

Organic Trade 4 Development – OT4D

Seed and scaling-up Fund for Albania and
Serbia

Guidelines

Approved by the State Secretariat for Economic Affairs SECO on 30 June 2022

1. Objectives of the funds scheme

The Scaling-Up Organic Fund (SUOF) is part of the Organic Trade 4 Development Program (OT4D), which is funded by the State Secretariat for Economic Affairs (SECO) and managed by IFOAM-Organics International, together with the consortium Helvetas-FiBL and with the support of the local implementing partners.

The SUOF is an internal project funding scheme designed to co-finance relevant, impact enhancing, activities with a potential to generate significant added value to the program's objectives and into the local organic markets. It is designed to support existing organic initiatives in the local organic markets in Albania and Serbia.

The available funds will be allocated to existing business that submit proposals with the best outcomes for the sustainable development of the local organic sector in Albania and Serbia with a focus on the following bottlenecks:

- Access to the local market,
- Value chain(s) development,
- Service provision (organic inputs, technical assistance, etc),

It is expected that the activities supported will generate different types of innovations to stimulate market and sector development, directly addressing the above-mentioned bottlenecks. The applicants shall present proposals addressing one or more of the following categories.

- **Commercial innovations** - product and label development, the establishment of new sales points or sales schemes, the development of PR or marketing materials and websites.
- **Technical innovations** - improvements to production and/or processing, packaging, specific processing equipment, the definition of new production standards, or specialised services to ensure and enhance product quality etc.
- **Institutional innovations** – the development of new business partnerships, stakeholder and networking partnerships, the institutionalisation of stakeholder training, the development of stakeholder platforms, markets and fairs, conferences etc.

SUOF contributions of 5,000 and 10,000 CHF are available to the following type of beneficiaries:

- Small and medium-sized enterprises or farmer's groups (legally established associations and cooperatives) engaged in the organic value chains and registered in Albania¹ and Serbia².
- Applicants must be either certified organic, in conversion to organic or have submitted their application for certification with a control body operating in their country of operation.
- The applicants must commit to follow IFOAM-Organics International's organic principles of health, ecology, care and fairness.

Applicants can submit more than one application, but only one application will be awarded per applicant.

¹ Small and medium enterprises (SMEs) in Albania includes those entities which employ fewer than 250 people and have an annual turnover that does not exceed 250 million Albanian Lek

² Small enterprises need to have at least two parameters out of: a) have less than 50 employees, b) yearly turnover is less than 8000 average gross salaries, c) average annual property value is less than 6000 average gross salaries. Medium size enterprises fulfil at least two out of following: a) have annually from 50 to 200-250 employees, b) annual turnover is from 8000 to 40000 of annual gross salaries, c) average annual property value is from 6000 to 300000 of average annual gross salaries.

Based on the results of the assessment of local initiatives, the following topics/areas would be prioritized in the countries:

Priority Areas of support

ALBANIA³

- Assist low input farms to the conversion to organic agriculture and initiatives to start the domestic organic production with a strong planning focus in market demand (production planning process according market specification).
- Support in the production process for agricultural goods and improvement of storage facilities, processing and building of facilities for higher levels of processing.
- Linkage to agritourism and access to retail shops.

SERBIA

- Assistance in the production process for plant and animal production, especially in production of vegetables; and improvement of storage facilities, processing and building of facilities for higher levels of processing.
- Building associations of small-scale farmers, supporting the process of their branding in order to make them recognizable and commercially marketable.
- Improvement of marketing, development of online sales and improvement of local and regional market access.
- Linkage to agritourism and access to retail shops.

Co-financing

The applicant contributes a minimum of 30%⁴ of the total value of the proposal, which will be complemented by the SUOF to 100% (for a maximum contribution of CHF 5.000 or CHF 10.000). From the total amount of the proposal, a maximum of 10% can be in-kind (e.g., staff time). In case of purchase of equipment, the SUOF contribution can cover a maximum of 50% of the cost of the equipment.

All supported activities must be implemented and completed within one year after the signing of the grant agreement and in no case later than October 31, 2023.

All the approved applications will receive additional support through a local advisor to further develop their business, marketing plans or implementation of new processing/production technologies. The advisors will accompany the implementation of the activities. The cost of the advisory services will be covered directly by the OT4D program, additionally to the amount granted.

2. Selection criteria

The following selection criteria will be used to assess applications:

- (a) **Market development impact** – positive potential and anticipated effect on the development of the local organic sector, in terms of outreach to consumers/clients, enhanced conditions for the development of value chains, improved consumer awareness, etc.

³ In case of Albania, where organic production for domestic market is an early developing stage, a support in writing application and supporting farmers during preparation of all necessary documentation will be provided.

⁴ As co-contribution is understood (a) an own contribution by the applicant in own invested money (funds) and/or time; (b) a contribution from a client (e.g., stall fee from exhibitors at a fair); (c) a contribution from partners, sponsors, and donors other than the Swiss Confederation.

- (b) **Financial impact & Sustainability** – the proposal should explain that the financial contribution will have a direct and long-lasting impact in the organizations, contributing with their financial sustainability. The environmental sustainability of the operations (production, processing, etc) shall be also explained,
- (c) **Social Impact** – the applicants must show that their activities either strengthen and benefit the community, and/or support gender diversity and/or contribute youth engagement and presence in farming.
- (d) **Capacity development** –the proposed activities must build up and strengthen key capacities that will stimulate further innovation and the competitiveness of the actor(s) involved or that of the sector as a whole.

As a precondition for the application, the initiatives must prove that they have the capacities and resources to ensure that the proposed activities will be implemented in an adequate manner, in such a way that the donor (SECO) can be reasonably confident that the proposed activities will be implemented efficiently and will be effective. For this, the applicants must present the organisational assessment presented in the Annex 2.

3. Management & Call for applications

The responsibility for the overall management of the SUOF lies with IFOAM-Organics International, with the support of the local implementing partners. The local implementing partners will ensure that the call for applications has an adequate outreach within the local stakeholders. They will as well provide support in clarifying any questions that might arise from the applicants. The local implementing partners in Albania and Serbia will be responsible to ensure an adequate outreach of the call for applications, will be part of the selection committee and monitoring of the successful SUOF.

The call for applications will be posted in the OT4D website (www.organictrade4development.org) and will be also shared within the local networks, in the local languages. The call will be open for the 2 countries but the applications will be assessed separately by a local selection committee, with representatives of the local organic sectors, the local implementing partners, IFOAM-Organics International and SDC/Swiss Embassies. SECO HQ will provide the final approval to the selected applications.

After selection, a local advisor will be assigned to each grantee. The advisors will be specialized in either advising on technical knowledge, marketing and/or improving capacities within the initiative. The selection of the advisor will be done by the local implementing partners with the support of IFOAM – Organics International.

4. Procedure

4.1 Evaluation & selection process

The applicants will submit the application describing their proposals using the template presented in the Annex 1. The applications will be assessed by the selection committee. These proposals are then evaluated using the selection criteria described in the Section 2.

Applications that do not respect the maximum number of pages, do not contain complete documentation, lack other requested information or submit the application after the deadline, will not be assessed.

The selected applicants will then be invited to present a detailed activity plan and additional information or clarification to any questions the selection committee might request.

SECO will give the final approval for all the approved applications and then the Grant Agreements will be signed between IFOAM-Organics International and the selected applicants.

4.2 Detailed procedure and timelines of the SUOF application process

Application

Step	Procedure	Time
1	Call is launched	July 8 th , 2022
2	Applicants submit a proposal by e-mail to ot4d@ifoam.bio or fill out the online application in English, Albanian or Serbian	August 31 st , 2022
3	The proposal is assessed by the Evaluation Committee using the defined evaluation/funding criteria.	1 st – 14 th September, 2022
4	The applicant is contacted with the result of the evaluation. If the application is selected, a meeting is planned to provide feedback and agree on a work plan and indicators for monitoring.	Mid-September 2022
5	IFOAM-Organics International and the applicant will sign the agreement.	End of September, 2022

5. Monitoring and disbursement of funds

Each recipient of SUOF funding will be responsible for reporting on the activities carried out with the support of the OT4D Program. These requirements will be specified in the signed agreement, the content and format of the required reporting will be part of the agreement.

In each case, the OT4D local implementing partners, with the support of IFOAM-Organics International, will be responsible for following up on the implemented activities (monitoring); verifying the quality of implementation and achieved results, and checking that the milestones defined in the proposal are reached. The disbursements will be linked with the progress in the implementation of the activities.

IFOAM-Organics International is responsible for the disbursement of funds. The grant recipients are responsible for the submission of supporting documents prior to the disbursements.

After the completion of all activities and the submission and approval by IFOAM-Organics International of all necessary financial and narrative reports, a final payment will be arranged within twenty working days. In case of unused funds, the grant recipients will return the funds to IFOAM-Organics International.

Disbursement plan

- 50 % after signing the grant agreement
- 30% after approval of progress and brief financial reports
- 20% after approval of final reports (operational and financial)

Assessment criteria according to targeted project component

Evaluation criteria	Weight
1. Market development impact	35%
2. Financial impact & sustainability	35%
3. Social Impact (community, gender diversity and or youth engagement in farming)	10%
4. Capacity building	20%
<i>Total</i>	100%

*Minimum score 70%