



# HANDBOOK – **APPLYING TO THE LEMONAID & CHARITEA FOUNDATION.**

**LEMONAID<sup>+</sup>**  
**ChariTea<sup>•</sup>**  
Foundation

## **Content**

1.	Who we are and how we work.....	1
2.	Our focus areas.....	3
3.	Funding guidelines.....	5
4.	Application guidelines. ....	7
5.	Last but not least.....	14

## **1. Who we are and how we work.**

The Lemonaid & ChariTea Foundation is based in St. Pauli in Hamburg, Germany. It was established in 2010. The concept of Lemonaid and ChariTea is the result of a social entrepreneurial approach that combines a non-profit purpose with an organic fair-trade product from the beverage sector.

### **Our vision.**

Everyone has access to independent, self-determined and sustainable livelihoods.

### **Our mission.**

As the Lemonaid & ChariTea Foundation we support entrepreneurial and income-generating initiatives in regions that currently do not have fair access to the global economic system. We work with local organizations that implement projects for positive change and economic independence in their communities.

### **Our values.**

**Power critical:** In everything we do, we reflect the global power structures in which we are active. We must always be aware of the enormous inequality of power and opportunity within global power structures. Sometimes it can be difficult to perceive our own privileges – and even more so to renounce them. Since we are based in the global north, but active in countries of the global south, we refuse to accept that global power relations are unchangeable.

**Moving:** From the very beginning our motivation has been to use the Lemonaid project to motivate others to become active themselves. We see ourselves as catalysts addressing societal questions, making people aware of them and aspire to change them.

**Co-creative:** We can't change the world «drop by drop» on our own. We do this together with our partners. In an attempt to rethink development cooperation, we base our relationship on trust and on the following principle: our local partners know best what they need to solve the local (even if globally caused) problems they are faced with.

**Optimistic & passionate:** We are passionate about our work, with a positive attitude and energy.

**Our approach.**

Over the last few years of working directly with partners, we have learned that the local level is where we believe impact is needed most urgently. So, we built a portfolio of partners that are each change makers within their communities and regions, that are working with target groups directly and most of all who value open and transparent partnership. We are not the experts; we are simply enablers and keep on learning with each new project.

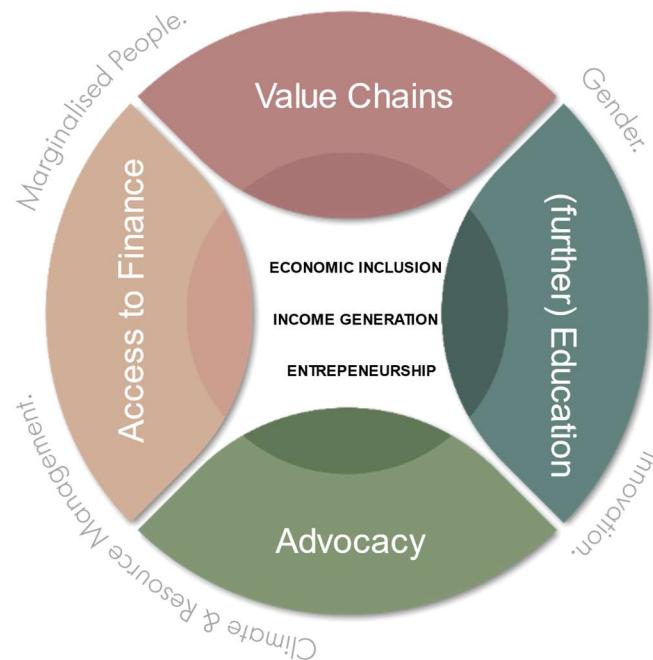
**Where we work.**

We are currently working with organisations in:

- +South Africa (Northern-, Western- and Eastern Cape)
- +India: Only the following regions: Tamil Nadu, Karnataka, West Bengal, Darjeeling, Sikkim
- +Sri Lanka
- +Rwanda
- +Peru
- +Mexico
- +Madagascar (newly added)

## 2. Our focus areas.

As our vision and mission already state, our concern is to contribute to a system that gives all people the opportunity to be economically included, to be entrepreneurial and to generate income. As such, our project grants focus on the interconnected areas of education, access to finance, value chains, and advocacy. In this context, our cross-cutting themes strengthen the inclusion of marginalized populations, gender, innovation, our climate and planetary resources.<sup>1</sup>



**Focus Areas of the Lemonaid & ChariTea Foundation**

### Value chains.

Growth as we have known it over the past few decades tends to exclude much of the population from the fruits of economic expansion. Thus, the challenge is to fashion growth into a more inclusive path. Here is a need to manage the access into the global economy and to ensure that incomes are not reduced or polarized further. These gains of being part of a global economy do not come automatically — the challenge is not whether to participate in the global economy, but how to do so beneficially. This focus area aims to create access to already existing value chains or create value

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<sup>1</sup> The focus areas have all been aligned to the Sustainable Development Goals (SDGS) and a full elaboration on each area is available if needed.

addition and creation in the local areas where partner organizations are active.

### **Education.**

All of our projects have one thing in common: they educate people in different ways and on different topics. The idea behind this: Those who have enjoyed a good education and/or training have higher chances of becoming entrepreneurs and generate their own income. The focus of our project funding is on vocational and further education, no matter whether formal education or informal education. Supporting education to the Lemonaid & ChariTea Foundation means contributing to an inclusive and equitable quality education, allowing individuals to make self-informed decisions and to understand the impact of their own action on their environment, to deal with a changing world and the potential risks.

### **Advocacy.**

The Foundation recognises that advocating for a marginalised group or a particular issue is necessary in order to potentially rally for more support, funding or simply bring attention to an under-resourced issue. In addition, complementary to implementing projects directly, advocacy here is seen as a necessary activity ensuring project success and manifests itself in the forms of legal advice and creating access to legal representation or offering legal services to marginalised groups or white papers through proposing policy direction to government bodies in order to influence decision making. Other forms of advocacy can be lobbying and trying to influence opinion making around a particular issue or awareness raising around a cause or situation.

### **Access to finance.**

The term access to finance is often simultaneously used with the term financial inclusion and refers to the use of financial services by individuals and businesses. The most common organisations providing financial services are banks. They ensure that individuals and business have access to financial services, which are e.g. taking up credits, deposit cash, make payments, save money and others. While big enterprises can easily obtain the financing they need, for small and medium size enterprises (SMEs) it is difficult and often even impossible to find financial support for starting or growing their business. This difficulty leads to viable businesses being unable to function. For SMEs alternative ways of accessing financial services are essential and those are often provided by our project partners. All in all, access to finance means to the Foundation to provide access to financial services for all marginalized groups and groups who do not have access to the official finance market.

We see access to finance as an enabler for entrepreneurial actions which have a greater social impact on the society around.

### **Cross-Cutting Areas.**

Cross cutting areas are sectors and topics that we believe need to be addressed to holistically contribute to a more equitable world. These are not necessarily the sole focus of a project but are or can be addressed in parts and are often interconnected.

**Gender:** We support projects that work towards decreasing structural gender related inequalities.

**Marginalised people:** We work with projects that target groups of people that have historically been excluded from development initiatives such as indigenous groups or people with disabilities.

**Innovation:** Projects that are focusing on a pilot, or trying out new ideas are innovative. We aim to support trial processes and are willing to learn together with our partners.

**Climate & resource management:** We look for projects which contribute to the resilience of their communities to climate shocks and promote resource management in order to mitigate the ongoing global climate crisis.

## **3. Funding guidelines.**

### **1. Applicants.**

The applicant organisation must be recognised as a charitable organisation, NPO or NGO in their respective country. Ideally the organisations apply directly, without facilitating organisations as we prefer funding organisations directly to avoid double overheads.

### **2. Project countries.**

Proposals from organisation with projects in the following countries will be considered: South Africa, Ruanda, India, Sri Lanka, Mexico, Peru and Madagascar. The project countries are fixed and we are not flexible as they are linked to our own funders' regional focus. So, if you are supporting target groups in other countries, please do not apply.

### **3. Timeframe & budget.**

Funding is available for amounts between 10.000€ - 50.000€ per calendar year.

The project duration is a maximum of three years. The organisation's own contributions should be:

- + In the first year, a minimum of 15%
- + In the second year, a minimum of 25%
- + In the third year, a minimum of 50%

Own contribution would usually be calculated in assets that are contributed towards the project such as property, or voluntary time. We specifically welcome entrepreneurial contributions generated by projects itself, or diversified funding streams (co-funding arrangements). We encourage applications for multi-year projects as we like to build relationships. However, if there is a strong case for a one-year proposal it might be considered.

#### **4. Evaluation**

Evaluation to funding can take up to 6 months. Please take this into consideration upon application. Evaluation is done via various different panels. Starting with the internal advisory board where a pre selection takes place and finalised with our external advisory board. A set of criteria has been determined that guides us through this process. The main criteria are

- + Does the project speak to one of our focus areas?
- + Does the project as presented seem feasible?
- + Who is involved in the project? Behind every effective project there is always a strong organization. And both must fit together. That's why we also take a close look at the implementing organization.

Should the project be selected further enquiries will be made by the Foundation and an evaluation visit will be scheduled. We fund only after a personal visit by foundation staff or associates has taken place.

#### **5. Funding approval**

In case of a positive decision regarding your application and once clarification, visits and administration is done, a Memorandum of Understanding is signed between your organisation and the foundation. The MoU outlines the objectives, timelines and disbursement arrangements, as well as reporting obligations. After each project year an extension to the original MoU will be signed.

#### **6. Reasons for disqualification**

Applications will not be considered if:

- + it is not complete
- + the organisation does not reside in a project country
- + it does not speak to one of the focus areas
- + it contains discriminatory content

## **4. Application guidelines.**

In the following pages you will find a step-by-step explanation for each section and point of our application documents as well as information we would like to have provided. This will help us to evaluate and most of all get to know your organisation and project.

### **4.1 Application document (Word):**

#### **1. General information**

Please provide your full contact **information**.

#### **2. Organisation**

**2.1** Please insert or attach your organigram. Understanding how decision-making works within your organisation and how you are organised helps us understand you as an organisation much better.

**2.2** This is your opportunity to let us know who you are. We value all of our partners and therefore aim to get to know them well. This is your opportunity to let us know who you are. Please insure you tell us why you do what you do, what you do and how you do it, as key markers. Very important to us is also to understand your founding story. Who started the organisation and why? Additionally, tell us what you have done previously, what have been your key successes? What are you known for?

**2.3** In order to understand the size and scope of your organisation please let us know what your overall budget has been in the last two years. How much funding have you had available? Please attach your last audited financial statements as well.

**2.4** Please list your various funding sources. If there are too many then concentrate on the most significant ones. Please also insert a reference (Telephone or email). It would be helpful if the projects are as recent as possible but please also list previous mile stone projects.

**2.5** It would be helpful to assess whether or not you have the relevant experience to implement the proposed project, through understanding the scope of a project previously implemented. So here you can let us know what relevant experience you gained from a previous project.

#### **3. Project**

**3.1** Where exactly are you implementing the project. Please also mention the specific region.

**3.2** Who are the people benefiting from your project, who is it aimed at?

**3.3** We just need numbers here. How many people benefit directly from this project? And how many people indirectly (for example the families of direct beneficiaries).

**3.4** How long is the project planned for?

**3.5** This is a very important section for us. Please try and summarise the essence of your project here. We use this part for various processes during the evaluation part, so please try and be as concise and precise as possible. This should not be longer than 2-3 paragraphs. Imagine having to pitch this project in under 2 minutes. What do we need to know?

**3.6** This is the space to use to make sure we have all the details. What is the wider socio-economic context, political context of the region? Why this target group and why this particular project. What are you planning to do, why do you do it and how are you going to do it? Basically, everything we need to know in order to represent what you do accurately.

**3.7** What is the total cost of the project overall and how much of that are you applying for from the Lemonaid & ChariTea Foundation?

**3.8** Who else are you cooperating with on this project? Are there other organisations involved and if yes, how much are they contributing?

#### **4. Focus areas**

Above (on page 3) we have explained in detail what our focus areas are. Please simply tick the boxes that you feel apply to your project. We use this to see how well your project aligns with our focus but also to simply be able to categorise projects according to focus area.

#### **5. Impact measurement**

**5.1** Impact measurement is important for all of us. For us as a foundation to see if our support generates desired outcomes related to our vision, and for you on a more micro level to see if your project objectives have been achieved, and it simply helps with project management. Do you already have a strategy? A system that guides you? If you do, please attach to your application and let us know here.

**5.2** Here you have the opportunity to let us know in narrative form what you aim to achieve with this project. What change are you hoping to generate and how will you know when you have achieved it? What bigger goals might exist, and are they aligned to national or regional strategies?

**5.3** This is an important part of the application and the one that tends to be the most confusing. If you already have a log frame simply translate the most important data from there.

Please list the project goals that are most important in order to achieve the overall impact of your project and, if not already done yet, formulate indicators that will measure what you plan to do or plan to achieve. The indicators can be quantitative or qualitative and you can choose whether their value is given in numbers, percentage or descriptions, but they should be always SMART (Specific, measurable, attainable, realistic and time-bound). You can find more information about designing indicators here: <https://bit.ly/3eIYnD8>. Please also specify a baseline and a target value linked to every indicator. There is space for more than one indicator linked to one goal if needed.

- + Baseline value: what is the value of the indicator before the implementation of the activities or project?
- + Target value: what is the desired value of the indicator to be achieved within the timeframe of the activity or project? (You can also disaggregate your targets along other dimensions such as gender, social groups, etc.)

Project Goals	Indicator	Baseline/Target
1. Cooperatives contribute to independent income generation for their members	amount of increased income per cooperative member	Baseline value: average monthly income 100 \$ Target value: 200 \$

**5.4** The activity plan lets you connect your activities to your project goals. This might actually help you to double check whether or not the planned activities actually contribute to the desired outcome. Also, it allows you to cost activities a bit more effectively as you know that you are not spending any project funds on an activity that does not help you achieve what you want to achieve. Please link every activity to one of the goals in 5.3. tell us the date range, as well as what output is desired. For example:

Key Activity	Project Goal No.	Start Date	End Date	Output	Who is responsible?
Financial administration training for cooperative members.	1 Cooperatives contribute to independent income generation for their members	February	April	30 cooperative members will have learned how to manage profit loss statements, plan their expenditure effectively and learn how to retain savings.	Project Manager

**Please note:** Only in the case of funding, we will ask you to develop a logical framework (log frame) which will be a summary of your project goals and strategy along an intervention logic. As soon as we have agreed on funding, you will be given further information about the development of the log frame.

## 6. Sustainability & risks

**6.1 & 6.2** Do you have a sustainability plan for this project? If yes, please attach it to the application. If no please fill out 6.2 Looking at the following thoughts. A sustainability plan tends to include a vision for how you see this project progressing beyond the funding for this project phase. What additional fundraising efforts are being undertaken? But sustainability (and the different understandings) is of course wider than that. This space allows for your ideas. Such as: How do you factor environmental sustainability into the project conception? How do you make sure that the project is in fact needed and wanted by the community to ensure social sustainability? And additionally, how is maintenance guaranteed once this phase ends (especially important for building projects)?

**6.3** What are the risks to the success of this project, that you can already anticipate? And how are these factored into the planning for it? What are you already doing to mitigate these risks, and what help might you need along the way?

## **7. Additional information**

**7.1** We try and get better at communicating with the public. Knowing via which channels you find out about us helps us monitor whether or not we are successful in expanding our reach.

**7.2.** By letting us know your various channels for publicity we can actively help promote your organisations and projects once we have partnered.

## **8. Organisations bank account**

Please make sure to double check all your details here, as well as letting us know which currencies you can receive on the named account. We will refer back to the application all throughout the funding process, so need accurate information at all times.

## **9. Consent form**

The consent form basically allows us to use information from this application for marketing, storytelling or any other publicity. Please make sure you read all of the boxes carefully and consciously. You further guarantee that all your processes as an institution comply with your respective national guidelines (minimum wage, environmental restrictions etc.) and lastly you guarantee that as an organisation you are currently not involved in any legal proceedings that might jeopardise your institutional standing as a non-profit organisation.

## **10. Checklist**

We have prepared this checklist to make sure you do not forget to provide any of the necessary information. Well done for getting this far and we very much look forward to reading your application. Thank you for taking your time and effort and we appreciate you reaching out. If you have any further questions in regards to the application please sent an email to: [projects@lemonaid-charitea-ev.org](mailto:projects@lemonaid-charitea-ev.org)

## **4.2 Finance and budget plan (Excel)**

### **Financial plan:**

The finance and budget plan should be quite straight forward. We tried to make it easy but of course, our logic does not mean it makes it right. So, here a few pointers.

First (row 13-19) We ask for a full multi-year budget (depending on the project period you apply for) in order to plan our own budgets for the

next few years. You have the first section that looks at summarised sums and overall budget without looking at the individual line items.

Income	Year 1	
	Budgeted income (local currency)	Budgeted income (Euro) <i>calculated automatically</i>
Funds from the applicant's own resources* (e.g. Organisational funds; membership-fees; sale of publications, quantified contribution from staff)		
Supplementary grants from third parties** (e.g. public funds, funds from another donor), private funds, sponsorship) <i>Please fill out second sheet for details!</i>		
Funds applied for from Lemonaid & ChariTea e.V.		
Own funding in % ( <i>calculated automatically</i> )	n/a	

1. **Funds from the applicants' own resources:** This could be made up of membership fees, sales, consultancy services but also assets that you bring to the table. For example, a building, volunteer time etc. Make sure to quantify these assets and ideally submit an explanation of those. You can then count them towards the funding that you bring to the table.
2. **Supplementary grants from third parties:** here you summarise all additional income you have generated for the purpose of this project from third parties. So, additional grants, private donations and sponsorship.
3. **Funds applied for from Lemonaid & ChariTea e.V.** Plain and simply the total amount you are applying to the Foundation for.
4. **Own funding in %:** This will be calculated automatically

The next part (starting row 20) of the finance plan looks at what you are planning on spending the funding on:

Expenditures		Year 1			
		Budgeted costs (local currency)	Budgeted costs (Euro)	Percentage of total budgeted costs in this year	Part of funding by Lemonaid & ChariTea Foundation
1.	<b>Total salary/staff costs</b> Please detail individual staff costs and calculation base (e.g. for casual workers, number of hours and purpose. For permanent staff, position and monthly salary.)		<i>calculated automatically</i>	<i>calculated automatically</i>	<i>in % (between 0=no and 100=yes, completely)</i>
1.1	Please specify and enter additional lines as needed				
1.2					
1.3					
1.4					
1.5					
1.6					
1.7					
Sub total					

This is in fact rather straight forward. Please list the expenditure according to the different areas of spending.

1. **Salary costs:** All staff should be represented here including project managers, program management, field officers. Please do not add the project management to the admin part if you are hiring a person on a salary.
2. **Equipment/Logistics/Operational costs:** Everything that is needed to implement the project on an operational level. Building costs, training costs, transport, project related marketing costs. Technical assistance etc.
3. **Administration costs:** office management, office maintenance, tax, insurance, licensing admin overheads to organisation etc.
4. **Other costs:** Anything that is project specific but does not fit into the headers above.

#### **Supplementary grants (second page in excel sheet):**

Many projects are funded by multiple sources, we understand and welcome this. Please list all partners relevant to this project. Also please provide details if you have applied, but have not yet gotten a decision.

### **5. Last but not least.**

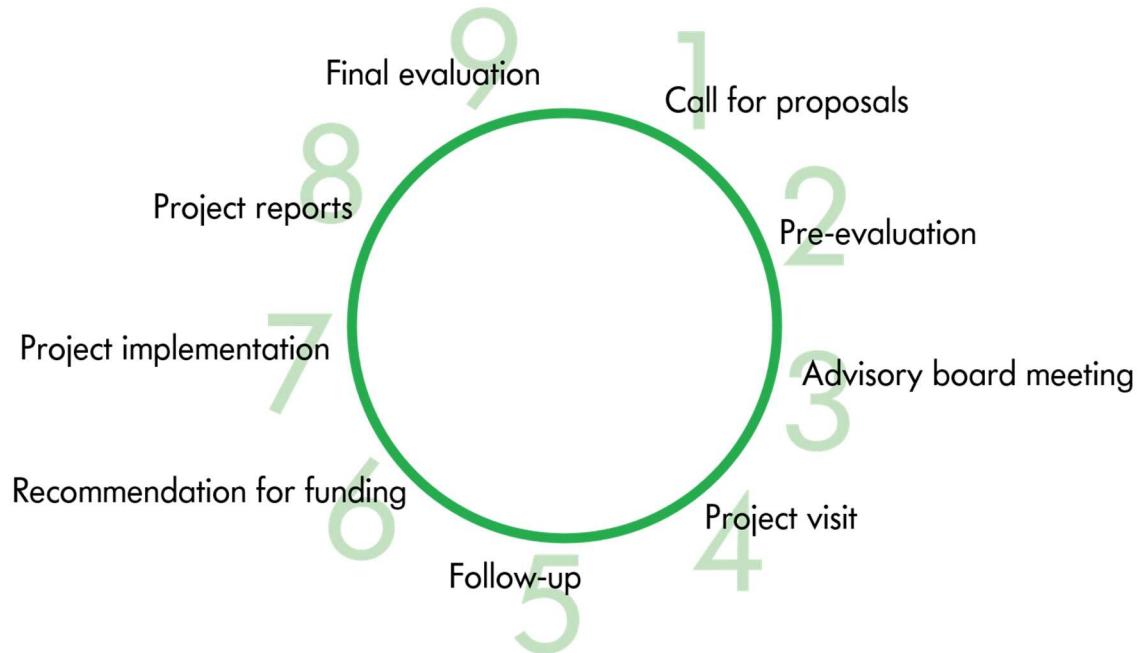
- + We try and lobby for your project during each evaluation round, help us by giving us all the information that we need.
- + Please try and be as concise and clear as possible.
- + Ask for guidance if you have any difficulties. We are happy to support and answer any questions you might need.
- + Send any supporting documents that might help us understand you better, videos, annual reports etc. We want to find out who you are as an organisation.
- + **We are slow.** We are small and our processes are thorough, so please apply knowing that you have some time to spare until the project starts. Please assume at least 6 months between applications and funding.
- + Diversify your funding sources, the pandemic has shown us that our source of funding can be volatile at times, so for our project partners we hope that a diversified income stream allows for security during uncertainty.
- + **IMPORTANT!**

As of 2022 we do not fund animal husbandry or livestock farming this includes poultry.

#### **You have applied and now what?**

We the team of project coordinators of the Lemonaid & ChariTea Foundation in Hamburg will do a first reading and evaluation together with the internal advisory board. We will then recommend those project that pass this round to the whole advisory board, and pitch the project for funding. In the case that we have more questions we will then use the time in between those rounds to clarify anything the panel might have had. Once we have recommended a project for funding, a project visit will be organised (this is difficult during a global pandemic, but we are trying to come up with ways) in order to personally meet the team and to get a deeper understanding of you as an organisation. After the project visit, a final panel will sit to do the final approval. (For the whole cycle see the figure above).

After that a potential funding and project implementation will follow:



**Project cycle in the Lemonaid & ChariTea Foundation**

We hope we were able to clarify as much as possible to help make the application process as smooth as possible.

We really look forward to reading about you and your project.

Your Lemonaid Foundation Team