"From the legal code to the agricultural supply chain"

Putting corporate due diligence into practice: The Due Diligence Fund

Q&A

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Agenda

• DDF Goal & Strategy
• Who can apply?
• Which projects can be funded?
• Based on which criteria are projects selected?
• How does the process work?
• Next steps to your application
• Q & A
DDF Goal & Strategy

Goal: fulfilling corporate due diligence obligations with regard to human rights and the environment in agricultural supply chains. Focus: Primary producers in partner countries

Challenges
- Creation of Best Practices
- Technological innovations
- Cooperative approaches
- (depth of) risk analysis
- Complaint mechanisms
- Involvement of stakeholders

DDF’s strategy: Pilot promising, innovative and/or sector-wide project ideas, derive best practices for own/other supply chains and disseminate learning experiences
Who can apply?

**Partnership application consisting of:**

- **Business Partner:**
  - Private sector company, with operations in agricultural supply chains
  - Registered in EU, EEA, UK, Switzerland or BMZ partner country
  - Financial contribution according to enterprise size (25-100% funding sum)

- **Public-Benefit Partner:**
  - Institution/organization/corporation with public-benefit status
  - Registered in EU, EEA, UK, Switzerland or a BMZ partner country
  - Usually the financial recipient of DDF funding

**Cooperation partner**

- Local partners, foundations + associations, multi-stakeholder initiatives
- Part of the implementation, can receive / contribute funding
Which projects can be funded?

**Risk analysis**
Project proposal is based on **risk analysis**

**Measures on the ground**
Measures in one of the BMZ's partner countries and involvement of **directly affected stakeholders** or their **legitimate representatives**

**Focus Topics**

<table>
<thead>
<tr>
<th>Key due diligence processes</th>
<th>INA cross-sectional topics</th>
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<tbody>
<tr>
<td>Risk Analysis</td>
<td>Gender</td>
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<tr>
<td>Complaint mechanism</td>
<td>Deforestation-free Supply chains</td>
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<td>Purchasing practices</td>
<td>Digitalisation</td>
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<td>Living Income</td>
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**Sectors/Commodities**
All agricultural sectors/commodities incl. food and feed crops

**Funding period**
Measures to be implemented within **12 months** and completed by 31.07.2024
Project itself can extend beyond funding period
Based on which criteria are projects selected?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
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<tbody>
<tr>
<td>1)</td>
<td>Project implementation in Due diligence logic</td>
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<td>2)</td>
<td>General project design</td>
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<td>3)</td>
<td>Potential for adaptation and/or scalability</td>
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<td>4)</td>
<td>Potential for a high degree of efficiency</td>
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<td>5)</td>
<td>Gender-responsive and/or transformative impacts*</td>
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The DDF supports projects

- whose methodological **approach is suitable for adaptation by other companies** in the agricultural and food sector
- which have a particularly **high potential to mitigate human rights and environmental risks** effectively and sustainably
- which embed the intended measures in a **process-oriented implementation logic**

*5) Special gender corridor:
the two projects that **score highest** in criterion 5 are **guaranteed funding**
How does the process work?

1. Determination of potential eligibility
2. Determination of actual eligibility
3. Selection of projects for funding
4. Project implementation

- **Call for Proposals**: 17.11.
- **Communication of potential eligibility**: until 17.02.
- **Complete project proposal provided by partnership**: until 03.03.
- **Determination of actual eligibility by BMZ/GIZ and final evaluation by the jury**: until 14.04.
- **Funding approval until 31.05.**
- **Contract preparation by GIZ**: until 01.08.
- **Project Launch**
### Intro: Selected projects for DDF Round 1

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Location</th>
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<tbody>
<tr>
<td><strong>Increasing women's incomes</strong> by building a sustainable gum arabic supply chain with an integrated grievance mechanism</td>
<td>Gum Arabic in Uganda</td>
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<td><strong>Risk analyses</strong> for approx. 20 spices/herbs &amp; provision of risk information in database</td>
<td>Botanicals in China, Brasil, Indonesia</td>
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<td>Development of an inter-company grievance mechanism for the cocoa sector in CIV</td>
<td>Cocoa in Côte d'Ivoire</td>
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<td>Common grievance mechanism for the Brazilian coffee supply chain</td>
<td>Coffee in Brasil</td>
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<td>Empowerment of a cooperative of cashew farmers (focus on child labor and gender equality, due diligence training)</td>
<td>Cashew in Côte d’Ivoire</td>
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<td>Establishing transparency and traceability in the cotton supply chain</td>
<td>Cotton in Pakistan</td>
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</table>
What support is provided by INA?

<table>
<thead>
<tr>
<th>Category</th>
<th>Support Provided</th>
</tr>
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<tbody>
<tr>
<td>Application procedure</td>
<td>Public Q&amp;A-sessions + <strong>individual support</strong></td>
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<tr>
<td>Drafting</td>
<td><strong>Further development</strong> of the project idea; <strong>search for project partners</strong> (also on site)</td>
</tr>
<tr>
<td>Project support</td>
<td>„<strong>Companionship</strong>“ by INA experts from topic areas</td>
</tr>
<tr>
<td>Public relations</td>
<td><strong>Communication on INA platforms</strong> (e.g., website, LinkedIn, events)</td>
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Next steps to your application

1. Think of a project idea
2. Look for partner(s)
3. Draft project outline

contact ddf@giz.de for support at any time!
Further Information

Application procedure: open until February 19th, 2023

Find further information on:

- https://www.nachhaltige-agrarlieferketten.org/foerderungen/due-diligence-fund/
- ddf@giz.de
- [INA Lunchbreak Recording]

We are looking forward to receiving your applications!