



Department of Agriculture, Government of Punjab

Agricultural Innovation & Development Enterprise (AIDE)

Matching Grants Scheme for Agribusinesses in Punjab

Promoting Entrepreneurship in Value-addition of Agricultural Products

Program Description

To address challenges related to slow growth of value addition in the agriculture sector of Punjab, Department of Agriculture, Government of Punjab has launched 'Matching Grants to Agribusinesses' Program under its Agricultural Innovation & Development Enterprise (AIDE) Fund to provide support in following Sectors:

- Fruits & Vegetables Pulping Enterprises
- Essential Oils Extraction Enterprises
- Fruits and Vegetables grading Enterprises

The purpose of the grants is to provide financial support and technical assistance to promote agriculture value addition in the above sectors, bridge technology gaps and improve business operations through business development services. This will result in an increased production of high value-added products; leading to an increased marketability for farmers' produce to increase their overall profitability.

The agribusinesses selected will receive Government's support as matching grant of up to 50% of total project's cost in form of technology (machinery, equipment, tools and software) and business development services.

FREQUENTLY ASKED QUESTIONS

1. What is a matching grant under AIDE Program?

Matching Grant is a mean to support entrepreneurs by providing up to 50% of the proposed project's cost in form of technology transfer (machinery, equipment, tools and software) and business development services. The government will match the entrepreneurs' contribution to the proposed project.

2. Who can apply for the grant?

- Any individual, partnership firm, joint venture or sole proprietorship who already has registered with SECP or registrar of firms in Punjab
- Any Pakistani citizen who will register his business with SECP or Registrar of firms before issuance of award letter

3. Can I apply for the grant without having a registered business entity?

Yes, you can apply, however award letter will be issued after registration of the business.

4. Will the Program assist me with registering a business entity?

NO, it is the sole responsibility of the applicant to get his/her business registered.

5. Can the grant be used for expanding an existing business?

Yes. Application is open for existing as well as new businesses.

6. Will the previous investment be considered as grantee's contribution/ share of the cost?

Yes, investment made in following areas will be considered the grantee's share, subject to approval of Management Grant committee

- Purchase or rental of land
- Building and civil works
- Hire of office staff and labour
- Operating expenses
- Purchase of office equipment
- Purchase of vehicles
- Debt owed to any party
- Interest on debt

7. What is considered grantee's contribution

- Any investment (existing or new) in following area will be considered Grantee's contribution t
- Purchase or rental of land
- Building and civil works
- Hire of office staff and labour
- Operating expenses
- Purchase of office equipment
- Purchase of vehicles
- Debt owed to any party
- Interest on debt

In addition above, share in purchase machinery, equipment, tools and software and business development services will also considered in Grantee's contribution

Can the grantee's contribution/ share of the cost be obtained through a bank loan?

Yes.

8. In case, I acquire loan from the bank for grantee's contribution/ share of the cost, will the AIDE Fund become a guarantor?

No. The AIDE fund will not become a guarantor. It is the sole discretion of the bank whether to sanction the loan to the grantee or not.

9. Can I engage other domestic/international business entities for funding, marketing, or implementation services?

Yes.

10. What is the range of each grant award?

From PKR 2.5 million to PKR 25 million, conditional upon the equal contribution by the grantee.

11. What is the geographic coverage of this grant program?

All areas of the Punjab province.

12. What kind of businesses are eligible for the grant?

All businesses in the following sectors are eligible to apply:

- Fruits & Vegetables Pulping
- Essential Oils Extraction
- Fruits and Vegetable grading

13. Is there any quota for women or young entrepreneurs?

There is no specific quota for women or young entrepreneurs, however, preference will be given, while evaluating the applications. 3 extra marks are for women and 3 extra marks for youth between the ages of 20-35 years. Thus, if a young woman applies she will receive 6 extra marks.

14. Will the grant award be provided in the form of cash?

Yes, it will be transferred into the grantee's account

15. When Government share will be disbursed

Grantee have to purchase the pre-agreed machinery, equipment, tools and software and business development services from his own cost, and it will be paid to Grantee after verification

16. What is covered in the grant award?

The grant money can be used to acquire:

- i. Machinery, equipment, product testing lab equipment and tools
- ii. Software for improved production/process management
- iii. Business Development Services to improve the applicant's business performance (minimum 10% of the grant money should be spent)

17. What is Business Development Services?

The BDS may include, but not limit to the following:

- a. Business diagnostics and business development strategies
- b. Business planning and business management
- c. Marketing, distribution, sales and / or export development
- d. Procurement planning and procurement management
- e. Production planning and operations management
- f. HR planning, management and capacity building
- g. Financial planning, budgeting and accounting
- h. Technical support, product development and process efficiency

- i. Certification, standards and adoption of quality systems
- j. Access to finance and formal credit
- k. Skills development of factory labor and technical staff
- l. Access to business, market and technology information, trends and updates

18. Can I buy second-hand or used machinery from the grant award?

Only new machinery can be bought with the grant money.

19. Do I have to return the grant amount?

It is a grant and not a loan, therefore you do not have to return that amount.

20. What is inspection/verification procedure, if any?

A nominee of the department will physically verify all the claims information which have been written in the application form.

21. What are the eligibility criteria for the grant?

Please review the EOIs, available at <http://www.agripunjab.gov.pk/tenders>. Matching grant application eligibility criteria is provided below:

Sr. No.	Criteria	Source of Verification (SOV)*
1	The applicant must be a Pakistani citizen	Computerized National Identity Card (CNIC)
2	The applicant's business must have a valid National Tax Number (NTN).	FBR NTN Certificate
3	Education level minimum Matriculation	SSC Certificate or Equal
4	The applicant's (Existing business) must be registered with the relevant authorities (in case the business is not registered at the time of application, registration must be completed before the issuance of award letter of matching grant).	FBR NTN Certificate showing business name in title or description and registered with Registrar of firm or any relevant forum of business registration
5	The applicant's manufacturing facility/services provision facility (existing or proposed) must be located in Punjab	Ownership Documents/ Rent Agreement/Contract Agreement
6	The applicant would have to contribute his/her share; at least equal to the amount of grant requested by him/her.	Annexure-II
7 Public limited companies and companies listed on stock exchanges are not eligible to		

apply. Government controlled entities are not eligible to apply.
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8 The applicant's business should be based on primary agricultural produce of Punjab.

22. What is the grant disbursement procedure?

Following procedure will be adopted in grant disbursement

- a. Applications will be evaluated based on the scoring criteria mentioned in the EOI documents.
- b. Applicants who will score qualifying marks will be contacted for physical verification of the assets claimed in the application form.
- c. After physical verification, award letter will be issued to qualifying applicant. Minimum score for qualification of existing business is 60/100 and for new business it is 38/100.
- d. Agreement having disbursement link results (DLR) will be signed. Template of the agreement for all grantee will be same, however, DLRs are editable will be finalized after negotiation with grantee
- e. Upon completion of DLRs on agreed timeline, Grantee will intimate to Department for verification of the DLRs
- f. After verification of DLRs by department's nominee, cost associated with the achieved DLRs will be transferred into grantee's account

23. For which expenses the Grant money cannot be used?

Grant money cannot be used for:

1. Purchase or rental of land
2. Building and civil works
3. Hiring of office staff and labour
4. Operating expenses
5. Purchase of office equipment
6. Purchase of vehicles
7. Debt retirement
8. Interest on debt
9. Working capital
10. Buying used or second-hand machinery. Only new machinery can be financed.

24. If the grant money cannot be utilised for the aforementioned expenses, can these costs be shown as grantee's contribution/ share of the cost?

Yes.

25. Can I submit multiple applications?

Yes, however, only one grant in ~~only one sector~~ will be awarded.

26. How much time does it takes for processing from application submission till approval?.

AIDE fund anticipates that decisions on the grantee's application will be made on or before 31 January 2021. However, delays may be expected due to unforeseen circumstances.

27. What is the expected duration of each grant?

Expected duration of grants ranges from 6 months to program life, which is, June 30, 2023.

28. Are there any trainings or question and answer sessions to support the grant program?

Yes, there is session scheduled on September 30, 2020 at 11.00 AM on Agriculture house 21-Davis road Lahore. In this session trainings will be given to the participants followed by question answer session. This session will be available live on Facebook

29. If I have additional questions about the grant program how and who should I contact?

All additional questions/clarifications can be obtained from the officer of chief Technical advisor Agriculture delivery unit 21-Davis road Lahore

30. Which mandatory documents need to be submitted along with the application form?

Following documents are required along as prescribed with the application form:

Sr. No.	Documents	With Application	Before Award Letter
1	CNIC of the applicant	<input checked="" type="checkbox"/>	
2	NTN certificate	<input checked="" type="checkbox"/>	
3	Last educational degree Certificate	<input checked="" type="checkbox"/>	
4	Business incorporation certificate issued by the relevant authority		<input checked="" type="checkbox"/>
5	Registration of Chambers/Associations or other business/professional bodies	<input checked="" type="checkbox"/>	
6	Land ownership/rent/lease documents (Registry, Fard, lease/rent agreement)	<input checked="" type="checkbox"/>	
7	Bank Account Statement (Last One Year)	<input checked="" type="checkbox"/>	
8	Brochure/Specification of the proposed machine/Plant/Equipment/Tool	<input checked="" type="checkbox"/>	
9	Factory/unit/service/end product have any following certifications/registrations	<input checked="" type="checkbox"/>	
10	Exposure Visit/ Exhibition Certificate	<input checked="" type="checkbox"/>	
11	CVs of Proposed Technical Team	<input checked="" type="checkbox"/>	
12	Declaration by the applicant on stamp paper of Rs 100	<input checked="" type="checkbox"/>	