



Ministry of Agriculture

AGRICULTURAL COMMERCIALISATION (AGCOM 2) PROGRAM

REQUEST FOR SUBMISSION OF CONCEPT NOTES FOR CONSIDERATION OF AWARD OF MATCHING GRANTS UNDER AGCOM 2 PROGRAM (WINDOW 2 / VALUE ADDITION CALL FOR CONCEPT NOTES)

Introduction

The Ministry of Agriculture in close collaboration with the Ministry of Trade and Industry is implementing the Agricultural Commercialisation (AGCOM 2) Program with a grant from the World Bank amounting to US\$265 million and additional financing from Multi Donor Trust Fund (MDTF) funded by the EU, Ireland, Norway, and Flanders. In addition, AGCOM 2 will also receive financing from the FS2030 Global Umbrella Trust Fund. This brings total AGCOM 2 financing to US\$326 million.

The objective is to increase the resilience of food systems and the country's preparedness for food insecurity in program areas. AGCOM 2 is part of the Food Systems Resilience Program, a regional program that is being implemented in four countries comprising Somalia, Kenya, Comoros, and Malawi including the African Union Commission (AUC). The program is well aligned with the Malawi 2063 (MW 2063) and its first 10-year implementation Plan (MIP-1). Specifically, AGCOM 2 aims to increase the commercialization of primary and value-added agricultural products and it will support agricultural productivity and commercialization, which is the number 1 pillar of the MW 2063 and a priority intervention area for the Agricultural Sector.

'Getting to Market' is component number 3 of the AGCOM 2 Program which will continue building on the successful implementation of and lessons from the AGCOM 1.0 Project. Under this component, the AGCOM 2 Program will continue to provide Matching Grants which have been categorized in the following three distinctive windows:

Window 1: This window is targeting Producer Organizations (POs) that are accessing the AGCOM Matching Grants for the first time. The matching grants will be primarily for investments that will increase the marketable volumes (production) to support the commercialization among the POs. This window will implement a high-impact Productive Alliance (PA) approach. The PA is based on a commercial agreement between the program-supported Producer Organizations (POs) (i.e. farmer cooperatives, associations) and commercial

off-takers (buyers). In a PA, the PO is guaranteed a predictable market while the off-taker is guaranteed a predictable and consistent supply of the agreed commodity.

Window 2: Using the PA approach, this window primarily focuses on POs that have benefitted from AGCOM 1 or any other POs that can demonstrate high volume to sustain value addition.

Window 3: This window focuses on small-medium enterprises that are working with smallholder farmers to increase production, improve quality, and enhance value addition. SMEs such as aggregators, anchor farmers, and processors will be provided with matching grants to meet their expansion requirements.

Window 2 / Value Addition Call for Concepts

This call for concepts is only targeting value addition applicants who are eligible for Window 2. The applicants are invited to express interest by submitting a Concept Note. The PO, together with its off-taker(s), should submit its concept note jointly as a PA to be considered under Window 2. The concept note for Window 2 (including annexes) should be presented using Window 2 format (template). Applicants should request an electronic copy of the Window 2 concept note format through email (conceptwindow2@gmail.com) or download from the project website <https://www.agcom.gov.mw/index.php/media/press-releases>. The applicants are encouraged to seek technical guidance from the District Councils (especially Agribusiness Officers and Trade Officers) on how to prepare and submit the concept notes.

Use of Matching Grants in Window 2

- Procurement of capital assets for enhancing productivity, and value addition;
- Technical assistance to aid in value addition;
- Investments in capital assets that support or enhance expansion activities; and
- Environmental and social safeguards.

Eligibility criteria for Window 2

POs in Window 2 will be required to fulfill the following eligibility criteria;

- POs will be required to demonstrate evidence (assessed and verified by AGCOM) of high volume to sustain proposed value addition.
- POs must demonstrate sales revenue from their production from the previous year (delivery notes, receipts, bank statements, and income statements will be required as evidence of the same).
- POs that benefited from AGCOM 1 must maintain their value chain in the previous subproject and must have successfully implemented their subproject. Submission of a close-out letter is a must.
- Primary and secondary cooperatives and unions with sustainable volumes will have an added advantage.
- POs that attract and show an increase in membership over past years will have an added advantage.

- The PO should be an eligible farmer organization/group. The group must have basic interim leadership, bylaws or regulations, and evidence of prior meetings. The PO must indicate a commitment to train and become a cooperative.
- The PO should have 20 members and above. POs with large membership will be prioritized.
- For the PO sub-projects with individual investment intervention, members must be within a 20-kilometre radius of each other. For PO subprojects with collective asset intervention, members may come from varying areas.
- The PO should have a committed off-taker with a signed commitment letter that is valid for 24 months, and the Off-taker must be prepared to sign a commercial agreement at a later stage.
- All agricultural value chains are eligible except tobacco. The chosen value chain and proposed sub-project must demonstrate revenue within 24 months.
- Evidence of ownership of land for collective assets (this could be any of the following: Lease, Customary Land Certificate, Change of Ownership document from respective District Commissioner, stamped letter from the relevant Traditional Authority).
- Land for individual members involved in crop production should not exceed 8 hectares (≤ 8 hectares).
- The AGCOM 2 Window 2 matching grant shall not exceed the Malawi Kwacha equivalent of US\$ 2,500 per listed member or beneficiary. This shall represent a maximum of 70% of the subproject cost whilst the PO will contribute 20% in kind (e.g. land, labour, inputs) and 10% in cash.
- Collective investments will be prioritized over individual investments after a thorough assessment.
- PO subproject should include environmental and social safeguards.
- All business cases must adapt climate resilience/climate smart technologies e.g. technologies for soil fertility improvement, soil and water conservation, and agroforestry tree cultivation.

Important information in support of the concept note

All POs must provide the following attachments:

- Copy of cooperative certificate (if cooperative) or letter of commitment to register as a cooperative.
- Off-taker letter(s) of commitment to purchase all of the proposed production.
- Evidence of ownership of land for collective assets (any of the following: lease, customary land certificate, change of ownership document from respective DC, stamped letter from the relevant Traditional Authority).
- List of members which should include: name, age, gender, national ID number, amount commitment to contribute, phone numbers (if any), and signature.
- A recommendation letter from the Director of Agriculture Service in the respective proposed intervention district.
- Attach full specifications of proposed value addition machinery.

Submission of Concept Note

Concept Note clearly marked “**Window 2 / Value Addition Concept Note for AGCOM 2 Matching Grant**” can be submitted by hand, post, and preferably by email to:

The National Project Coordinator,
Agricultural Commercialisation (AGCOM) Project
Forestry Building – off Chilambula Road, opposite MRA offices,
P.O. Box 727,
Lilongwe.

E-mail: conceptwindow2@gmail.com

*The deadline for submitting the concept notes is **12th June, 2025**. Applications submitted after the deadline will not be assessed. The PAs shall receive formal feedback on the application through the Director of Agriculture Services in their respective districts. In addition, the project will send copies of the feedback through the email address which the PO will provide in the concept note.*