



MINISTRY OF TRADE AND INDUSTRY

SOUTHERN AFRICA TRADE AND CONNECTIVITY PROJECT (SATCP)

REQUEST FOR SUBMISSION OF CONCEPT NOTES FOR CONSIDERATION OF AWARD OF MATCHING GRANTS UNDER COMPONENT 3 OF SATCP

Introduction

The Government of Malawi has received support from the World Bank (WB) for the financing of the Southern Africa Trade and Connectivity Project (SATCP). The project has four components: (1) reduce trade costs; (2) strengthen regional coordination and project implementation; (3) strengthen value chains for regional integration; and (4) strengthen transport infrastructure to improve market access. Jointly, the components address complementary constraints that hinder trade, investment, and economic opportunities.

The overall supervision of the project is under the Ministry of Transport and Public Works (MoTPW). Component 3 of the Project is being implemented with the technical support of the Department of Industry (in collaboration with Department of Small and Medium Enterprises (SMEs) and Cooperatives) under the Ministry of Trade and Industry (MoTI).

Component 3 of SATCP, “strengthen value chains for regional integration”, is, among other interventions, being implemented through, the issuance of matching and Business Plan Competition grants.

SATCP Component 3 and Specific outcomes

Component 3: Strengthen value chains for regional integration

- **Outcome 1:** Increased productivity and competitiveness of Malawian businesses within regional value chains.
- **Outcome 2:** Enhanced market access for smallholders and firms through partnerships with established players.
- **Outcome 3:** Development and adoption of innovative solutions to address regional trade challenges.
- **Outcome 4:** Improved trade coordination and integration with neighboring countries in Southern Africa.

SATCP Matching grants aim to foster collaboration between established businesses and smaller players, fostering knowledge transfer and market access for smallholders and



firms. The matching grants program is intended for Medium and Large Companies from the agribusiness value chain. Given their incidence and potential, as well as their current level of regional integration and export potential, the value chains prioritized are soya, sunflower, rice, poultry, groundnuts, Irish potato, beans, cassava, pigeon peas, sweet potato, pineapples.

Objective of Matching Grants

The objective of this Matching Grants is to increase access to markets in selected value chains along the targeted corridors through improved capacity, productivity, quality standards, and coordination.

SATCP is specifically targeting medium and large Companies in the central, southern, and eastern regions of Malawi, which fall within the Nacala-Beira Corridor. The SATCP targeted districts include Ntcheu, Dedza, Mchinji, Lilongwe, Balaka, Neno, Mwanza, Blantyre, Mulanje, Thyolo, Mangochi, Zomba, Chiradzulu, Phalombe, and Machinga. By focusing on these areas, the SATCP aims to stimulate economic growth and job creation within the Nacala-Beira Corridor.

Call for Concepts Notes for Matching Grants

SATCP is now inviting eligible medium to large companies from Agribusiness value chains under Component 3 to express interest by submitting concept notes for matching grants. The concept note (including annexes) should be presented using SATCP format and applicants are requested to download the Application form from the SATCP online portal using the link <https://satcp.mw/gpmgrants/#>. Concept Note clearly marked “**Concept Note for Matching Grants**” can be submitted through the online portal using this link: <https://satcp.mw/gpmgrants/#>

Use of Matching Grants

The investment will be channeled to the acquisition of:

1. Equipment;
2. Works/Infrastructure;
3. Capacity building and other technical assistance (not more than 5% of the total investment);
4. Inputs (not more than 30% of the total investment);

Ineligible expenditures include;

1. Regular operating expenses/working capital not directly linked to the program;
2. Salaries of employees;
3. Land acquisition;
4. Retroactive payments for expenses incurred before the date on which the grant agreement was concluded;
5. The financial participation in the equity of a company.



Asset Ownership and Usage

All assets purchased or acquired using grant funds shall be co-owned by the Grant Recipient/Firm and the World Bank SATCP direct beneficiaries e.g. small holder farmers or Cooperatives. This co-ownership shall remain in effect throughout the project implementation period and beyond. The Grant Recipient shall maintain proper records of all assets acquired with grant funds, including a detailed asset register.

The Grant Recipient/Firm agrees to use the assets solely for the purposes of the SATCP project and to maintain them in good working order. There shall be no sale, transfer, or disposal of assets acquired with grant funds without prior written consent of the World Bank.

Eligibility criteria for Matching Grants

Applicant companies are considered eligible if they meet the following criteria:

- To be a company registered in Malawi, proven by the Business Registration Certificate.
- To be a company Located and operating within one of the 15 SATCP districts along the Beira Nacala corridor: Ntcheu, Dedza, Mchinji, Lilongwe, Balaka, Neno, Mwanza, Blantyre, Mulanje, Thyolo, Mangochi, Zomba, Chiradzulu, Phalombe, and Machinga.
- To be a Medium or a Large company as per the MSME Policy definition.
- Be in operation for the past 3 years.
- Be tax compliant.
- Commit to applying climate-resilient standards to grant investment.
- Completed Grant Application Form (to be downloaded from SATCP online Portal). The eligibility criteria refer only to documents that must be submitted to be considered for funding.

These make applicants eligible for consideration, but not approved. “The project will provide both pre-disbursement and post-disbursement support”.

Enterprise Category and Eligible Amounts

ENTERPRISE CATEGORY		Medium	Large
No. of Employees		21-99	99 above
Annual Turnover (In MWK)		Above 50,000,000 - 500,000,000	Above K500,000,000
Maximum Assets (MWK)		250,000,000	Above k250,000,000
AMOUNT TO APPLY			
Grant Amount (USD)	Minimum	50,000.00	150,000.00
Grant Amount (USD)	Maximum	250,000.00	500,000.00
Applicant Contribution		25%	25%
Donor Contribution		75%	75%



Selection Process

For the selection process, the company must submit a complete matching grant proposal. The selection of companies to access matching grants will be based on the following selection criteria:

- 1) Proof of the company's financial capacity or via external financing to match with the requested company's contribution to the investment.
- 2) Technical and financial feasibility of the proposed investment.
- 3) Sales - Impact of the investment: potential of impact on the company's sales.
- 4) Employment - Impact of investment: demonstrated potential for job creation and/or better jobs.
- 5) Export potential in the region: demonstrated potential to export in the region.
- 6) Impact on smallholders, micro enterprises, and other value chain actors: minimum 50% of the benefits generated from the investment should go directly to smallholder farmers and small local producers or micro, small, and medium enterprises (MSMEs). Ability to integrate other micro enterprises or even small producers in the company's value chains, with the consequent creation of significant benefits for this target group.
- 7) Gender – Impact of investment: demonstrated potential for better economic opportunities for women, in the leadership of the company, as workers, as suppliers, or customers.
- 8) Youth - Impact of investment: demonstrated potential for better opportunities for youth.
- 9) Climate - Impact of investment: demonstration that investment contributes to mitigation and/or adaptation of climate change.
- 10) Compliance with social and environmental aspects in accordance with World Bank guidelines.

Submission of Concept Note

Concept Note clearly marked “**Concept Note for SATCP Matching Grants**” can be submitted through the online portal using this link: <https://satcp.mw/gpm-grants/#>

The Chairman,
Internal Procurement and Disposal of Assets Committee
Ministry of Transport and Public Works
Attn'-Project Manager
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*The deadline for submitting the concept notes is **13th December 2024**. Applications submitted after the deadline will not be assessed. SATCP is also encouraging women led organizations to apply.*