

OVERALL GUIDELINES FOR IAP APPLICANTS

FUNDING FOR UP TO
€ 200 000

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Introduction

Innovations Against Poverty (IAP) is a specialized fund with the specific mandate to identify and support innovative Inclusive Business models that deliver developmental benefits for the low income population while being commercially sustainable; in both rural and urban areas, prioritizing women and youth. IAP is funded by Sida (Swedish International Development Agency) and managed by SNV Netherlands Development Organisation in partnership with BoP Innovation Center and Inclusive Business Sweden.

IAP challenges the private sector to develop innovative products, services and business models that can solve social and environmental issues, while successfully maximizing their competitiveness and profitability. These are defined as innovative Inclusive Business ideas.

Innovations in technology and business practices are critical for creating innovative inclusive business models. IAP aims to stimulate the development of these type of initiatives, which otherwise would not have taken place within the private sector due to perceived initial commercial, technical and financial risks or uncertain market opportunities, and to accelerate the go-to-market process.

The program is designed for companies which are operational or plan to enter the market (with a local partner in case of foreign companies) in Cambodia, Ethiopia, Uganda or Zambia and are active in the following sectors: agriculture & food, energy, water, sanitation and hygiene (WASH), and ICT. The fund will have 2 rounds of calls in 2017.

FROM **€50 000** — UP TO **€200 000**

IAP: Financial and advisory support

IAP will provide advisory and non-reimbursable funding for up to 49% of the total investment to selected projects through competitive open calls. IAP will provide funding within the following range:

From €50 000 up to €200 000

This amount reflects IAP's contribution only, so the total size of the project should be greater. IAP's investment size will depend on the level of innovation, commercial viability, and social impact potential of the selected projects.

In addition to the financial support, IAP will provide advisory services through group workshops and individual coaching, focused on areas such as Inclusive Business development and innovation support to further develop the business ideas and practices. Furthermore, IAP will select and train a number of local consultants that will be available to support the companies on a fee for services basis, and online through www.innovationsagainstpoverity.org

Sectors

The scope of IAP is defined around the following sectors:



Agriculture and food: including, but not limited to, food security and improved nutrition; sustainable agriculture.



Energy: including, but not limited to, access to affordable, reliable, sustainable and modern energy for all.



WASH: including, but not limited to, availability and sustainable management of water, hygiene and sanitation for all.



ICT: including, but not limited to, access to technologies and services that help deliver solutions in the other three target sectors or other basic needs.

Applications should be contributing to the realization of one or more of the Sustainable Development Goals (SDGs),

www.un.org/sustainabledevelopment/sustainable-development-goals/

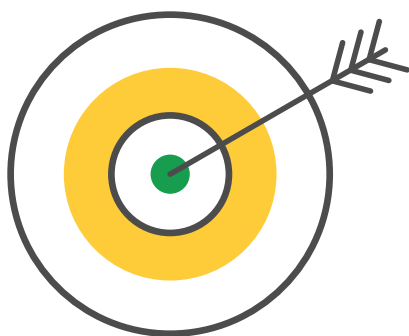


Timeline

IAP has set the following stages and timeline for the first round of call for proposals:

	ACTIVITY	TIMELINE	REMARKS
CONCEPT NOTE APPLICATION	Launching events and application guidance	March - May 2017	
	Concept note submission by companies	Anytime from March 24 th until July 24 th 2017	The concept note will be evaluated by the IAP team. IAP might seek additional information or conduct fact-finding visits to some applicants. Short listed companies will be invited to develop and submit a full business plan. Non shortlisted applications can re-apply within the same or next round with an improved or a different proposal.
	Concept note evaluation and selection process	Continuously from April to August 2017	
FULL BUSINESS PLAN APPLICATION	Training on inclusive business plan development	Continuously from April to August 2017	The IAP team will conduct due-diligence of those companies that have submitted the full business plan. The IAP investment panel will review submitted proposals together with the due diligence reports.
	Feedback and guidance on inclusive business plans design	Continuously from May – September 2017	
	Full Inclusive Business plan submission	Continuously from May – September 2017	
	Due diligence, selection of investees	Continuously from June – October 2017	
NEGOTIATION AND SIGNING	Contract negotiation and signing	Continuously from July – November 2017	Successful applicants are invited to sign the grant contract. Milestones related to disbursements and IAP support will be agreed upon.
IMPLEMENTATION	Baseline survey and analysis	In the first 3 months from contract signing date	A baseline will be developed to define the situation at the start of the project.
	Project execution	2 years from contract signing date	Different timelines and milestones are defined for each IAP project.

In order to guarantee fairness and best results, all companies in the application process will have equal access to information. The selection will be the result of a competitive process, and will be conducted on **a first come, first serve basis**.



Selection criteria

Each submitted Concept Note will be reviewed to ensure that it complies with all the eligibility criteria, then evaluated against the assessment criteria. Based on this first stage assessment a short-list of approved applicants will be finalized. These applications will be invited to submit a full business plan to be assessed in detail.

a. ELIGIBILITY CRITERIA

Applicants should fully meet all the following criteria to be eligible for assessment.

	YES	NO
My business idea will be inclusive of the Low Income People (LIP)* either as suppliers, employees, distributors and/or consumers for mutual benefits?		
My business idea is relevant to at least one of the four focus sectors of IAP and at least to one of the four target countries**?		
Does my business idea bring a clear product or business model innovation?		
My company or partner(s) related to the proposed business idea are not involved in the arms, tobacco, alcohol and gambling industries; registered in so called tax-havens; involved in environmental or human rights abuses or corruption; or have not been an EU beneficiary of €200 000 or more in the last 3 years***.		
My application is submitted and led by a private company, which secures a co-investment ≥ 51%, of which part of it should directly benefit the LIP.		

* Low income people (LIP): those living in urban or rural areas on PPP (Purchasing Power Parity) USD 8 or less per day per capita; equivalent to USD2920 per capita per year.

** Sectors: Agri-food, renewable energy, WASH or ICT. Countries: Cambodia, Ethiopia, Uganda, Zambia.

*** According to EU regulations, a company in the EU may receive a maximum of €200 000 in public funding from European authorities during a three year period. Sida as the donor of IAP also applies the same rule also to companies which are not based in the EU.

b. ASSESSMENT CRITERIA

A set of assessment criteria will evaluate key elements of the Concept Note (CN) and full IB plan, including:

- **Project viability:** market, commercial, financial and technical;
- **Social impact:** The scale, type and risk of social impact for low income beneficiaries and the approach towards the inclusion and economic empowerment of women and young individuals;
- **The innovation** in the project. Inclusive Business models must have innovation as a key factor to deliver the expected commercial, social and environmental impact. Innovation can be:

- Product Innovation: features, functionalities and performances of products/ service offerings
- Process Innovation: the way the products are made or delivered, e.g. manufacturing, distribution, and support of products and services;

- **Sustainability and scale-up potential:** The Inclusive Business initiatives must prove they will become sustainable post IAP funding, and their potential to scale up and benefit others in the wider community;
- **Responsible business approach:** to measure the current level of compliance,



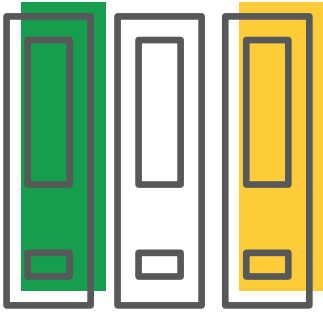
and potential for improvement, on the following dimensions of responsible business practices: labour, environmental, tax, ethical and anti-corruption, and other relevant legal frameworks;

- **Additionality:** IAP funding should not replace other existing commercial funding alternatives for implementing the proposed Inclusive Business idea;
- The **cost effectiveness** of the investment; co-investments of more than 51% will be positively evaluated;
- Other **risk** factors: political, security, partnerships, amongst others.

Each concept note will be reviewed to ensure that it complies with the minimum eligibility criteria and will then be evaluated against the basic assessment criteria, including: project viability, social impact, innovation, the responsible business approach, and sustainability and scale-up potential. Shortlisted candidates will subsequently be invited to submit a full business plan, which will be evaluated against the full list of assessment criteria, which includes in addition to the basic assessment criteria: additionality, cost effectiveness and other risk factors.

c. DUE DILIGENCE PROCESS

Due diligence studies will be conducted on all companies that have submitted the full inclusive business plans. The IAP team will request additional information and conduct a field visit, as needed, to the applicant's headquarters and project site. Furthermore, the IAP team will evaluate the companies' responsible business approach and its technical, financial and legal compliance with all IAP requirements.



Financial requirements

For the financing of the Inclusive Business idea, it is expected that the financing will be secured by both parties, as described in the scheme below:

FINANCING	
Private Company	IAP
≥ 51%*	≤ 49%

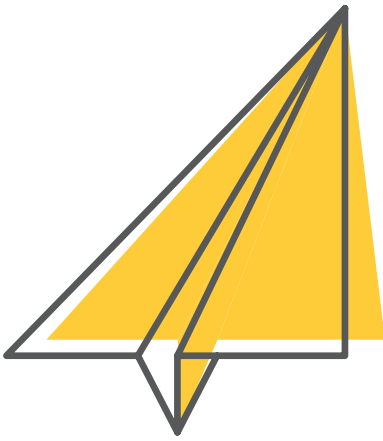
* The company is expected to contribute as much cash and in-kind as possible as part of its co-investment. Higher cash contributions will be positively evaluated.

The following requirements apply to the applicant's in-kind contributions:

- The in-kind contribution must be specifically and directly related to the implementation of the project
- The value of the in-kind contribution must be tangible and verifiable, based on specific supporting evidence such as contracts, invoices and others.
- The in-kind contribution could have been procured, built in previous years, but not more than 18 months previous to the signing of the IAP funding contract.
- The IAP team will determine if the contribution is acceptable and critical for the implementation of the project.
- Not sourced from other development initiatives/facilities/programs (including EU).

Finally, the following items are non-eligible for the IAP financial support:

- Purchasing and rent of land or existing buildings;
- Leasing of equipment, land and facilities;
- Bank charges, cost of guarantees and similar charges;
- Value of existing inventory used for the production of the project goods and/ or services;
- Costs of proposal development and feasibility study;
- Value and registration costs of intellectual property rights.



Concept note

If, after reading above information, you think your business concept fits the Innovations Against Poverty program and you are interested, we encourage you to submit your innovative Inclusive Business idea!

To apply, follow the steps below:

STEP 1

Fill in the online concept note application form

STEP 2

You have the option to upload your Pitch Video

STEP 3

Upload other relevant documents such as business license and financial statements.

The application process runs through www.innovationsagainstopoverty.org. By registering yourself at this online platform for inclusive business practitioners, your draft application will be automatically saved in order to finalize your application at a time that suits you best.

Transparency

IAP secures a transparent evaluation and selection process by working with a multi-player independent appraisal process, so that no single person can influence the process and/or the final outcome in any way. Applicants can contact directly the IAP Executive Manager at jayala@snv.org or Sida at investigation@sida.se to denounce any corruption practice or case.

For more information and application, please visit
www.innovationsagainstopoverty.org

or contact us at
support@innovationsagainstopoverty.org

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