



EU funded - FAO support to Georgian agricultural sector under ENPARD III Matching grants

Frequently Asked Questions

1. What is a matching grant?

Within the FAO support under ENPARD III, FAO will provide a part of funding for investments in agricultural value chains. The project envisages the provision of matching grants to individual farmers, cooperatives, small and medium enterprises (“SMEs”), rural entrepreneurs or municipalities. An investment is divided between the matching contribution (paid by the beneficiary), and the matching grant (paid by FAO).

2. When and how to apply?

The grant program commenced in October of 2019 and the grant application will open in cycles until the end of the program on December of 2022. Each cycle will be opened for three months.

Deadlines for a call for applications are announced and advertised on the program’s website, together with guidelines for preparation and submission of applications. All applications should be prepared directly on the website and submitted along all necessary documentation through the program’s dedicated web-platform: www.faogrants.ge. All applications with a total matching grant amount (FAO contribution) above 50.000 USD should be done in English only. All proposals for matching grants below 50.000 USD can be in Georgian or English.

3. Is an applicant allow to submit more than one project proposals?

An applicant can not submit several proposals at the same time. If a project is refused, the applicant is free to resubmit an application during the next grant cycle. If a project is approved, the applicant can not submit a second project until the first one is complete and implemented.

4. Which municipalities will be covered by the grant program?

8 LEADER and 12 adjacent municipalities will receive the grants:

| The 8 LEADER municipalities | The 14 adjacent municipalities |
|--------------------------------|---------------------------------|
| Kazbegi, Mtsketa-Mtianeti | Kvareli, Kakheti |
| Lagodekhi, Kakheti | Gurjaani, Kakheti |
| Dedoplistskaro, Kakheti | Signagi, Kakheti |
| Tetriskaro, Kvemo Kartli | Marneuli, Kvemo Kartli |
| Akhalkalaki, Samtske-Javakheti | Bolnisi, Kvemo Kartli |
| Borjomi, Samtske-Javakheti | Dmanisi, Kvemo Kartli |
| Keda, Adjara | Gardabani, Kvemo Kartli |
| Khulo, Adjara | Tsalka, Kvemo Kartli |
| | Ninotsminda, Samtskhe-Javakheti |
| | Akhalsikhe, Samtskhe- Javakheti |
| | Aspindza, Samtskhe-Javakethi |
| | Dusheti, Mtskheta- Mtianeti |
| | Khelvachauri, Adjara |
| | Shuakhevi, Adjara |

5. Which value chains are selected for the program as a priority?

The following value chains are selected under the program:

1. Beef value chain in all 8 LEADER municipalities.



2. Dairy value chain in all 8 LEADER municipalities.
3. Vegetables within an impact in Lagodekhi, Kakheti.
4. Wheat with an impact in Dedoplistskaro, Kakheti.
5. Potatoes with an impact in Akhalkalaki, Samtskhe-Javakheti.

6. What kind of investments are eligible?

Only capital investments will be funded under the grant program. Capital investment is an expenditure incurred to buy fixed assets. Old and second-hand capital/equipment will **NOT** be funded. There are some limitations regarding construction costs and live animals. More information can be found: <http://enpard.ge/en/conditions/>

7. What kind of expenditures are not allowed within the investment?

Capital expenditures that are not eligible in the grant program:

Operating expenditures are **NOT** allowed under the grant program. An operating expense is an expense a business incurs on a continuous basis through its normal business operations.

8. What criteria should applicants meet?

The program aims to support project with high economical, social, and environment impact.

9. What documentation will be required for the application?

The documents to be submitted depend on the legal status of the applicant. The list of required document can be found here: <http://enpard.ge/en/required-supporting-documents/>

10. What are the minimum and maximum grant amounts?

The required contribution that can be provided by FAO should not be below 1,000 USD or above 150,000 USD for the application to be considered eligible. For primary production and cooperatives, the maximum matching grant is limited to 50,000 USD.

11. Is matching contribution by the applicant required?

Yes. The program requires beneficiaries to co-invest a **minimum of 60%** of the total investment requirement. In the case of specifically promoted investments, the matching contribution is reduced to 40%. Please find the list of specially promoted investments here: <http://enpard.ge/en/list-of-specifically-promoted-equipment-investments/>

12. What does the matching contribution entail?

Applicant's co-funding amount has to be in cash or financial guarantees from financial institutions. No in-kind contribution (such as labor, donated land, equipment, etc.) or donor funding can be considered as part of applicant's contribution. The only exception to this applicant's contribution single-funding requirement relates to the preferential agro-credit program from APMA with reduces the related loan's interest rates.

13. How much is FAO's contribution?

Maximum contribution to investment by FAO will be 40%, except for specifically promoted investments. For specifically promoted investments, additional financial or technical incentives can be made available to beneficiaries. The maximum contribution to the investment provided by FAO can be increased to 60%.

14. Can bank loans be used as matching contribution?

Yes. The loan confirmation letter from the bank will serve as a supporting document to the matching contribution payment capacity of the beneficiary.

15. What happens after application selection?



After a grant is approved, a field visit will be organized to validate all information. In addition, the beneficiary will have to prove his co-financing capacity and to agree on an investment implementation plan together with FAO before signing the grant agreement.

16. What is the policy for receiving grant funds?

The matching grant payment will be made directly to a supplier, only after the grantee's matching contribution has been paid to that supplier and the effective delivery of the equipment has taken place.

17. Who reviews the application and what is the procedure?

All applications will pass the following stages:

1. Technical review and pre-screening
2. Screening and Scoring
3. Final approval – Application Review Committee (ARC) comprising members from the EU, FAO and the Ministry of Environmental Protection and Agriculture.

In case of rejection, the committee decision on grant applications' approval is final and irreversible, however applicants are encouraged to reapply for following calls with improved investment proposals.