishment of fee for service extension model
Expansion of certification	Certification for target markets and specific contracts (co-financing)	Quality and food safety systems strengthening
Staffing increases tied to project delivery	Food safety compliance upgrading	Business development services support
Food safety certifications	Consultants to support select investments (e.g., impact assessments)	Study in the value of certification
Facility expansion and upgrading	Testing/piloting innovations	Support to transition farmers to diversified agroforestry systems
Lab testing for exports	Projects that can be replicated across the industry and tackle systemic problems	Support to consortiums to expand female and youth participation in supply chains

5. VIEF application process

Step 1: Concept Note. In this first step, Vines is seeking innovative ideas and approaches for upgrading vanilla production/productivity, financing, traceability, processing, and export. The VIEF aims to engage innovative supply chain upgrading partnerships (consortiums and projects must include producers/processor/buyer) that have a shared commercial goal and are seeking to increase smallholder production/income and sales of high-quality vanilla, expand in existing markets and/or develop new market opportunities with international buyers.

Step 2: Consultation: The Vines team and CRS experts will review concepts to ensure that proposed supply chain upgrading partnerships and activities/investments align with project goals, deliver positive outcomes to both the business and producers, and contribute to the overall strengthening of the market system. All applicants will receive feedback on their concept. Successful applicants will be called for a follow-up meeting to discuss the initial concept and the business case for proposed investments, respond to question and feedback and receive guidance and plan for the full proposal process.

Step 3: Full Proposal Development: Select consortiums will be asked to develop full proposals. Please see the structure for the full proposal below (template to be shared). Proposals will be evaluated against the following criteria:

- a. **Commercial Opportunity:** Proposals will be evaluated based on the strength of the business case, the experience of the lead applicant, and the structure of the supply chain partnership. Submissions should clearly state the partners involved in the consortium, including farmers, traders, processors/exporters, and buyers (and the roles of each), the commercial opportunity the buyer/processors are trying to execute, the investments they are already planning to deliver this on their own (cost share) and how Vines' support will complement existing (or planned) investments. This information should explain the roles of the partners and how the team intends to build that partnership to support long term production and market expansion of vanilla.
- b. **Potential for impact:** Proposals will also be evaluated for their contribution to key Vines' project results indicators (Annex 1). Successful applicants will be able to articulate how the business case will contribute to greater farmer integration in supply chains, strengthened extension services and

expanded service delivery to farmers, enhanced productivity and increased production, more stable and resilient farmer incomes, increased adoption of sustainable mixed farming systems that maintain landscapes, enhanced traceability, job creation, enhanced quality, increased exports, etc.

Step 4: Consortium Onboarding and Contracting: Prior to signing, Consortium partners will meet with the Vines monitoring and evaluation, accountability, and learning (MEAL) team to establish monitoring systems and tools to ensure that both teams understand what data will be captured/shared, the frequency of data collection and who will be responsible for what.

Once successful applicants sign the VIEF beneficiary agreement, they will be invited to a full -day launch and planning meeting with the Vines technical team to jointly-develop plans to integrate project-provided support with activities funded under the VIEF so both parties are clear on roles and how the Vines team will support delivery.

During this meeting, the successful applicant will also meet with the Vines Operations and CRS Uganda finance teams to discuss reporting requirements, regulations, and compliance to ensure that partners understand what is required of them, including how to report on cost-share commitments.

How to apply.

We encourage you to use the information provided in this guidance note to prepare and submit your **Concept Note**. All concept notes should be submitted as a Microsoft Word and PDF document to the email viefgrants@crs.org

Deadline is 10th March 2023, 5.00 PM

Queries or request for information/clarification can be sent to the same email address above.

The **Concept Note** should be no longer than 5 pages with a summary activity budget. A Concept Note template, budget template will be shared separately

Awards: Agreement will be awarded up to a value of \$100,000 (please note that recipients may receive less than their original request)

Duration: Contracts will be administered to a 2 -year period depending on the implementation strategy and the need to measure and evaluate impact.

Instructions for the VIEF Concept Note

Please respond to the following questions as completely and succinctly as possible. This is your opportunity to demonstrate how these funds will help the consortium meet an important business need and that you can use them to improve your operations, the Ugandan vanilla industry and enhance smallholder livelihoods. It should also demonstrate your organization's capacity to utilize the funds effectively and efficiently.

1. Project Overview (1/2 page)

Using the table provided, provide specifics around the project name, duration, details of consortium partners with primary points of contact, location of implementation (districts), No. of farmers, and key results/impact (farm level, business level and sector level).

2. Organization Capabilities & Consortium Partnership (1/2 page)

Summarize the lead applicant's experience in the vanilla sector and expertise relevant to the proposed project/activities. This should include three years of export volume data, number of staff and relevant expertise, existing extension services, summary of any previous grant or donor-funded activities, number of farmers in current network, capacity of curing facility, relevant certifications, description of

traceability/supply chain management systems. It should also highlight the consortium's strengths and the role the global buyer will play during implementation.

3. Goals & Rationale (1 page)

Describe the specific goals and expected results/impact of the activity and how they align with and contribute to both the consortium's long-term strategy and Vines' objectives, making specific reference to any production expansion, extension service delivery/training, as well as planned agroforestry, crop diversification and climate smart interventions. It should also highlight how the co-investment from Vines will accelerate and support strategy execution. The concept note should include information on specific technologies, information and management systems, financing and delivery models that will be deployed. Briefly indicate how the activity's results could lead to successful outcomes for both the consortium and the sector.

4. Business Case, Scope, and Activities (1 page)

This section should include a description of the proposed business case that clearly shows the market need/demand the project is trying to address, growth expectations for the business, and the investments that the consortium is planning to make to deliver the targets. The business case should also provide detail on key support services, new processes and/or innovations and how the proposed approach to the production, processing and marketing of vanilla differs or adds incremental value relative to existing models. Please include a description of the activities, timing, and key milestones to deliver the project, highlighting any critical dependencies for activities along with a description of the technical assistance the consortium will need from Vines' technical teams to enhance impact of the investments and/or improve outcomes for farmers. Please also include a description of any critical assumptions that underpin the project.

5. Sustainability, Scale and Systemic Impact (1/2 page)

Describe how the proposed upgrading to the consortium's vanilla supply chain will deliver sustained value to the business, farmers, traders, and the market beyond the period of VIEF support and demonstrate how the business will continue to deliver activities at scale. This should highlight interventions that promote climate-resilient production systems. *Note: Vines is wary of investing in interventions that can only be sustained with external support.* If the project proposes to address a systemic challenge that could benefit the entire sector, describe how you will share and disseminate information and learnings.

6. Gender and Youth Engagement (1/4 page)

Describe how the project will address gender gaps, promote women and youth participation and inclusion, ensure compliance with existing laws regarding child labor and ensure adherence to CRS's safeguarding and protection policy (Annex 2).

Activity Budget (1 page)

Please use the excel spreadsheet provided (separately) to develop a summary activity-based budget that includes both support you are seeking from the VIEF and investments that you are making or plan to make as a consortium. The activities in the budget should align with those proposed in the narrative. Budgets should include both consortium in-kind and cash cost share contributions. *Note: any proposed CAPEX expenditure should be proposed with a 50/50 cost share.*

The budget above provides a sample calculation.

Activity	Year 1	Year 2	Year 3	VIEF Funding Request	Consortium Investment		Total Project Investment
					In-kind	Cash	
Activity 1							
Activity 2							
Activity....							
Total							



04 - VIEF Concept Note Budget Template

The applicants that will be successful shall be invited to submit full proposal, using the concept note as the basis for the full proposal.