



Lore Lindu Coffee and Cacao Innovation Fund

New Ideas for Coffee and Cacao in Central Sulawesi that Increase Farmer Revenues

SASCI+



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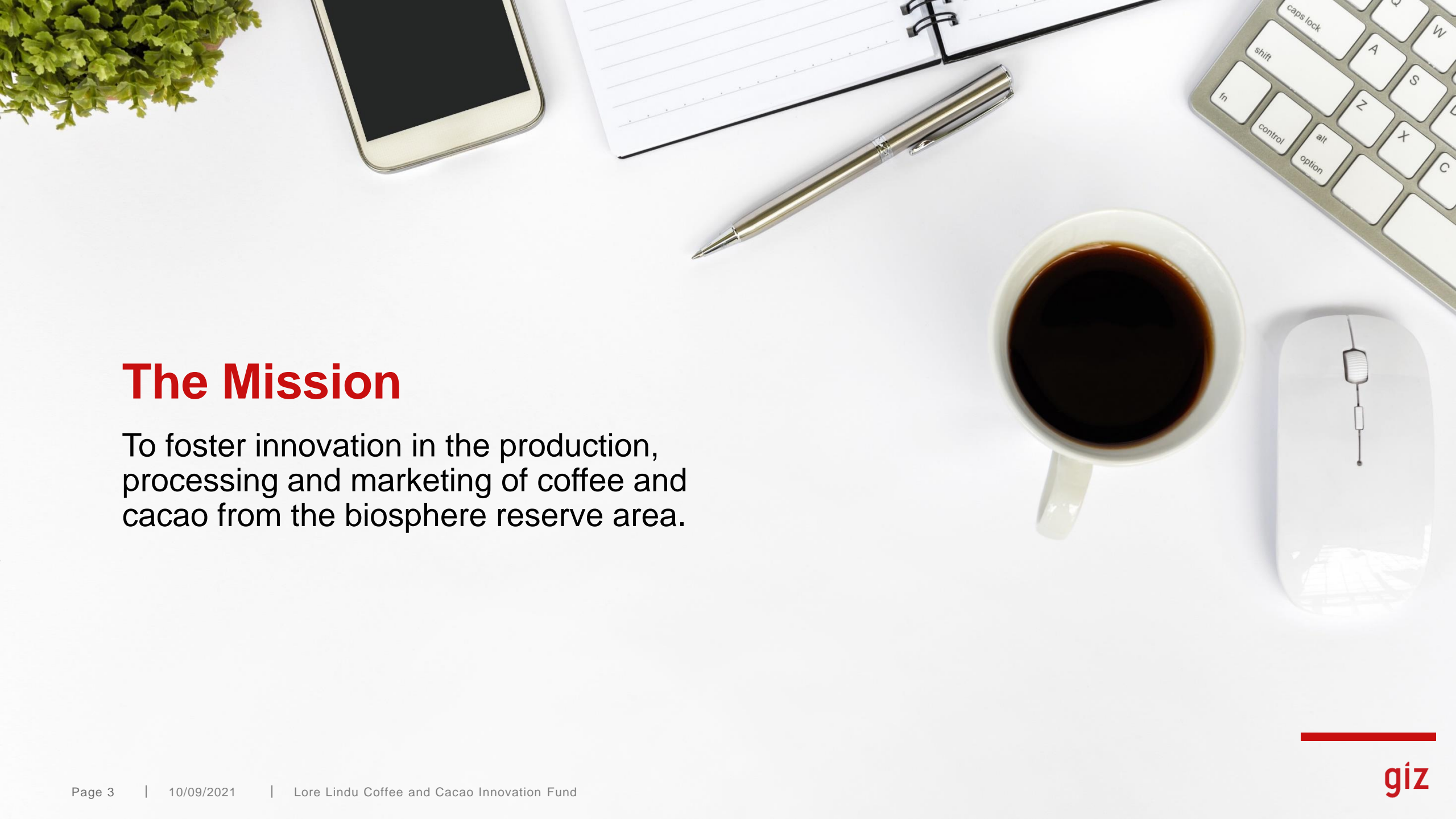


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*Indonesia has a uniquely innovative private sector for high quality coffee and cacao products, but Lore Lindu Biosphere Reserve Area has not been a focus of market leading companies, resulting in **low product values, low household incomes** and **endangering the environment and sustainability of farming in this region.***



The Mission

To foster innovation in the production, processing and marketing of coffee and cacao from the biosphere reserve area.



The Objective

Increase value addition and farmers incomes through **partnerships** and **collaboration** between farmer groups and other private sector companies.

The Approach

Private sector companies in Indonesia and abroad working with coffee and/or cacao will meet and be paired with farmer groups in Lore Lindu that are interested in their Project Idea and meet the company's needs (facilitated by Partner Pairing Support).

This collaborative team will apply to GIZ for matched contributions and support for their Project Idea, and if selected will create a budget and schedule to pilot the Project Idea with GIZ over the next two years.



Farmer Groups



giz










Private Companies

What We Will Provide

- Companies whose innovation ideas are approved will be invited to partner with GIZ for a **two year project commitment**.
- This will include up to **50% matched funding** (maximum 80,000€) to cover the cost of materials, technology and technical assistance.
- It is **not a cash disbursement-based fund**. Instead, GIZ will pay for the procurement of Eligible Costs and Activities.
- This partnership **requires matching contributions** from applicants (monetary or in-kind).



Each Applicant Must Satisfy the Following Selection Criteria

-  Established company or partner with an established company
-  Two points of contact (one must be executive / director level)
-  Commitment to the Funding Principles and co-funding obligation (including excluded expenses)
-  Eligible Program Structure, Costs and Activities
-  Innovative (not currently a practice or tool in use in the area. The innovation does not have to be created specifically for this Fund, any idea that would be new to the farmers in Lore Lindu can qualify as innovative.)
-  Value addition (ex. yield increase, quality improvement, improvement of post harvest loss, additional products, access to markets etc.)
-  Farmer income improvement



Eligible Project Structure

Target beneficiaries will partner with **target partners** who will pilot an innovative tool, practice or business model in order to provide value addition and increase farmers' income

Area of Focus

Increase value addition and farmers incomes through partnerships and collaboration between farmer groups and other private sector companies by implementing innovative tools, practices, and/or business models in the coffee and/or cacao supply chains that are scalable and replicable.



Innovative Farming Systems



Transparent and Inclusive Business Model



Access to New Markets

Possible Project Ideas

Innovative Farming Systems



- Innovative farming practices for low input/high input farms
- Practices for emission-free or deforestation-free coffee and cacao farming
- New and experimental processing and fermentation methods to create different profiles and increase quality
- Introduction to circular economy initiatives

Transparent and Inclusive Business Models



- Promotion of innovative vertically integrated (shelf-to-farm) systems
- Building digital and mobile systems that allow premium sharing distribution for coffee growers in the value chain
- Financing models that enable organizations and companies to invest in equipment and infrastructure, access to crop finance and other financial tools
- Develop tracking and traceability tools to increase transparency and visibility in the value chain (i.e., blockchain)

Access to New Markets



- Digital trading platforms and marketplaces to increase market outreach and sales (i.e., digital marketplaces, online auctions, social media outreach systems)
- Consumer facing activities (i.e., trade shows, festivals, campaigns, etc.)
- Innovations in roasting, brewing, and packaging (i.e., cold brew, RTDs, instant coffee, etc.)
- Support innovative implementation of certification and verification schemes to fulfil market demands

Our Targets



Beneficiaries

Smallholder groups, producer associations based in the selected districts of Lore Lindu Biosphere Reserve Area



Partners

Indonesian and international companies working in the coffee and/or cacao supply streams, in particular: privately owned processors, local chocolate and coffee companies, exporters, international buyers, service providers, technology companies

GIZ will help to introduce interested companies to eligible smallholder groups and producer associations

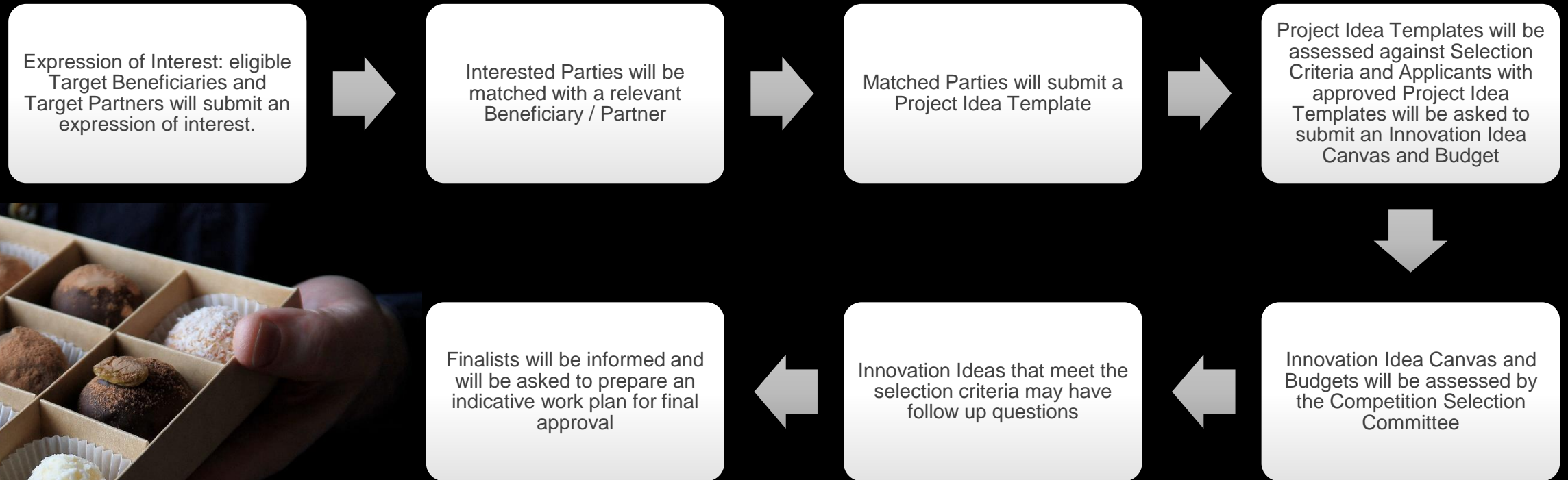
Eligible Costs and Activities

- Costs of external technical staff to provide specific services on the indicated activities;
- Travel and subsistence costs of the above-mentioned technical staff, where such travels are relevant for the execution of the project activities;
- Costs of seminars, workshops and other facilities emanating from the project;
- Costs of research and dissemination of information, printing etc.;
- Direct travel expenses in relation to e.g. improved planting material; development and dissemination or training delivery;
- Expenses in relation to pilot test of the improved planting material or inputs or execution models;
- Machinery and equipment needed for a disruptive innovation, (the ownership of this equipment needs to be transferred to farmers, farmers groups, NGOs or Civil Society Organizations at the end of the funding period);
- Development of new or improved business service (e.g. certification, embedded services), support to the establishment of inclusive business partnerships or costs related to support the creation of business linkages;
- Capacity development measures (technical, organizational, managerial) for supported VC actors and supporters.

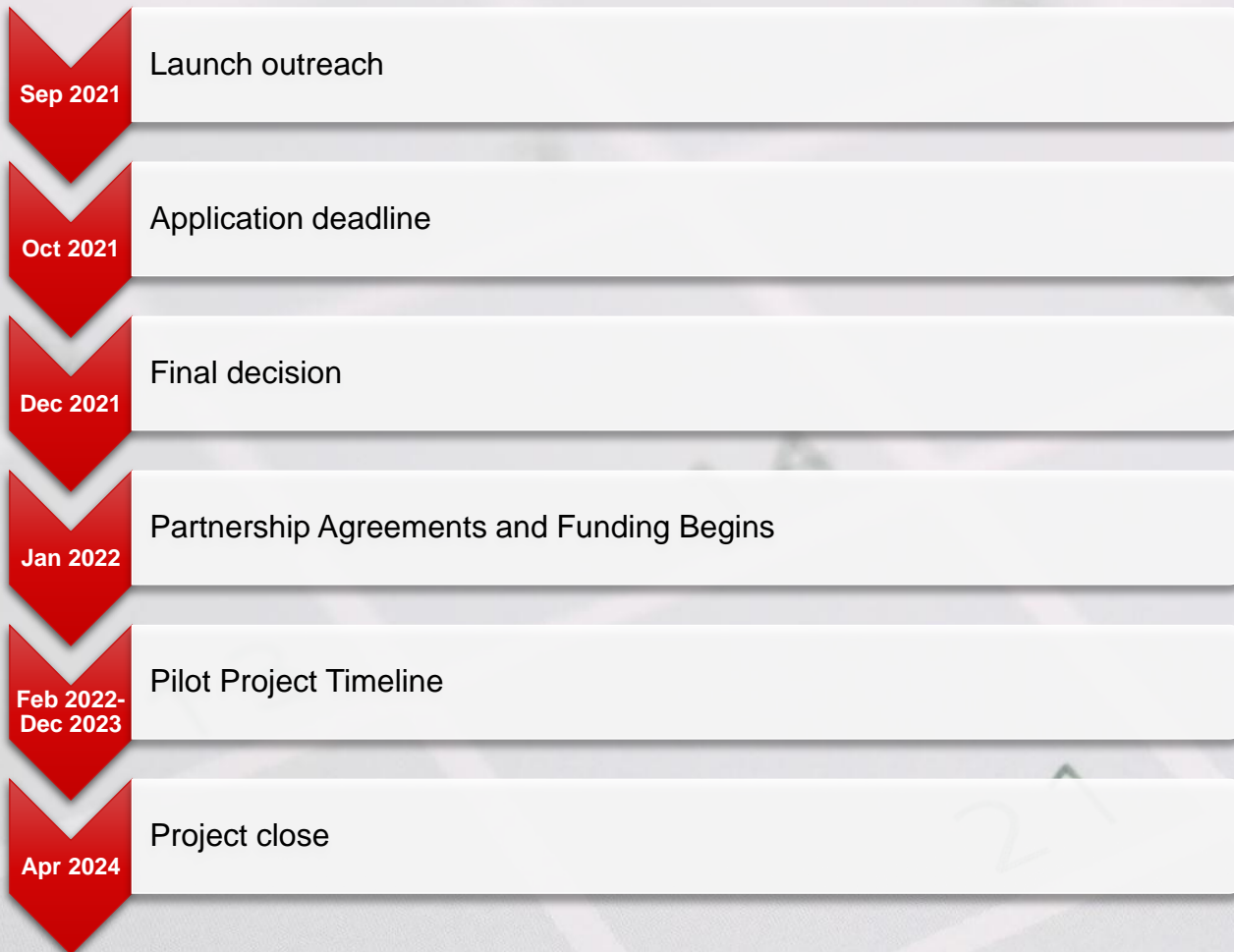
Ineligible Costs and Activities

- × purchase of land
- × taxes, including VAT
- × marketing costs, including advertising costs
- × items or activities previously financed by the Matching Grant Facility or another Funding agency
- × costs of free research and development;
- × costs of individual ventures;
- × imputed profit; Debts and provisions for losses
- × the share of interest in the amounts posted to the provisions for pension payments
- × transport of goods, insurance and bank transaction cost

Selection Process



Competition Timeline



For more information, please contact SASCI.plus@giz.de

Please put **Lore Lindu Innovation Fund** as the subject

There is no legal entitlement to funding from this programme.

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