



FAO Support to the food safety under the ENPARD IV programme

Grant Operational Manual

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Support package 7

“Support package for small and medium-sized hazelnut producers”

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Acronyms used

ENPARD - European Neighborhood Programme for Agriculture and Rural Development

FAO – Food and Agriculture Organization of the United Nations

FBO – Food Business Operator

GOM – Grant Operational Manual

MEAL- Monitoring Evaluation Accountability and Learning

MEPA – Ministry of Environmental Protection and Agriculture of Georgia

NFA – National Food Agency

PIU – Project Implementation Unit



RDA –Rural Development Agency

SMEs – Small and Medium Enterprises

SPS – Sanitary and Phytosanitary

UN – The United Nations

Definition of key terms used

Matching grant: Investment support provided by FAO to cover part of an investment in equipment.

Matching contribution: Financial contribution provided by the grantee to cover part of an investment in equipment.

Grant application: Application for a matching grant from FAO comprising a grant application form and all related supporting documents.

Grant agreement: Agreement signed between the grantee and FAO outlining the extent of the investment support provided, the grantee’s obligations, and the general provisions of the contract.

Program’s platform: Online platform which serves as the main interface between the applicant and FAO. All grant applications will be directly uploaded on the platform.

Personal file: Secured and individual file on the program’s platform where the applicant can upload his grant application.

Technical review: Technical review of the grant applications performed by FAO analyzing the general vision and coherence of a proposed investment support and its adequacy with the program’s objectives.

Verification field visit: Field visit to the applicant’s premises by FAO to verify on-site the main assumptions included in the grant application.

Investment implementation plan: Detailed timeframe outlining the different milestones to complete the investment support.



1. Introduction

This Grant Operational Manual (GOM) outlines the administrative, technical and financial processes to be used for support package 7 “*Support package for small and medium-sized hazelnut producers*” under the Food and Agriculture Organization (FAO) support to the Food Safety and Sanitary and Phytosanitary Sector in Georgia under the European Neighborhood Programme for Agriculture and Rural Development, phase four (ENPARD IV).

FAO support to Georgian food safety and Sanitary and Phytosanitary (SPS) sector under ENPARD IV aims to support producers and Food Business Operators (FBOs) through support packages, aimed at allowing for the implementation of SPS/food safety regulations and requirements. These support packages comprise first a technical assistance provided to beneficiaries, and then a financial support mechanism in the form of a matching grant for the purchase of equipment directly linked with the implementation of SPS/food safety standards.

The programme has already implemented six support packages where the financial support mechanism came in form of supplier-delivered matching grants for which a separate GOM was prepared and approved at the inception phase of the project. Based on the experience and opportunities identified during the implementation of the project over the past two years, the Project Implementation Unit (PIU) has put forward a new support package in the form of a supplier-delivered grant targeting small and medium-sized hazelnut producers. This support package aims at improving post-production food safety issues by addressing the aflatoxin development risk identified in the hazelnut value chain, and in particular at farm-level due to poor post-harvest practices and equipment. Comprising a comprehensive training and an opportunity for a matching grant that will cover the purchase of equipment related to hazelnut drying, the support package also aims at incentivizing due legal registrations among the target beneficiaries.

All reviews and field visits foreseen under the selection process will be performed by a team of experts from FAO, that comprise of national grant analysts, international value chain expert and food safety expert. It is expected that the project activities will positively impact the food safety condition of Georgian hazelnuts and ensure higher compliance with national food safety regulations. The project is funded under the fourth phase of ENPARD and builds upon the results delivered by FAO and other partners through the projects that were implemented under ENPARD I, ENPARD II and ENPARD III.



2. Grant component scope, eligibility criteria, and eligible investments

2.1 Scope of the grant component

FAO support under this support package of ENPARD IV envisages the provision of matching grants to small and medium-sized hazelnut producers in the five main hazelnut-growing regions of Georgia, namely Samegrelo Zemo Svaneti, Guria, Kakheti, Adjara and Imereti, which account for 98% of the national production.

2.2 Eligibility criteria for applicants

The provision of a matching grant will be based on a list of eligibility criteria that will have to be met by all applicants, as well as a technical evaluation of the grant applications. To be eligible, applicants will have to meet the following criteria:

- Have participated in at least one hazelnut food safety training provided by FAO under the ENPARD IV programme.
- Own or manage between 0.5 and 30 hectares of hazelnut groves in the eligible regions.
- Have an active business currently engaged in the production of hazelnuts in Georgia. The business must be majority owned by citizens of Georgia (over 50%) and provide appropriate supporting documentation as detailed in the application form.
- Have available premises deemed suitable to install the equipment.
- All applicants must be duly registered under Georgian law at the Public Registry (National Agency of Public Registry). Applicants will be asked to hold a legal status. Applicants must not be bankrupted, liquidated, nor have their affairs administered by the court.
- Applicants should not have any ongoing dispute with the Revenue Service, National Bureau of Enforcement, or other respective government bodies.
- All applicants must attend hazelnut food safety trainings that will be organized by FAO prior to the grant agreement signature.
- All applicants may be subject to a field visit performed by FAO's food safety expert to assess the technical adequacy of the proposed investment and ensure alignment with project objectives. The results of the field visits and technical assessment will be outlined in a report.
- Applicants who have already received matching grants under ENPARD IV may apply again only if their initial grants are fully and successfully implemented (including the processing of the last due payment to the supplier), no breach of the first grant agreement has been identified, and the new proposal finances items that were not previously funded by the first grant. However, the sum of all grants awarded to a single beneficiary under the program must not exceed the maximum cumulated ceiling of USD 50,000. If the proposed budget exceeds this ceiling, partial funding may be considered, with budgets adjusted as needed. All grant windows under ENPARD IV are independent, and receiving a grant under one does not guarantee or influence the outcome under



another. The eligibility conditions and selection criteria under this window apply equally to all applicants, regardless of whether they have previously received a grant under the program. Applicants must be committed to adherence to high ethical business standards, including transparency in business dealings, disclosing any actual or perceived conflicts of interest, record and book keeping.

- Applicants cannot be involved in UN prohibited activities; have existing defaults on other assistance programs; or be a direct relative (spouse, child, parent or brother/sister) or business associate of FAO or FAO implementing partner organization's staff.
- The applicant shall take all reasonable precautions to avoid any conflict of interest and shall inform FAO without delay of any situation constituting or likely to entail a conflict of interest including any FAO personnel, any individual or entity involved in the grants process, whether in relation to application, technical review, selection, monitoring, payment or any other component, or any person from a contracted partner of FAO, having an interest of any kind in the applicant's activities.
- Any type of fraudulent action will result in immediate termination of the project by FAO.

2.3 Eligible investments

The program will be implemented through supplier-delivered matching grants. The list of eligible investments includes:

- Vertical hazelnut dryers, multiple capacities
- Conveyor Belts and/or Vertical Elevators for Loading and Unloading Destoners
- Destoners (Stone and Heavy Impurity Separator)
- Hazelnut Cleaning Tables

Each equipment is offered by one or more suppliers at conditions pre-selected by FAO through a competitive process prior to the grants' call for applications. Technical specifications for each of the selected equipment can be found in Annex 1 of the GOM. Applicants will be offered the opportunity to apply for one or more of the equipment in the list above, with a combined grant value lower or equal to USD 50,000. For more details about the equipment and the conditions offered, please refer to the project's website.

2.4 General principles and investment support ceilings

The program requires beneficiaries to co-invest 30% of the total investment in cash. This matching contribution requirement will apply to all applicants with the aim of ensuring that beneficiaries are committed to the project and are financially capable of implementing it.

The program considers cash made available specifically and directly for the investment plans as eligible forms of matching contribution. The matching contribution will have to be paid by the grantee to the



supplier following the signature of the grant agreement, and prior to the delivery of the equipment. No in-kind contribution (such as labor, donated land, equipment, etc.), leasing, or other donor funding (“single funding rule”) can be considered as part of the matching contribution.

The total matching grant that can be provided by FAO should not be below USD 1,000 or above USD 50,000. The matching grant will be disbursed directly to the equipment suppliers, following the successful payment of the matching contribution by the beneficiary and the delivery of the equipment by the suppliers. While an applicant can receive several grants, the aggregated amount received under ENPARD IV cannot exceed the maximum ceiling of USD 50,000. All matching grants should be implemented at least three months before the end of the ENPARD IV program. All applicants will be responsible for payment of all relevant taxes/fees according to the Georgian legislation.

3. Application process

The process for the support package will follow a sequence of well-defined steps:

Phase 1: Outreach to potential beneficiaries

The PIU will coordinate with other FAO ENPARD IV project teams, namely communications and extension teams, in order to ensure that the information about the support package has a wide reach of potential beneficiaries across the country. Firstly, existing social media and information channels will be used to announce the opening of the support package and invite potential beneficiaries to apply. The channels used will be FAO Georgia Facebook page and website, as well EU in Georgia Facebook page. The PIU will also liaise with counterparts from MEPA and NFA to inform them about the launch of this funding opportunity. To identify and inform potential eligible applicants, FAO will also rely on the list of roughly 5,000 hazelnut producers that have received technical training under support package 4.

Outcome: Potential beneficiaries have been directly or indirectly informed of the support package opportunity and invited to submit their application through a dedicated platform.

Phase 2: Application creation on the grant’s management platform

Applicants will need to register on FAO’s grant management platform, accessible through the project’s website. To register, applicants will be required to upload their profile information, including their credentials and contact information. Upon submission of their registration request, the applicants will receive unique identification credentials in order to access their personal file on the platform.

After creating their profile, applicants will be invited to fill in their application form:

- In order to file a grant application, all applicants should log into their personal profile on the platform.



- Applications should be prepared directly on the program’s platform and all necessary supporting documentation should be uploaded electronically. To be considered submitted, an application should contain all requested information and supporting documents.
- The applicant will be asked to provide detailed information about the strategy and the reasoning for the investment, information about the applicant’s business, as well as information about the equipment they are requesting. The application form will also need to include a tentative budget for the proposed investment.
- The applicants may request assistance from FAO in formulating their applications, through phone or email.
- Applicants will be provided with a set deadline to submit their applications. Applications received after the deadline will not be considered eligible.
- Only one application may be submitted by each applicant at a time, whether the applicant is submitting as an individual or a legal entity. If more than one application is submitted, only the largest application associated with the applicant will be kept.
- After submission, the applicant will receive an official confirmation receipt including the unique serial number of their application. The receipt will be electronic (e.g. confirmation email).
- Once submitted, an application cannot be recalled or amended in any way, except if required by FAO.
- Applications that do not include all the items and supporting documents required on the application platform may be rejected.
- In the case of applications by SMEs, applications must either be submitted or authorized by the legal representative of the company.

When filling the application form on the platform, the following supporting documents will be requested from the applicants:

1. Copy of the passport or national ID of the director/chairman/legal representative of the company.
2. Registration extract from the National Agency of Public Registry.
3. Extract from the public registry with cadastral maps/extracts and ownership of agricultural/commercial land, or rental contract if applicable.
4. Pictures of the farm, including of the premises where equipment will be installed
5. Detailed budget for the proposed investment.

Outcome: The applicant’s profile is created on the program’s grant management platform, the application is submitted, and all relevant supporting documents are uploaded.



Phase 3: Eligibility review

After the grant application has been submitted, FAO will perform an eligibility review to confirm the compliance of the applicant's profile with the minimum eligibility criteria of the support package, detailed in section 2.2. In parallel, the received documentation and supporting documents will be reviewed. In case some information is missing, the applicant will be contacted by FAO and requested to provide the missing information in a timely manner.

Outcome: The application form has been reviewed against eligibility and completeness by FAO. If eligible and complete, the application is moved to the next stage – first level technical assessment. If the application does not meet minimum eligibility criteria, it will be proposed for rejection.

Phase 4: Technical evaluation and scoring of the proposed matching grant

At this stage, FAO will technically review and score the proposed matching grant application. The scoring process is composed of an initial review by a FAO grant analyst and then of a peer review by the Grant Manager (Chair of the Technical Review process), in line with the four eyes principle. If deemed necessary from a technical perspective, the grant manager can request the technical opinion of additional members, either internal or external to FAO, and/or decide on a verification field visit to confirm the information included in the grant application form. This double procedure ensures a transparent and independent scoring process.

This technical review aims to ensure the compliance of the application with the scope of the support package considered and the grant operational manual requirements, as well as the soundness of the project from a technical perspective. This verification is limited to the eligibility, completeness, technical and programmatic adequacy, and budget.

Scoring criteria are detailed in Annex 2 of the GOM.

The applicant will be required to score a minimum of 70 out of 100 points. Applications that do not pass the 70 points thresholds will not be further evaluated and proposed for rejection to the selection committee. Applications that pass the 70 points thresholds will be proposed for approval to the selection committee.

A successful technical assessment does not represent, under any circumstances, a commitment by FAO to financially support the applicant for his/her/its project.

Outcome: The matching grant application has been technically revised and scored by FAO and is ready to be proposed for selection.



Phase 5: Matching grant selection and decision on award

The decision on the award of grant applications will be taken by a selection committee composed of the ENPARD Programme Manager (Chairperson), FAOGE Operations Specialist (Secretary), and FAOGE International Food Safety Expert, and a representative of the co-implementing partner (CzDA).

- The committee may select, reject, request additional supporting documentation, propose modifications, or add conditions to the approval.
- The selection will be documented in the minutes to be prepared by the PIU and include a clear justification for selection or non-selection for each application.
- Applications submitted and any attached documentation will not be returned to the applicants but will not be shared with any other institution without formal approval from the applicant.

The award decisions of the selection committee will be documented in a minute signed by all members. The signed minutes will then be shared with FAO project Budget Holder for final approval. The Budget Holder is responsible for final approval or rejection of the associated grant awards. The grant approval decision by the Budget Holder is final and irreversible. There is no appeal process against the decisions. However, FAO is committed to ensuring the most transparent approach to the grant management process, in line with the organization's ethical commitments, and will establish a Grievance Review Mechanism accessible from the grant management platform. This will provide applicants or beneficiaries with a transparent, effective and timely mechanism to provide feedback and voice their concerns. More details about the Grievance Review Mechanism can be found on the program's website.

Outcome: The proposed grant projects were assessed by the project's selection committee and the outcome of the meetings is documented in a minute signed by all three committee members. The minute is then shared with the Project Budget Holder for final approval and signature.

Phase 6: Zoho profile creation

In case the applicant has been successful, and their application approved by the selection committee, FAO will create an individual profile form on the Zoho monitoring platform used by the project to allow for a precise follow-up of all the activities to be performed through the support package process and for general record keeping.

Outcome: A monitoring profile has been created by FAO on the Zoho platform.

Phase 7: Preparation and signature of the grant agreement

1. Investment implementation plan:



Together with the future beneficiary, FAO will review the investment timeframe proposed in the application and will define an investment implementation plan that includes:

- a. the modality of support, including specific milestones to be achieved by the beneficiaries if deemed necessary.
- b. the approved budget of the matching grant award, including the detailed listing of equipment to be purchased, the details of the financing of the investments (matching grant, matching contribution), and the related suppliers.
- c. the payment schedule, with payments conditioned to the achievement of defined milestones if required. The payment schedule will be tailored for each investment based on the implementation requirements.

The beneficiary is fully responsible for the proper implementation of the approved investments.

2. Grant agreement signature:

The grant agreement, duly prepared and comprising the general conditions, the approved budget, the detailed listing of equipment to be purchased, and the investment implementation plan, will have FAO and the beneficiary as main signatories. Only the initial applicant may sign the grant agreement. Any deviation should be justified by a force majeure case and discussed with FAO prior to the signature.

By signing the grant agreement, the applicant commits on keeping and maintaining the entirety of the supported equipment for a minimum period of five years following the agreement signature date. Following the signature of the agreement, the grantee will have to fulfill their obligations detailed in the grant agreement within a period of 2 months. Shall the obligations not be fulfilled by the grantee within that period of time, FAO reserves the right to terminate the grant agreement unilaterally as expressed in the provisions of the grant agreement.

The applicant will also commit to an open-door policy and to facilitate visits to their premises upon FAO's request. The duties of the grantee also include a participation in FAO's technical assistance activities relating to the field of activity in their geographical region.

The investment support will be managed by FAO in compliance with the FAO grant operational manual, the Grant Agreement, and all other applicable FAO rules and regulations.

Outcome: The grant agreement has been prepared in collaboration with the future grantee, including a detailed investment implementation plan, the approved budget, and the detailed listing of equipment to be purchased. Once prepared, the grant agreement is signed by the grantee and FAO.



Phase 8: Matching grant payment

The matching grant payment will be made directly to the suppliers after the matching contribution has been paid to the supplier by the grantee and the effective delivery of the equipment has taken place. Supporting documents acknowledging the effective delivery of the equipment should be provided to FAO.

Following equipment delivery, FAO may organize an investment verification visit to verify beneficiaries' compliance with the Grant Agreement and achievement of the milestone objectives, if any. Once the delivery is successfully verified, and if needed once the investment verification visit is conducted, FAO will proceed with the payment to the suppliers within a reasonable delay.

The payments will never be made to the beneficiary but instead to the suppliers directly.

As per FAO regulations, any payment in currency other than USD will be processed at the official United Nations Operational Rates of Exchange applicable when the payment is issued¹.

In the case of multiple tranche payments, the payment of subsequent tranches will be subject to the validation of preceding milestone by FAO during investment implementation visits, as detailed in the following section.

Outcome: Upon confirmation of the matching contribution payment and of the equipment delivery, and if deemed necessary after a successful investment verification visit, FAO releases the first payment directly to the suppliers.

Phase 9: (optional) Milestones achievements and investment verification visits

In the case of milestones defined in the grant agreement, FAO will perform investment verification visits to verify beneficiaries' compliance with the Grant Agreement and achievement of milestones objectives before each due payment. The first visit should take place after the delivery of the equipment related to the first payment.

In the case of multiple instalments, FAO will perform one visit after each milestone objective is achieved. Achievement of milestones should be certified in writing by the PIU in the "Milestone Certification Report" before the release of each payment scheduled in the Grant Agreement.

Any possible deviation or anticipated delay relative to the schedule and conditions set out in the Grant Agreement will be reported by the PIU to the budget holder. Any request for modifications from the grantee after the signature of the grant agreement should be formally approved by FAO in written as stated in the provision of the grant agreement.

¹ United Nations Operational Rates of Exchange are published at <https://treasury.un.org/operationalrates/OperationalRates.php#>



Outcome: In the case of multiple payments, milestone achievements are certified through a field visit by FAO project implementation unit before each additional payment.

Phase 14: Monitoring activities

For impact evaluation purposes, FAO Monitoring Evaluation Accountability and Learning (MEAL) team may carry out evaluation follow-up visits to beneficiaries, or any other monitoring activity deemed necessary. These activities will be used by FAO as an opportunity to provide support and advice to the grantees to improve their performance and ensure efficient business operations, as well as to collect updated baseline information. The grantees will also be informed about other existing and expected development program activities.

To follow up on the investment activities and monitoring visits, FAO will collect and store information on the status of each investment individually. All of this data, along with general information about FAO implementation, impediments faced and solutions found, achievements and challenges, will be summarized on the Zoho monitoring platform used by the program. This data will include information on the condition of the beneficiary's business both before and after disbursement of the grant.

FAO will be responsible for data collection and for monitoring beneficiaries' progress. If a beneficiary is identified as "high risk" due to poor performance towards the targets, financial problems, inadequate management, or does not conform to the terms and conditions of the award, FAO will inform the beneficiary on the necessary measures, which can include agreement modification, suspension or termination in whole or in part.

Outcome: Monitoring activities are performed by FAO MEAL team to assess the effectiveness of the program and identify new potential needs or challenges at beneficiary level.

Notice: This grant operational manual is produced in both English and Georgian languages. Shall there be any discrepancy in the translation, the English version shall prevail.