

# Tanzania Cluster Competitiveness Program

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Cluster Grant Fund  
February 2010

# What is the CCP Cluster Fund?

- **Provides cost shared grants**
  - To improve the ability of industry clusters to become more competitive
  - Produce higher value products, services and improve quality
- **Grants range from USD 15,000 to USD 250,000**
- **Cost sharing depends on ability to pay**
  - CCP covers 80% for non profits & associations or 50% for private sector consortiums with broad cluster impact

# What types of Grants will be Considered?

- **Procurement of services & training** to support the adoption of int'l production and quality standards
- **Participation in training to upgrade** competence in technical or managerial processes.
- **Procurement of equipment** to strengthen cluster or value chain infrastructure needs
- **Procurement of services & training** to support equipment installation and sustainability

**Grants will be provided that support clusters of companies or entire value chains from input suppliers to processors and distributors to improve productivity, increase sales or increase employment.**

# Grant Award Process

1) Concept paper, registration form and estimated budget submitted either as unsolicited proposal or in response to an RFA

2) CCP reviews submitted info, does due diligence on host institution, approves/disapproves concept paper

3) For approved concepts – required clarifications are sought from host institution

# Grant Award Process (continued)

4) Cluster Grant Evaluation Committee (with TPSF member) reviews concept paper. If grant is to private firm consortium, and or for equipment, an RFA will be recommended and seeks cluster (stakeholder) input after making award. GEC makes recommendation to TL

5) Team Leader reviews GEC recommendation, seeks any clarifications, approves/disapproves

6) For RFAs, TPSF Procurement Unit prepares tender documents in coordination with CCP Special Fund Mgr and submits to Tender Board for approval

# Grant Award Process (continued)

7) Competitive tender is conducted by TPSF Procurement Unit (for RFAs)

8) Tender Board convenes to approve tender outcome (for RFAs)

9) Host institution is notified by CCP, signs grant agreement, contributes cost sharing

10) Purchase order is issued to third party supplier (for training, equipment, etc.) by TPSF (for RFAs)

# Which types of host institutions are eligible to submit a grant request?

- Business associations & national business groups
- Private firm consortia with a significant impact on an entire value chain
- Business support services providers
- Universities & private training institutions
- Local business development organizations(NGOs)

# Eligible Grant Example

A small regional processor with 600 dairy farmers supplying it with milk seeks to add three new refrigerated collection and storage tanks for deposits of raw milk. By doing this, the processor can increase its local purchases of raw milk by 30% from existing suppliers and add 200 new suppliers. The quality of the processed milk will increase as spoilage will be greatly reduced. This will open up Dar es Salaam as a market as they will have enough volume to use their refrigeration truck for deliveries. They propose to offer their farmer-suppliers an ownership stake in the cold chain. Dar distributors have indicated interest to buy from them when their volumes increase. They share this idea with the food processing association which agrees to help them write a grant concept paper.

# Grant ideas are selected for award in either of two ways

1) CCP and its partner institutions identify a need, which is discussed with cluster members and stakeholders. If consensus is reached that the need exists, an RFA will be issued to solicit proposals from interested consortia of cluster firms/individuals. RFAs will typically also be issued if the need involves equipment or if it determined efficiencies will be gained by allowing a private firm to lead the implementation effort.

# Grant ideas are selected for award in either of two ways (continued)

2) Or... a non-profit institution or cluster association may develop a concept paper on its own for a grant and submit an unsolicited concept paper to CCP. The concept paper will describe the problem, the proposed solution, how the solution will be sustainable and the expected impact to the cluster or a specific value chain.

# Submission of Concept Paper

Applicants develop a concept paper up to 10 pages stating the problem and proposed solutions, including the following:

- Problem Statement
- Background
- Proposed Solutions
- Impact to the cluster / value chain
- Sustainability
- Estimated Budget

Thanks for your attention

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