



Information Pack for Regenerative Agriculture Solutions' Selection

REALMS project
Regenerative Agriculture for Livelihood and Markets

July 2021

IKEA Foundation



1. Background

SNV is an international not-for-profit development organisation, funded from public and private sources, working in 25 countries in Africa, Asia, and Latin America. SNV specializes in supporting the resourcefulness of development actors by developing local capacities, improving performance and services, strengthening governance systems, helping to create access for excluded groups and by making markets work for the poor. Our global team of advisors use their specialist sector and change expertise in Agriculture, Renewable Energy and WASH to facilitate sustainable change in the livelihoods of millions of people living in poverty.

The Regenerative Agricultural practices for improved Livelihoods and MarketS (REALMS) project was designed to create conditions for successful adoption of regenerative agricultural practices in Western Kenya and Western Rwanda. To reach this goal, the project will work with smallholder farmers and their communities, support local service providers (SMEs/Farmer Organisations) and engage with relevant stakeholders influential in creating the necessary enabling environment.

In support of the second outcome, (increased investment, business growth and revenues for local service providers of products and services supporting regenerative agriculture) REALMS has established an Innovation Fund for regenerative and circular agriculture that can be accessed by SMEs/Farmer Organisations on a matching basis.

2. Overall framework

Financial incentives (subsidies and matching grants) will help to unlock private sector engagement with and investment in regenerative products and services and contribute to commercially viable market development for the regenerative agricultural products and services.

The private sector is a crucial partner in making the application of regenerative agricultural practices possible through the provision of inputs (such as nurseries, seeds, fodder, bio-fertilizer, bio-pesticides, etc.), technologies (equipment) but also by providing stand-alone or related services. Linking SMEs to farmers can be highly beneficial for both: (i) for SMEs it can open a new client base, boosting demand for products and services, and (ii) for farmers it enables them to access these product and services and improve their livelihoods.

REALMS will identify and support local SMEs and commercially oriented farmer organisations with technical assistance and business support to connect them to farmers in need of their products and services to apply regenerative practices.

3. Goal and objectives

The project's overall goal is to improve livelihoods of smallholder farmers in Western Kenya and Western Rwanda through adoption of regenerative agricultural principles.

The objectives of the project are:

- a) Adoption of regenerative agricultural practices by smallholder farmers, leading to improved soil and water quality and improved livelihoods of smallholder farmers.
- b) Increased investment, business growth and revenues for local service providers of products and services supporting regenerative agriculture.
- c) Improved enabling environment, favorable to market driven regenerative agriculture.

4. Innovations

Innovations are defined as proven products/services, business and service models that have been successfully implemented and marketed elsewhere but are new for Western Rwanda and Western Kenya. In addition to new products and services, this may also involve new ways of doing business by providing levels and depth of services and (embedded) skills and knowledge transfer, which are atypical for input suppliers and services providers that are currently in the market.

5. The call

SNV invites private enterprises or cooperative societies working directly with or directly impacting smallholder farmers or through last mile distributors to submit proposals that upscale innovative regenerative agriculture and circular farming technologies within the REALMS Kericho, Nakuru, Uasin Gishu, Kakamega, Bungoma counties in Kenya and Rutsiro, Ngororero, Nyabihu, and Rubavu Districts in Rwanda¹. Proposals with innovative business and financing mechanisms targeting smallholder farmers will stand higher chances of being considered.

It is expected that selection of business cases under this call will increase smallholder farmers' access to regenerative agriculture products and services. Additionally, business cases will increase affordability and adoption of regenerative agriculture and circular farming solutions. It will further increase capacity of smallholder farmers to not only reduce agricultural waste but also re-use it to further agricultural production. Finally, it is expected that SMEs will increase their turnover and jobs from regenerative solutions while farmers will increase their acreage under regenerative agriculture and their incomes.

5.1 Scope of business cases eligible to apply

Private enterprises or cooperative societies whose business ideas are focused on promoting regenerative and circular products or services within one or more of the priority value chains, are eligible to apply. Priority value chains under REALMS project are horticulture, livestock (dairy, goats and poultry), and agroforestry including fruit trees.

¹ Can be working with either all or some.

Regenerative and circular products and services relates to: (i) regenerating soils, (ii) biodiversity and eco-systems, (iii) optimum use of resources, and (iv) recycling and designing out waste.

5.2 Business case activities

The selected business cases will undertake some or all the following activities:

- I. Sensitization and training of farmers on proposed regenerative technology and practices.
- II. Setting up demonstrations in liaison with other project partners.
- III. Participating in field days, farmer education days, technology financing clinics where applicable.
- IV. Work with farmers and farmer organizations to increase access to technologies.
- V. Participate in curated events organized by project from time to time.
- VI. Work with project on innovative technology financing e.g., Lease to own etc.
- VII. Participate in project's knowledge sharing platforms.
- VIII. Any other activity that will increase visibility and uptake of technologies.

6. Eligibility criteria

- i. A legal for-profit entity duly registered in Rwanda or Kenya.
- ii. At least 1 year operational experience.
- iii. Compliant with all national and district laws and regulations.
- iv. Applicant is a private enterprise or cooperative in Rwanda or Kenya with (potentially) relevant activities in the project area.
- v. Business ideas falls into one of the three priority value chains (horticulture, livestock, agro-forestry).
- vi. Business case is focused on promoting regenerative and circular products and services and supports practices related to: (i) regenerating soils, (ii) biodiversity and eco-systems, (iii) optimum use of resources, and (iv) recycling and designing out waste.
- vii. Private enterprises or cooperatives' own investment should be in line with the requirements in section 8 below

7. Application process and criteria.

The REALMS Innovation Fund application process comprises the following steps, which are presented in the figure below and briefly described in the following paragraphs.

7.1 Assessment criteria

In general terms REALMS will consider applications for funding if the ideas:

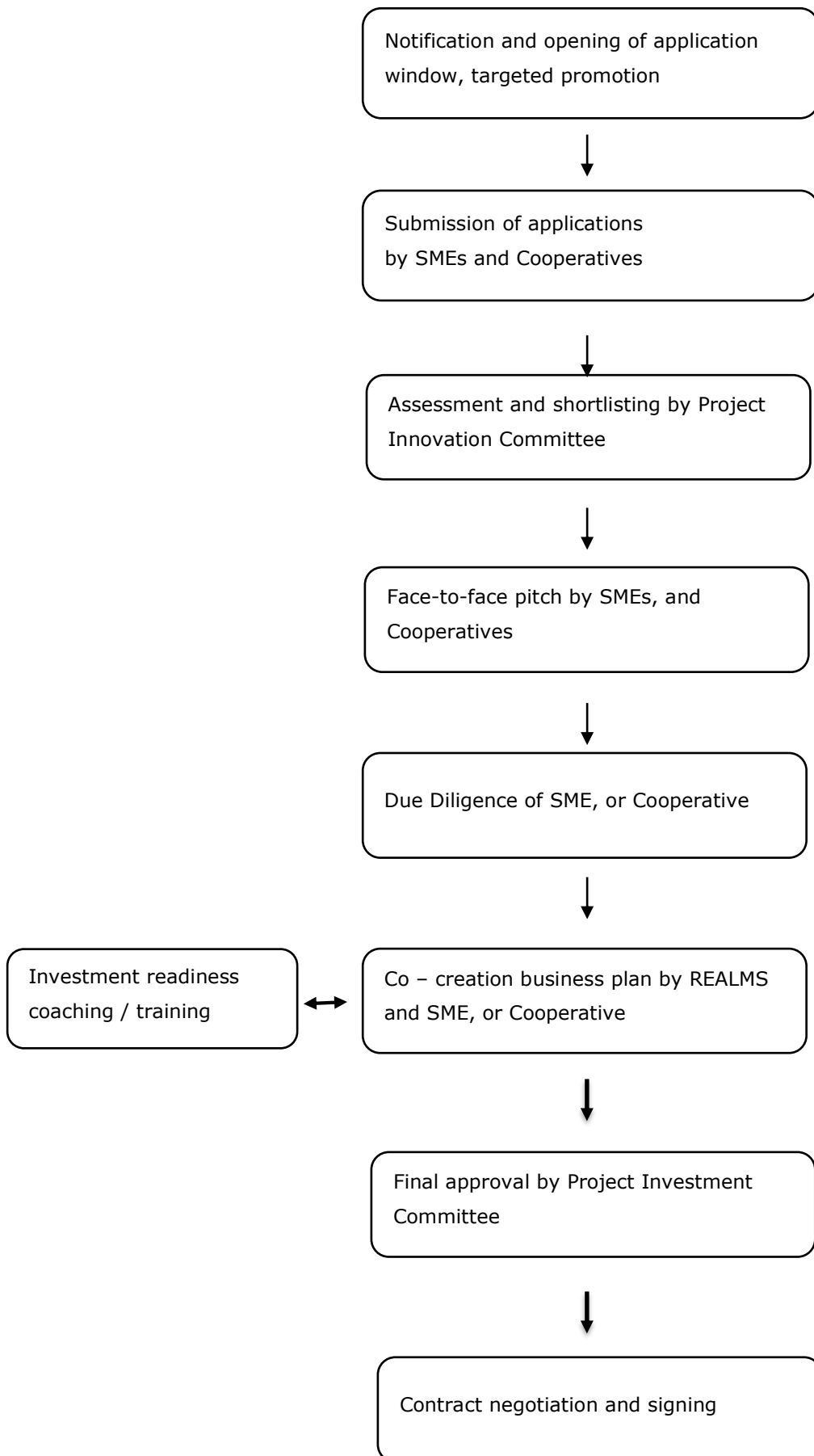
- i. Are market-led and private sector driven.
- ii. Leverage resources from the applicant in terms of finance, knowledge, networks, goodwill and social capital.
- iii. Bring or fast-track innovations which support the uptake of regenerative and circular practices which are scalable.
- iv. Contribute to sustained market relationships between farmers and other market actors.
- v. Enhanced livelihood, income, employment, social inclusion of youth and women.

More specifically the assessment will focus on:

- i. **The Applicant:** the quality of the partner and the partnership: the ability of the partner(s) (e.g., financial, expertise, knowledge) to implement the proposed activity successfully and their reputation/standing (due diligence).
- ii. **Feasibility:** the technical and financial feasibility of the business idea.

iii. **Impact:** the impact of the business idea (social, environmental, economic).

Figure 1: Application Process



7.2 Selection process

Activity		Timeline	Remarks
Notification and opening of application window, targeted promotion	SNV will send out a request for expression of interest to all interested and eligible parties	6 th July 2021	The request for EOI will be posted to SNV & REALMS website and all socio-media platforms of SNV
Submission of applications by SMEs and Cooperatives	Concept note describing the whole idea of the business case submitted by applicants	July 26 th , 2021	The concept note will be evaluated by the PIC, shortlisted applicants will be invited to make a face-to-face pitching.
Assessment and shortlisting by Project innovation Committee (PIC)	Concept note evaluation and selection process	August 2 nd to August 14 th , 2021	
Face-to-face pitch by SMEs, and Cooperatives	<p>This pitch will focus on the key assessment criteria (organizational, feasibility and impact).</p> <p>Applicants pitch their inclusive business idea for max. 20 minutes, with a 40-minute Q&A</p>	18 th August to 25 th August	Shortlisted candidates will be invited to develop and submit a full business plan.
Due Diligence of SME, or Cooperative	<p>Due diligence exercises carried out for all shortlisted full business plans.</p> <p>If applicants are considered eligible and meet all the assessment criteria, a due diligence will be conducted to check the valuation of assets and liabilities and assess the risks to make an informed investment decision.</p>	26 th August to September 10 th 2021	Due Diligence of SME, or Cooperative
Co-creation of business plan by	This is a process of jointly creating a business plan between REALMS team	13 th September to	The full business plans will be evaluated by the Project

REALMS and SME, or Cooperative & Investment readiness coaching / training	and the applicant. This will be done in a standardized way. Additional capacity strengthening on investment readiness may be conducted in the form of coaching and / or training.	30 th October 2021	Investment Committee, and shortlisted Candidates will be subject to due diligence.
	Full business plan submission by SMEs and Cooperatives		
	Full business plan evaluation and selection	October 2021	
Final approval by Project Investment Committee	Objective review of shortlisted full business plans and due diligence reports, and final selection of winning proposals	November 2020	This review and final decision will be carried out by a panel consisting of SNV management team and external experts when required
Contract negotiation and signing	Successful applicants are invited to sign the grant contract.	November 2021	Milestones related to disbursements and REALMS support will be agreed upon.

8. Grant limits

Maximum amounts allowable for grantees for the various activities are as follows:

- The contribution of REALMS will not exceed 50% of the total value of the business case proposal **and** will not exceed a maximum of twenty-five thousand euros (€25,000, -).
- The own contribution of the private enterprise or cooperative should be at least 50% of the business case proposal. The own contribution can be in cash or kind as follows:
 - For cooperatives a minimum of 40% of the own contribution should be in cash and a maximum of 60% of the own contribution can be in kind
 - For private enterprises 60% of the own contribution should be in cash and a maximum of 40% of the own contribution can be in kind.

Higher cash contributions will be positively evaluated and have higher chance of winning.

9. Submission of expression of interest

Interested private enterprises or cooperatives are requested to submit:

- i. An application form presenting the applicant, the business idea and the impact.
- ii. Copy of business registration certificate (mandatory)
- iii. If available provide copies of the past two years of financial statements
- iv. If available provide a copy of your most recent business and/or strategic plan.
- v. Copy of 1-year statement of financial position.

10. How to apply

All applications should be addressed to country director of SNV-Rwanda and sent to rwanda@snv.org

All applications should be received not later than 26th August 2021.