Ministry of Foreign Affairs

Activity: Poultry sector strengthening project (25-0001355)

Id	25-0001355
Date	04-12-2025
SAP application number	

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Key data

Activity basics

Type	Standard
Short name	Poultry sector strengthening project
Contract party	Technoserve, Inc. (30046172)
ODA	Yes
Amount EUR	20200000
Start date	01-01-2026
End date	31-12-2031
Full name	Benin Poultry Industry Transformation project
Summary	The project (BeniPoule) will apply a market systems development approach to contribute to a competitive, inclusive, and resilient poultry market system in Benin. Through partnerships with market systems actors, the project will catalyze the adoption of inclusive, regenerative, and commercially viable business models and work on systemic changes that address root causes of underperformance in the sector. The project will work on 5 interventions areas: 1. Professionalized poultry meat and egg production 2. Access to high-quality inputs and equipment 3. Commercialized aggregation and offtake 4. Access to financial and business services 5. Sector compliance and traceability The project will position the private sector as main change agent to drive structual behavioural change and scale innovation and sustainable solutions that will benefit smallholder farmers, MSME's and entrepreneurs (especially women and youth). The project will give opportunities to attract international and Dutch actors with expertise in the poultry sector.

Activity details

Date of receipt of proposal	27-08-2025
Proposal’s reference number	25-0001355
Budget holder	Ambassade Cotonou (8221COT)
Limit access	No
Related activity	

Accounting data

SAP application number	
Funds center	COT BJ Food security contribution (1702U01010005)

Policy data

Cooperation modality	Project support
Technical assistance	Between 25% (inclusive) and 50% (exclusive) of the activity budget
CRS code	31120 Agricultural development
Policy Keywords	
Refugees & host communities	No
Team Europe Initiative	No
Policy Markers	
__Trade & The Economy	Principal
_Security & Stability	Significant
Biodiversity	Not targeted
Climate change: adaptation	Significant
Climate change: mitigation	Not targeted
Desertification	Not targeted
Equality between men & women	Significant
Migration	Not targeted
Food security	Principal
Market development	Principal
Private sector development	Principal
Explain your choices	Principal: The project works on market development of the poultry sector and positions the private sector as the primary change agent to drive sector change with the aim to achieve poultry self-sufficiency, improve food security, and stimulate economic growth. Significant: Climate adaptation and gender/inclusion of women and youth are core principles of the project and are fully integrated throughout the different interventions such as climate smart practices and increased women/youth leadership in the sector as well as increased income and employment opportunities for women and youth. By working on (youth) employment and entrepreneurship also in Northern Benin, the project can (indirectly) contribute to stability/security by reducing the vulnerability of communities to violent extremism.

Beneficiary location

Beneficiary location	Country
Country	Benin
Location type	
Specific location	

Policy Appraisal

Policy relevance

- What policy objectives, as set out in the annual plan, policy notes etc., will this activity contribute to?

The activity aligns well with the new MACS (2026-2029) and the priorities of NL in Benin. The main objective of the project is to contribute to food security by working on an inclusive and resilient poultry market system in Benin that will increase local production of poultry and eggs. The project will contribute to two Dutch interests:

1. **Trade and economic opportunities**; by taking a market systems development approach, the project will position the private sector as the primary agent of change and will actively attract (Dutch) private sector. Trade and economic opportunities will be created for both national and international market actors in the Benin poultry sector.

2. And to a lesser extent, **stability and security**; in the North of Benin employment and economic opportunities will be developed, especially for women and youth, thereby contributing to reducing the vulnerability of communities to violent extremism.

Rationale

- What issue/problem will be addressed by the activity?

Over 90% of domestic poultry meat in Benin is produced by the almost 55,000 rural households that use indigenous 'bicycle' breeds and traditional production systems. Only 10% of the market is focused on commercial broiler production. This commercial production is concentrated in southern Benin, where there are higher population densities, stronger consumer purchasing power, and significant trade routes stemming from the southern port.
From 2015 to 2022 consumer demand for poultry meat has increased by approximately 40%, mainly by urban consumers. This demand has been filled by frozen imported poultry meat, while most Beninese households prefer local chicken breeds which are considered healthier and safer. With a planned ban on imported poultry products, especially frozen chicken, the government wants to stimulate the development of the local poultry sector and increase local production of poultry products.
In a first analysis, the project has identified 5 main sector problems:

1. **Inefficient domestic poultry production**, due to poor productivity and low earnings, poor and non-accessible extension services, and improper poultry farm management.
2. **Limited availability of affordable and appropriate poultry inputs** such as feed, DOCs (day old chickens), vaccines, etc.
3. **Weak offtake relationships and low processing capacity**, due to underdeveloped and outdated processing infrastructure.
4. **Limited access to affordable and appropriate financial and business services,** especially for small and medium enterprises in the sector.
5. **Weak enabling environment for poultry sector compliance,** such as lack of industry coordination and sector governance, weak enforcement of safety/health standards and under-resourced surveillance systems.

- Why does the activity help to address the issue/problem?

This new activity will contribute to an inclusive development of the Benin poultry sector, working with both household and commercial poultry production. The activity will specifically contribute to food security, increasing access of the population to protein-rich food (eggs and poultry meat). It will also contribute to increased quantity and quality of production of eggs and chicken meat and in this way increase income of small producers and SME in the value chain. Next to that, the project will create employment and entrepreneurial opportunities, especially for women and youth.
To tackle the sector problems mentioned above, the project will work on different intervention areas through a market systems development approach (MSD). This means that the project will put private sector actors at the core of the intervention to facilitate sustainable market change. For each intervention area, the project will work with existing market actors to co-develop commercially viable solutions that make the poultry market system more inclusive, sustainable, and resilient. By using a so-called 'Inclusive Business Plan' methodology, business cases are identified to link larger businesses with larger groups of informal poultry farmers. Experiences from Mozambique show that these kinds of interventions can be very successful, for instance by anchoring input and output markets around emerging and larger producers, which then open up access opportunities for smaller-scale producers in the vicinity.
The intervention areas below are directly related to the sector problems identified:

1. Professionalized poultry meat and egg production
2. Access to high-quality inputs and equipment
3. Commercialized aggregation and offtake
4. Access to financial and business services
5. Sector compliance and traceability

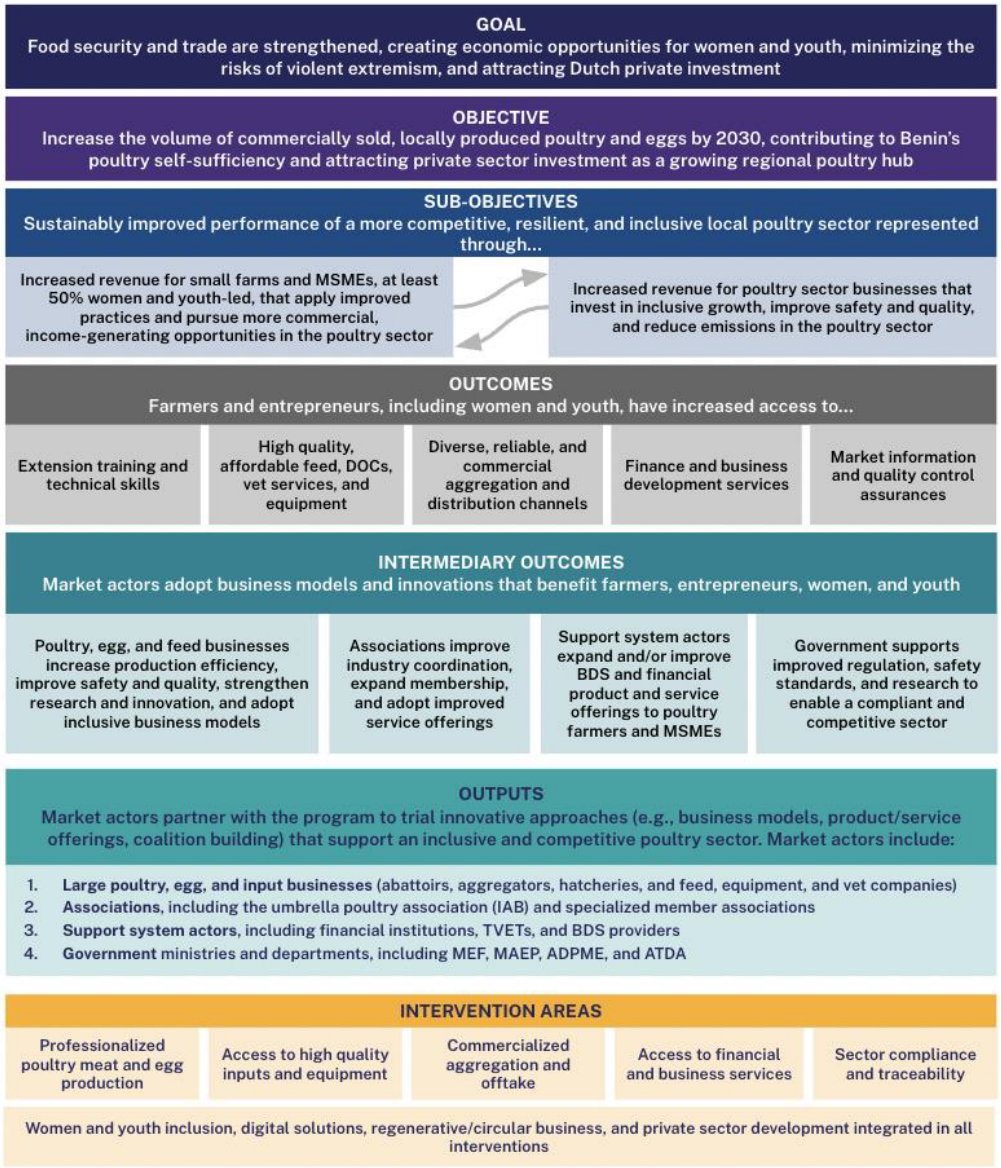
During the one-year inception phase, the project will undertake a structured, foundational process to establish a governance structure and program templates, scope market actors and relationships; refine and validate underlying causes and intervention areas; develop program and intervention strategies; and begin piloting. An important part of the inception phase is a Market Systems Analysis that will inform the project on constraints, prioritize solutions and identify potential intervention partners. Deliverables for the inception phase include (p. 35 of proposal):

- Team recruited, onboarded and trained
- Program launch event held
- Steering committee established
- Market Systems Analysis of poultry sector in Benin
- Detailed strategies for each intervention area (incl. landscape assessment, potential partners)
- Women and Youth Strategy and Action Plan
- Regenerative Business and Resilience Strategy and Action Plan
- 3 partnerships initiated (intervention design, results chains, and activities on the ground)
- Program templates for: investment memo; partner risk assessment; partnership / grant agreements; financial and narrative reports to be completed by partners / grantees
- Elaborated program MEL framework, MEL implementation plan and intervention guide template.
- Final inception report / program design document (10-20 page document linked to MSA)

After the inception phase and based on the deliverables, there will be an EKN decision (Go/No-Go) to approve further implementation.

- For ODA activities over EUR 250.000, please explain the Theory of Change

The Program level Theory of Change can be found below.



This ToC shows the anticipated structural and behavioral changes that BeniPoule will promote within the poultry market system, with the objective to increase the volume of locally produced poultry and eggs in Benin. The ToC indicates how partnerships with market actors under each of the intervention areas will contribute to the different outputs and outcomes. The ToC also includes a set of core principles that will be integrated throughout the project (women and youth inclusion, digitalisation, regenerative business, private sector development).
During the inception phase, and in line with the MSD approach, the project will develop more detailed strategies/ToC's for each of the intervention areas and refine the impact pathways (and related MEL framework, assumptions, risks, etc.) based on the analyses/assessments done during the inception.

Contextual analysis

- Who is/are the target group(s) and why?

The project will partner with **market system actors** in core and supporting functions to facilitate market systems change. This includes **larger and more commercial business** in the poultry value chain, as well as associations in the sector, support system actors (e.g. financial institutions, TVETs, BDS) and government institutions. Partnerships with these market actors will lead to transformative and sustainable change to benefit the target group of **small scale producers and MSMEs** in the sector, including at least 50% women and youth.
The project has a nationwide scope, targeting actors throughout the country. Some interventions will be more focused in southern Benin where there is more commercial activity and market infrastructure. At the same time, more favorable climate conditions in central and northern Benin give opportunities for increased semi-commercial poultry production and improved local breeds without the need for investment in environmentally controlled poultry housing. The northern part of the country also give ample opportunity for synergies with other programmes working on nutrition, youth entrepreneurship, employment, etc.

- Who are the other main stakeholders?

See above; The main stakeholders include different market system actors in the poultry sector. This includes poultry and egg producers, input businesses, distributors and processors, actors in supporting products and services to the value chain, as well as public partners responsible for the regulatory environment. Dutch actors with relevant expertise that can bring added value to the sector can be potential partners in the project.

- To what extent have stakeholders been involved in formulating the proposal?

The different public stakeholders have been involved in formulating the proposal (Ministry of Agriculture (MAEP), Ministry of Finance (MEF), Development Agency for SME's (ADPME)) as well as the Interprofession association (of producers, processors and distributors), private businesses, and other support organisations.

- Is the intervention aimed at a specific geographical location, and if so, why?

No, it is focusing on the sector-wide actors all over the Benin territory.

Added value

- What is the added value of the Dutch government being involved in relation to other donors, the EU, NGOs and local authorities?

While a lot is happening in the sector, this is the first project working through an offer- and demand integrated market systems development approach, which is an approach that should be able to create more sustainable and scalable results. Where other initiatives in the poultry sector in Benin focus on large investments/industries, this project works on inclusive business models to strengthen the linkages across the value chain and work with small scale farmers, women and youth as key market actors in the system.
Next to that, the Netherlands has a good reputation and expertise in the sector, where especially knowledge institutes and private sector actors can make a difference in the development of the poultry sector in Benin.

- Are the recipients making an own contribution or co-participating in the activity, and if so, to what extent?

Yes, the idea is to co-create interventions with public and private partners in the sector, that will in the long run be sustainable and inclusive. The idea is also that market system actors will contribute through a co-investment fund, where project investment requires a 30-50% match by market actors to ensure buy-in and long-term sustainability.

Lessons learned

- What lessons learned (from previous or comparable activities, published evaluations, relevant publications) will be addressed by the activity?

See pages 18-21 in the proposal for lessons learned. Most important lessons include:

- Supply-demand: demand-side interventions should be integrated in sector development, complementing supply-side activities;
- Inclusive business models: while many larger private sector actors wish to adopt inclusive or shared-value models, they need support to create implementable plans. (Inclusive Business Plan approach developed);
- Importance of financial services and other support functions: Financial services are critical and often a cost-effective use of program funds and deserve a dedicated portion of the project;

- Government buy-in: alignment with government strategies is essential and dedicated budget for government partnerships is recommended.
- Government capacity building: public-sector capacity-building should be balanced with the need for long-term sustainability. Monitoring of sustainability should focus on government engagement/commitment.
- Sourcing partners and interventions: maintain transparent processes for hearing partner ideas and selecting how to co-invest from the program. Close collaboration with other donors/investors to avoid double/overlapping funding of activities.
- Managing partners: effective partner management requires highly tailored partner management to match assistance required and regular/informal interactions (next to formal).
- MSD team capacity; MSD implementation requires specific team capacities/senior-level and therefore considerable budget (also for training).

Durability

- How will the results of the activity be sustained after its end date? What is the exit-strategy?

The project will be implemented with an MSD approach, meaning that all interventions will be embedded in the local system and implemented with local systems actors. Analysis will be done from the start (with for example the "who does-who pays" and "AAER" framework) how the intervention will be sustainable, but also scaled-up and copied by other system actors.

Gender

- Does the proposal include a gender analysis? If yes, what are the main outcomes? If no, why not?

The proposal includes an initial gender analysis which identifies specific barriers for women and youth in commercial poultry production. These include cultural norms, such as women being typically involved in traditional egg production. And resource barriers, such as limited access to land, credit and technology.

- Does the proposal justify the target group's gender-specific interests and needs (and why)? Please explain.

An initial assessment shows that in modern poultry farms 86% is male, where as in traditional poultry farms supplying household consumption the majority is women. The proposal has put women and youth inclusion as one of the core principles that will be integrated throughout the interventions (and targets 50% women and 50% youth). The goal is to transform unequal gender and age relations to more equitable sharing of power, control of resources, and decision-making. This will make women and youth more visible leaders in the sector and benefit from increased income and employment opportunities. Interventions are developed with specific attention to the interests and needs of these groups.

- Have women and young people been included in the stakeholder analysis? Please explain.

Women and youth are fully integrated in proposal. In writing the proposal, stakeholder workshops included representation of women- and youth-led enterprises to ensure their needs/interests are integrated in the programme.
During the inception phase, a specific Women and Youth Analysis will be performed as part of the Market Systems Analysis to further identify specific constraints and opportunities. A Women and Youth Strategy and Action Plan is part of the deliverables at the end of the inception phase.

Climate change

- Does the proposal include an analysis of the possible effects of climate change on the activity or its results?

Not yet. During the scoping and assessment process foreseen in the inception phase a Market Systems Analysis will be performed, which will include an Environmental Impact Assessment to guide partnership solutions and mitigate environmental risk associated with (intensive) poultry production.

- Does the proposal include any interventions to combat these effects (adaptation/mitigation)?

The goal is to support nature-positive and climate-smart practices that preserve biodiversity and strengthen eco-system services, especially through circular business models in the poultry and feed sectors. More detailed interventions will be developed with market actors based on the detailed assessment during the inception phase.

Cooperation, harmonisation and alignment

- Does the activity involve cooperation with Dutch organisations, the EU or other donors (including delegated cooperation), local organisations or other parties?

The projects involves many actors in the sector, such as (local) government institutions, private sector actors, industry association/federation/cooperatives, other donors and bilateral agencies. Involvement of specific Dutch (private) actors will be followed up during the inception phase to develop more concrete partnerships that can add value to the programme. The poultry forum in the Netherlands (May 2025) and the Trade Mission to Benin (Sept 2025) have already attracted interest among Dutch stakeholders.
Next to that, the project will set up a Co-Investment Facility of EUR 2.5 million to leverage co-investment to facilitate innovations and business solutions, rahter than directly finance service providers in the market system. The Facility will facilitate co-investment of larger market actors (at least 50% funding match required) and smaller MSME's (30-50% funding match required.

- How does the activity contribute to harmonisation and/or multi-donor financing?

The project works through a Market Systems Development (MSD) approach meaning that it complements existing donor and government initiatives (such as the World Bank, AfDB, AFD, and GIZ). The program focuses on facilitating market system change and catalizing inclusive business models, while ensuring complementarity through joint planning, information sharing, and alignment of activities with initiatives led by the World Bank, AfDB, AFD, and others to avoid duplication and leverage ongoing investments and learnings.

Using a market systems development approach, the project will also try to leverage both private sector finance and attract other donors, such as Swiss Agency for Development Cooperation (SDC), Agence Francaise de Developpement (AFD), European Union (EU), Belgian Agency for International Cooperation (Enabel), Global Affairs Canada (GAC), among others.

- What is the degree of (policy and financial) alignment?

The proposal has been co-designed with government counterparts including MEF, MAEP, and ADMPE, to ensure alignment with the 2021-2026 Government Action Program (PAG) by accelerating economic growth, promoting technical and vocational education based on industry needs, and strengthening sustainable development. BeniPoule also advances the Government of Benin's efforts to promote intensive and semi-intensive livestock production as outlined in the Strategic Plan for the Development of the Agricultural Sector (PSDSA) and the National Plan for Agricultural Investments and Food and Nutritional Security PNIASAN 2017-2021.

The project will continue the collaboration with government institutes to ensure involvement and alignment with other ongoing initiatives.

Digitalisation

- Have proposed digital technologies been developed or chosen in collaboration with end-users?

Digital solutions is another core principles that will be integrated in the different intervention areas of the project. Benipoule will support market actors in accessing digital platforms and adopting digital tools to increase efficiency in highly fragmented markets, expand reach, increase information and market accessibility, strengthen traceability, and build trust across the value chain. The project will also facilitate co-investment and co-design with market actors to pilot targeted digital solutions that align with their incentives and address specific pain points.

- Does the proposal include an analysis of the local digital ecosystem?

During the inception phase a Digital Market Assessment will be performed that builds from MinAgri (MAEP) Digital Rural Transformation Project to identify and assess existing digital initiatives related to the poultry sector and identify a coalition-based action plan for value chain digitalization that promotes inclusive, participatory, and human-centered development of digital tools with partners.

- Is data security guaranteed?

That will be one of the criteria of the digital ecosystem to develop.

- Are digital solutions locally sustainable/relevant?

Yes, definitely. The project will facilitate co-investment and co-design with market actors.

- Is duplication avoided?

Yes, all public and private market actors will be involved in the project.

Additional remarks (if applicable)

Results

Food and Nutrition Security

Indicators
Description how the activity contributes to the policy theme Food and Nutrition Security?
Measurements:

2. Improving the performance, sustainability and resilience of smallholder farming systems

Our 2030 target is to double productivity and income of 8 million small scale food producers and to convert 8 million hectares of farmland to sustainable land use.

Indicators
B.0. Improvements towards desired changes, transitions or transformations in the agricultural sector
Measurements:

3. Improving the enabling environment for FNS

In order to make structural impact, we facilitate a supportive and enabling environment for Food and Nutrition Security

Indicators
D.0. Improvements towards desired changes, transitions or transformations in food systems
Measurements:

D. D. Knowledge & Innovation Systems

Indicators
D.1. Number of SSFPs applying new technologies/practices that aim to transform food systems towards desirable outcomes (disaggregated for male/female)
Measurements: Target: 9315

E. Policy environment

Indicators
E.1. Number of reforms / improvements in major (inter)national FNS policies / laws / regulations, benefitting at least tens of thousands of undernourished people and/or SSFPs
Measurements: Target: 4

B. Productivity and Income

Indicators
Outcome B.1.1. Number of SSFPs (disaggregated for male/female) who progressively realize a living income
Measurements: Target: 7452

Reach B.2.2. Number of SSFPs directly reached with activities aimed at temporary/partial improvement of their agricultural performance
Measurements: Target: 15525

Reach B.2.3. Number of SSFPs indirectly reached
Measurements: Target: 95431

A. Malnutrition

Indicators
Outcome A.1.2. Number of people whose nutritional situation became more resilient to shocks
Measurements: Target: 95431

Private Sector Development

1. Strengthening the business climate

SDG target(s): 8a, 8.1, 8.3, 8.4, 8.5, 8.8, 8.10, 10.2, 17.11. Short description: In the result area 'strengthening the business climate', the approach is to strengthen the local business climate through interventions relating to infrastructure, youth employment and entrepreneurship, policy and regulation, institutional capacity building and social dialogue to strengthen MSME's within their ecosystem and improve their access to financial and other services.

Indicators
1.D. Number of MSMEs that utilize business development services. (IATI code XXX0004)
Measurements: Target: 1677

1.E. Number of MSMSEs gaining new or improved access to a value chain. (IATI code XXX0005)
Measurements: Target: 2396

1.F. Number of direct jobs supported in individually supported MSMEs. (IATI code XXX0006)
Measurements: Target: 14785

1.G. Number of direct beneficiaries supported to have raised incomes. (IATI code XXX0007)
Measurements: Target: 8986

1.J. Amount of mobilised private finance (in thousand EUR). (IATI code XXX0010)
Measurements:

1.N. Number of legal or policy reforms implemented. (IATI code XXX00014)
Measurements: Target: 4

1.R. Number of improved or introduced new products. (IATI code XXX0018)
Measurements: Target: 15

Monitoring and evaluation

Monitoring

- Specify what reporting information is required for this activity, based on the activity analysis decision tree (see Help).

Include the following elements:

3. Planning versus realisation: tracking progress against predetermined objectives as laid out in the project proposal.
4. Performance and quality: checking relevance and appropriateness of the implementing organisation's performance based on key assumptions in the proposal and the outcomes of the risk analysis.

Pay attention to the method and frequency of monitoring and describe the roles and responsibilities. For further information, see Help.

The proposal describes in general terms how monitoring (and reporting) will take place. *Monitoring and reporting will follow the logical framework, linking activities and outputs to targeted outcomes and impact. A streamlined set of key performance indicators (KPIs) will measure progress at the household, firm, and market system levels. … The logical framework may be adjusted as BeniPoule continues to gather evidence and learn about causal pathways through its implementation, and develops specific results chains (and associated indicators) for each of its intervention areas.*

TechnoServe will use robust digital tools for data collection, management and analysis.

Monitoring will include at least:

- Annual reports (narrative and financial)
- Annual audit reports
- Steering committee* meetings (2x/year), including at least one field visit.
- Quarterly internal (project team) reviews**
- Field visits
- regular (informal) exchanges with the TechnoServe project team

* **The Steering Committee** (which will be formed during the inception phase) will provide strategic oversight and advise on the overall program direction, coordination, and risk mitigation, as well as suggest necessary adaptations. The Steering Committee will include Representatives of government (MEF, MAEP), ADPME, national poultry agency, EKN, and other relevant actors such as private sector, poultry industry associations, women/youth representation, finance institutions and TechnoServe representatives.

** **Quarterly internal reviews**: Knowledge management and learning play an important role in supporting the scaling and adoption of the changes and innovations introduced by the project's interventions. MSD tools including the Adopt, Adapt, Expand, Respond (AAER) framework and systems change lead indicators (changes in actor behavior, dialogue, or market signals) will be used during quarterly internal reviews to assess project progress plus the nature and degree of ongoing system changes. These reviews will directly feed into the project's strategy and provide an evidence base for changes needed (adaptive management).

A more detailed MEL plan will be elaborated in the inception phase as well as a baseline study. Based on the different assessments/analyses, the results framework will also be finetuned (including indicators and targets). For the main (MFA) result indicators, see 'Results' section.

Evaluation

Describe whether a final evaluation and/or a mid-term review has been planned. If yes, state:

- who will commission the final evaluation and/or mid-term review (for options, see Help);
- whether the procedure and practical arrangements have been agreed on with the implementing organisation (for details, see Help).

TechnoServe's policy include for all programs "*a right-fit evaluation, balancing rigor with practicality to capture attributable progress on outcome and goal-level indicators and key lessons learned*". This program's evaluation plan will be in line with the DCED standards and tailored to capture the complexity and indirect nature of systemic change. MSD interventions often influence market actors and systems over time, requiring evaluation methods that go beyond linear attribution and account for dynamic feedback loops, actor behavior shifts, and sustainability.

The planned evaluations (mid-term and end-line) will use a mixed-methods, theory-based framework aligned with right-fit principles and MSD best practices. The evaluations will address the following:

● Assess systemic changes in the poultry value chain, including shifts in behaviors, relationships, norms, and incentives that contribute to a more inclusive and resilient market system.

● Determine the program's attributable impact on improved outcomes among farmers, entrepreneurs, women, and youth, such as increased productivity, income, food security, and social stability.

● Generate actionable insights to inform adaptive management, refine implementation strategies, and support learning for future

MSD programming.

● Theory of change validation: Revisiting and refining the theory of change to reflect emerging patterns and pathways of change.

The evaluations will use quantitative surveys to measure changes in outcome indicators (e.g., income, food security, productivity), and will deploy contribution analysis (assessing the extent to which observed changes can be reasonably linked to BeniPoule interventions, while accounting for external factors); outcome harvesting (identifying significant, intended and unintended changes across the system); and/or systemic change assessment (evaluating signs of scale, sustainability, and replication of improved practices and innovations).

The baseline study will be part of the inception phase and commissioned/executed by TechnoServe. The mid-term evaluation will take place after 2,5-3 years and will be commissioned by the EKN. The end-line evaluation will be commissioned by TechnoServe.

The budget initially reserved for the mid-term evaluation in the overall program budget will be considered budget reserved for 'evaluations' and can thus be used for the baseline study and/or end-line evaluation. TechnoServe will be requested to clearly indicate this in the relevant financial part of the Annual Report/Plan.

The embassy will reserve an amount of EUR 200.000 in the activity budget for the mid-term evaluation. This amount will only be committed in 2028 or 2029.

Finance

Budget breakdown

- Include an overview of the activity budget, including overhead costs.
- Is the budget arithmetically correct?
- Are the amounts/rates in the budget acceptable?
- Briefly explain the structure of the budget.
- Are overheads proportional to outputs? What is included? What is recharged?
- Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended)

Budget per Intervention Area	
Intervention Area 1: Professionalized Poultry Meat and Egg Production	3.511.176
Intervention Area 2: Access to high quality inputs and equipment	3.911.343
Intervention Area 3: Commercialized aggregation and offtake	3.511.176
Intervention Area 4: Access to financial and business services	2.389.150
Intervention Area 5: Sector compliance and traceability	2.564.243
Administrative	2.294.731
Subtotal	18.181.819
Indirect costs (10%)	1.818.181
Total	**20.000.000**
Personnel Budget (part of budget lines above)	
Technical Staff	6.445.716
Administrative Staff	1.414.680
Total (excl. indirect costs)	**7.860.396**

The budget is arithmetically correct and amounts/rates are acceptable after discussion with TechnoServe. HR is the largest part of the budget and the salaries are on the higher end. This has been extensively discussed between the embassy and TechnoServe. The main reason for the higher salaries lies in the fact that the MSD (Market Systems Development) approach is used for this programme, requiring a specific set of skills. The Cost Proposal document (budget notes) contains clear and extensive explanation regarding this issue.
The budget is divided per intervention area, plus a separate budget line for administrative costs. Per budget line, the budget indicates costs in 5 categories (personnel, travel, equipment, consultants/professional services and activity and operational costs). The total personnel budget has been indicated separately as well. Local staff costs are increased annually by 5% whereas international staff costs are increased by 3% annually. All other cost is increased by 2,2% annually. These are maximum percentages, actual increase will depend on actual inflation rates, which is acceptable.
The proposal also includes a detailed budget per category and per year, including specific rates per activity/personnel/equipment/etc.
Overhead/indirect costs are set at 10%, which covers support to the project from TechnoServe's headquarters in the areas of finance, legal, program development, human resources, IT, knowledge management, and global security support. A specific summary note on the calculation of the indirect costs has been submitted with the revised proposal at the request of the embassy. The actual audited rate for indirect cost amounts to 19,09% but TechnoServe only charges 10% for this programme. This is acceptable.
Based on analyses and discussions during the Inception phase, the budget might be refined/updated but will not exceed the total budget of EUR 20M.
Another EUR 200.000 will be reserved under this activity for the external mid-term evaluation that will be commissioned by EKN COT.

Earmarking

5. Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why.

N/A. The Dutch contribution covers the complete project.

Prepayments

- Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice.
- What is the maximum percentage that can be paid as prepayment, and why?
- Which are the reporting obligations on the basis of which prepayments can be closed?

Following the decision tree, the size of the grant is higher than €25.000 and the criteria for a lump sum do not apply. The payments therefore need to be entered as **prepayments**.
The contribution is made to an NGO. The (residual) risks identified are low/easy to manage. This means **12-month prepayments** are made.
Maximum prepayment
Normally the embassy requires a 5% prefinancing by the contract party at the end of an activity. As the contribution amount is relatively high, TechnoServe requested the percentage to be prefinanced by them to be reduced to 2,5%. As this is still an (maximum) amount of EUR 500.000, this is acceptable. Therefore, for this activity the maximum percentage that can be paid as prepayment is: 97,5%.
Prepayments will be closed at the end of the project period based on approved narrative, financial and audit reports.

Available resources

	Foreign currency	**EUR**
Implementing organisation's own contribution		x
Firm commitments by other donors (for each donor)		x
Dutch contribution		20.000.000
Total available resources		20.000.000
Budget needed		20.000.000
Still to be financed		0
Soft commitments by other donors (for each donor)		x
Uncovered balance		0

6. Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.? N/A
7. If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity? N/A

Grant with a repayment obligation, loans, equity investment or guarantee

- Does the Dutch contribution take the form of a grant with a repayment obligation, a loan, an equity investment or a guarantee (either in whole or in part)? If yes, briefly set out the consequences for accounting and how correct processing in the financial records will be ensured.
- Are there revolving funds? If yes, please explain what will happen to any residual funds, how closure will take place and which agreements should be made.

N/A

Audit opinions

6. Is an audit opinion required for the activity (see Help)? Briefly explain.
7. Should the audit opinion be accompanied by an additional auditor's report (for example, on the risks set out above, or on monitoring that the organization carries out on its prepayments to other organizations)?

Yes, the activity budget is higher than EUR 5M (€20 M) and an audit opinion is required. (audit opinion + report of findings).