

**Commercial Agriculture Alliance (CAA)
Final Guidelines for Sub- project Concept Note (SCN)
for
Non- Infrastructure Investment**

A. BASIC INFORMATION

This Guideline has been prepared in pursuant with the CAA Article of Association (Clause 9 Cha, 2007), Standard Operating Procedure (SOP, 2008) and Business Plan (BP, 2008) to facilitate the CAA members and Management Team to prepare and screen the project for Commercial Agriculture Fund (CAF) award.

1. Sub-project Concept Note [SCN] is a brief of the project concept developed and submitted by CAA members for CAF non-infrastructure grant in a prescribed format. The SCN will:

- a) Allow CAA members to submit a proposal in summary form for preliminary assessment of the concept without the need to prepare a Sub-project Detailed Proposal (SDP) that requires much efforts, and
- b) Allow the CAA Offices to manage initial review process so as to identify a short list of the concepts notes those are worth pursuing to the level of full project proposals.

The SCN is to be submitted to CAA Branch Office by CAA members expressing an interest to develop a SDP for CAF Grant, if short listed.

This guideline explains the Pro Forma of the SCN. The SCN is a short document that follows the specific guidelines and criteria prescribed in the CAA operating documents (such as CAA Business Plan and SOP) and needs to be carefully composed so that the concepts developed are self explanatory.

2. Preparation of SCN and Page Limit

The SCN should be prepared according to the format described in this guidelines and should include a completed logical framework [also known as a *log frame*] and necessary documents. It is advised to complete the logframe first, and then the text of the Concept Note. Guidance for preparing the logframe is provided in **Annex 3**. The Concept Note should not exceed 10 pages excluding the Annexes.

3. Priority Area

The SCN under the Non-infrastructure investment, generally, be within one of the following indicative areas as identified by CAA and announced in the call (Box 1). Priority will be given to those works that link farmers more effectively to the market chain.

Box 1: Indicative List of Items under CAA Non-infrastructure Grants

A. Main Items

Group promotion of improved cultivation practices for HVC and emerging crops¹;

- (i) Pest management including integrated pest management techniques ;
- (ii) Farm machinery and equipment ;
- (iii) Greenhouse equipment ;

¹ Examples under HVC include vegetables crops such as cabbage, carrots, cauliflower, and tomato; spices crops such as cardamom, ginger; fruits such as citrus, mango, litchi, papaya and pineapple and other cash crops such as, herbs, honey, mushroom, tea, sugarcane, oilseeds, lentils etc. Similarly, examples under emerging crops include onion, garlic, gherkin, sericulture, floriculture, bittle, areca nut, coffee, broom grass, potato, capsicum, seeds, organic fertilizer, essential oils etc.

(iv)	Agro processing equipment and machinery ;
(v)	Laboratory equipment for product testing and quality control ;
(vi)	Market-related research and technology development such as pickle making, fruit or vegetable drying or preservation, tomato pulp making, crop diversification into emergent HVCs, and farm-to-market packaging systems
(vii)	Micro-irrigation and
(viii)	Other Thematic Area added by CAA Board.
B. Promotional and Representational Activities	
(ix)	Trade fairs and trade promotion ;
(x)	Industry networking on issues requiring joint action for resolving cross-border issues and reducing local red tape ;
(xi)	Product labeling and certification arrangements ;
(xii)	Product identification, branding, and feasibility studies ;
(xiii)	Quality mark initiatives;
(xiv)	Brand and intellectual property right protection ; and
(xv)	Specialized skill development and employment strategy formulation.

The selected investments must have maximum demonstration impact on the community and other agriculture stakeholders. All farm-level investment supports will be provided to farmer groups or cooperatives, not to individuals. Traders and processors must explicitly demonstrate how their proposed investments will enhance the agriculture value chain by strengthening linkages between farmer groups and markets.

4. Necessary Documents to be submitted with SCN

The SCN should be submitted along with following documents required with neatly compiled in a paper file in the order as indicated in Table 1.

Table 1: Types and Number of Copies of Documents to be submitted with SCN

SN	Necessary documents	Copies Required
1.	Minute of the institution/group executive committee with consensus decision to request the CAA for undertaking the project	2
2.	Commitment to implement the project under cost-sharing arrangement with the CAF (at least 50% cost sharing)	2
3.	Letters of intent of the other donor (If applicable) ²	2
4.	Log frame of the SCN (in the format given)	2
5.	Institutional Profile of the member institution and collaborating partner/s (if there is any) indicating Physical Facility, Human Resources, Financial Turnover etc.	2
6.	Commitment letter on free land contribution by relevant stakeholders (if land required)	2

5. Call of SCN and grant limit

Generally, the grant applications will be assessed in a trimester basis to select and evaluate the SCN. The selected SCN of the CAA members should submit the SDP within a month. However, if a particular SDP requiring additional time for submitting EIA or any other technical documents may be allowed extra time .One CAA member can submit only one SCN at a time. One CAA member can submit SCN which would not exceeds \$20,000 for single project and cumulative unit of \$40,000 during the project period.

² If the group/institution has entered an agreement with other organizations and donor agencies to receive support to implement a part/component of the proposed project/investment, it will be necessary for it to duly mention such an arrangement and include the copy of the agreement with the SCN.

6. Sub-project Implementation Duration

Generally one year duration is given for the execution of the selected sub-projects. Extra time may be allowed by the CAA Board, in special circumstances, depending upon the nature of activities.

7. Eligible Expenditures and Contingency

Expenditures on service fees and expenditures on travel and incidental expenses charged at cost, incurred wholly and exclusively on an eligible service/travel usage of CAA approved facilities will be eligible for 50% grant support. Salaries for staff employed by the supported institution and pre-operative costs are not eligible, nor are recurrent costs such as royalty fees. No expenditures on fixed assets or computers can be supported. In especial cases, groups/cooperatives requiring land for group farming may be considered for land rent/leasing cost for the project period (i.e. up to Dec 2012). *Contingency* is termed as unforeseen expenses of the project. The expense may accrue to the project due to external factors such as natural calamities and other unexpected social factors. The contingency cost is up to 5 percent of the total proposed budget.

8. Sub-project Selection Process and Criteria

CAA District Branch (the District Review Committee) will review and evaluate the submitted SCN at first hand following the Sub-project Selection Criteria developed by CADP and approved by ADB and CAA Board. The initial process will serve as the basis for screening-in subprojects for further developing into detailed proposal or conversely for screening-out those that do not meet one or more of the selection criteria. District Branch will determine if the proposed subprojects based on the documents and field verification:

- (i) satisfies the CAA subproject selection criteria³
- (ii) segregate the type of investment
- (iii) potentially viable based on described activities
- (iv) the stakeholders involved can initiate, develop and manage the proposed project with grant facility and
- (v) Sustainability of the project.

Following the field verification and discussion in the District Review Committee, CAA District Branch may decide to:

- (i) Reject the SCN with written justification ; or
- (ii) Return it to the respective members for upgrading or completeness, or
- (iii) Forward the Concept Note to the CAA Main Office.

Upon receive of the SCN from the District Branch, CAA Head Office (the Appraisal Committee) will review it and will submit to the Board with its view. The Board after review may decide to:

- (i) Reject the application with justification;
- (ii) Return it to the respective members for upgrading or completeness or,
- (iii) Recommend for submission of Detailed Sub-project Proposal with or without moderate modification.

³ The eight sub-project selection criteria as per SOP include: i) Add value to agricultural products ,ii) benefit other stakeholders and the community as a whole, iii) improve the market chain efficiency, iv) incorporate "public good" content, v) have strong demonstration effects on the rest of the community, vi) have the potential to increase incomes and opportunities of the poor and/or other disadvantaged groups such as women and low caste groups, vii) technically sound and has the potential to be financially viable, as requisites for sustainability and viii) have no detrimental effects on the environment once implemented.

role) , iii) employment generation (number of persons expected to be employed during the project implementation and after the implementation) iv) agricultural commercialization (how the sub-project will facilitate the commercialization process?) v) contribution to CAA Project key outputs/outcome (**Refer Annex 1**) vi) targeted high value crops and facilitation to market linkage and vii) Any possible environmental related impact (positive or negative from the project .Describe the way different value chain actors (producers, traders, processors) are benefited by the proposed sub-project.

2. Sub- project implementation mechanism and processes

2.1 Implementing Agency

Implementing Agency (Institution with the overall responsibility for the application to CAA and the implementation of the sub-project

2.2 Collaborating Partners/Organizations (Yes or No)

Indicate whether there are Collaborating organizations /partners with whom agreements have been made prior to/during SCN submission. If, yes A letter of intent, which demonstrates the collaborators are an active part of the proposal should be included with the SCN.

2.3 Mechanism and Process

An outline of activities which are to be implemented in order to achieve the outputs of project. There should be an activity or group of activities associated with each output of the project, the activities defining the action strategy for accomplishing each output. It should also include any facilities or expertise already available to the CAA members which will be utilized in the implementation of the project. In addition, the location of specific components of the work, and any special resources required should be included. Provision of operation and maintenance fund and O & M plan needs to be highlighted.

2.4 Staffing

Existing and Proposed Types and Number of Staff Sub-project Implementation.

S.N	Staff Type (Designation)	Required Number (No- Number, PM- Person Month)					
		From the Organization		From Outside		Total	
		No	PM	No	PM	No	PM
1							
2							
3							
4							
5							
6							

3. Sub- Project Cost and Sharing Arrangements

Total budget required to implement the full-term project. The cost includes CAA grants and the contribution of the CAA General members (50% of the Total). Refer **Eligible Expenditures** mentioned in Chapter A 7 when estimating the cost. A separate sheet on the number, types of equipments and materials, their unit price and total price has to be given. Similarly, the source of different materials to be used such as raw materials, packing materials labours (both skill and unskilled) etc also needs to be described. Availability and assurance of land required for the sub-project should also be described.

Proposed Activities	Unit	Quantity	Cost Contribution (Rs)			
			CAA Contribution	General Members Contribution	Others	Total
A. Capital investment						
Building/Sheds						
Technical Civil Works						
Machinery and Equipments						
Others (Specify)						
Sub-total A						

B Working capital													
Raw Materials													
Packing Materials													
Labour (Skilled)													
Labour (Unskilled)													
Service Fee													
Transportation													
Insurance Fee													
Others.....													
Sub- total B													
C. Total (A+B)													
D. Contingency(Refer A 7) [up to 5% of C]													
E Total (C+D)													
F. VAT/Tax (13% of E)													
TOTAL(E + F)													

Requirements

1. Minute of General members of financing at least 50 % cost sharing.
2. Full justification for the purchase of equipment will be required in the project proposal.
3. Collaborative and partnership contribution will be encouraged.
4. Consult prevailing Financial Acts and Regulations when estimating cost.

4. Plan for Future Utilization

It includes how it will be utilized in future (skill shared with fellow farmers, supply of improved inputs like seed/ saplings, fertilizer etc to fellow farmers, exploration of new market , product diversification, further value addition to the products).

5. Sub-Project Duration and Implementation Schedule (How long will the project last?)

The maximum period is twelve months; there is no minimum, unless stated in the call for proposal. Provide activities to be performed in each of the month).

S.N	Work Description	Month and year											
		1	2	3	4	5	6	7	-	-	-	-	12
1													
2													
3													
4													

6. Result- based Management Framework (Logical Framework Analysis)

Describe the i) Project purpose (The purpose is the measurable immediate outcomes of the project. This is also a final accomplishment of the project, and to which the project contributes. Indicate what you want to achieve overall, i.e. what implications you hope the project will have) and ii) Project Outputs (Results or deliverables of the Project that the Project can guarantee) .The logical framework is described, and guidelines for its construction are given, in **Annex 3**.

Annexes

1. LOGICAL FRAMEWORK (IN THE FORMAT PROVIDED IN ANNEX 3)
2. ATTACHMENT OF DOCUMENTS (AS PRESCRIBED IN A 4)

For Official Use Only (to be completed by CAA)

After receiving of the SCN, the CAA Branch offices are required to do the following in the prescribed formats:

A. Checking of documents submitted with SCN and mentioning of reasons (if not submitted)

SN	Necessary documents	Copies Included		Remarks/Reasons
		Yes	No	
1.	Minute of the institution/group executive committee with consensus decision to request the CAA for undertaking the project			
2.	Commitment to implement the project under cost-sharing arrangement with the CAF (at least 50% cost sharing)			
3.	Letters of intent of the other donor (If applicable)			
4.	Log frame of the SCN (in the format given)			
5.	Dully filled SCN (in the format given)			
6.	Institutional Profile of the member institution and collaborating partner/s (if there is any) indicating Physical Facility, Human Resources, Financial Turnover etc.			
7.	Commitment letter on free land contribution by relevant stakeholders (if land required)			
8.	Minute of the institution/group executive committee with consensus decision to request the CAA for undertaking the project			

B. Field Verification

Field Verification Date:

Verification by: a) Name:

Remarks of Field Visit:

b) Designation:

C. Decision of the DRC and its justification

After field verification, evaluate the SCN following the Sub-project Selection Criteria approved by ADB and CAA Board and Mark on of the following decision taken by DRC and forward the decision (whatever it may be) to the CAA Main Office and the concerning member.

Decision	Mark(✓)in the appropriate box	Justification/Reason
Reject the SCN with written justification ; or		
Return it to the respective members for upgrading or completeness, or		
Forward the Concept Note to the CAA Main Office.		