

<b>Innovation Fund</b> <b>2<sup>nd</sup> Call for Projects</b> <i>September 25, 2023</i>	
<b>Introduction</b>	<ul style="list-style-type: none"> <li>• Stichting Wageningen Research (SWR) Ethiopia is an international NGO registered in Ethiopia since March 2021 with the FDRE Agency for Civil Society Organizations. The organization is established with the objectives of promoting a more resilient, inclusive and sustainable food systems in Ethiopia. SWR Ethiopia currently implements four projects; Resilient Agriculture for Inclusive and Sustainable Ethiopian Food Systems (RAISE-FS), Ethiopia-Netherlands Seed Partnership (ENSP), REFOOTURE and OTIPAVA projects. Resilient Agriculture for Inclusive and Sustainable Food Systems is a project designed with the goal of creating evidence for practices that contribute to transformation of the food system by addressing leverage points in relation to productivity, enhanced value chain performance and improved human nutrition for improved food security while minimizing the impact on the environment and ensuring social inclusion. Among its interventions is, a component on promoting private sector driven innovation via a grant scheme called the “Innovation Fund” that offers funding. These innovation projects are expected to address hindering challenges in various agricultural sub-sectors in Ethiopia while benefiting farmers, improve food systems and/or enhance export of selected commodities.</li> </ul>
<b>What is the Innovation Fund?</b>	<ul style="list-style-type: none"> <li>• Innovation refers to as a process by which a product or a service is created or renewed and brought up-to-date by applying new processes, introducing new techniques, or establishing successful ideas to create new value. The creation of value is a defining characteristic of an innovation. Offering a completely new product or service usually is an innovation. In addition to this, producing the same product or offering the same service in another region in Ethiopia is not an innovation, but bringing in an existing technology/product/service to Ethiopia from another country is considered as an innovation.</li> <li>• The objective of the Innovation Fund is to promote innovations in selected agricultural sub-sectors in Ethiopia to enhance export and benefit farmers, processors, consumers, women and youth as well as food system improvement. The Innovation Fund will focus on innovations at all segments of the value chain (production, processing, and marketing).</li> <li>• The Innovation Fund runs from October 2023 to June 2025. It will provide financial and technical support to projects that support the objective of the Fund and meet its criteria.</li> <li>• The Innovation Fund is managed by the Resilient Agriculture for Inclusive and Sustainable Ethiopian Food Systems (RAISE-FS). RAISE-FS is implemented by Stichting Wageningen Research Ethiopia and funded by the Dutch Government.</li> </ul>
<b>What has the Innovation Fund to offer?</b>	<ul style="list-style-type: none"> <li>• The maximum amount of grant for Type A project is €50,000 per project while for Type B project it is €25,000 (please refer to section 2 of the Fund Manual for type of project/range of grants). Fund disbursement will be carried out by means of flexible payment plan, based on decision by the Approval Committee and cash flow needs of the project. Different grant payment mechanisms such as direct financing, result based cost reimbursement; voucher and e-payment systems will be introduced depending on the project nature and financial requirement.</li> <li>• Actively link applicant companies to other organizations (buyers, cooperatives, NGOs, research institutions, etc.)</li> <li>• Inform applicant companies about latest technologies and developments via business platforms, personal meetings and Innovation Opportunity Reports</li> </ul>

## Innovation Fund

### 2<sup>nd</sup> Call for Projects

September 25, 2023

#### What conditions do Innovation Fund projects have to fulfil?

- The project should take place in the poultry, pulses, spices, oilseeds, potato or vegetables subsectors/commodities by focusing on, at least, one of the following domains: export enhancement, import substitution, food system improvement, climate resilience, smallholder farmers support and/or youth and women economic empowerment. **Please refer to the fund manual for projects that are worthy of better acceptance.**
- Projects should introduce new or improved products, services, technology, business models and/or service delivery models to Ethiopia. Please note that innovations, which have been financed by Bilateral Ethiopia-Netherlands Effort for Food Income and Trade (BENEFIT), the predecessor of RAISE-FS or other Dutch funding, aren't eligible for funding. Annex 1 of the Fund Manual provides an overview of some of the innovations that aren't eligible for funding.
- The project should directly or indirectly benefit producers/farmers, processors, consumers, women and youth
- Projects should be implemented within one year.

#### Who can submit projects to the Innovation Fund?

- The applicant should be a registered company that is able to present a valid Ethiopian business license.
- Partnerships of multiple companies, NGOs, research institutions, etc. are allowed to submit an application, as long as this partnership consists of at least one registered and licensed business entity. In this case, (one of) the registered and licensed entity will be the applicant for the grant, and will be end-responsible for project implementation.
- Foreign companies without Ethiopian business license are only allowed to apply in partnership with a company that possesses an Ethiopian business license, which will be applicant and end-responsible for project implementation.
- Applicants can't receive grant funding for more than one project at a time.
- Partner companies, NGOs, research institutions, etc. can be involved in more than one project at a time.
- Applicants should be willing to submit bi-annual progress updates, as well as host RAISE-FS staff on company premises during and after project evaluation and implementation.

#### How much co-financing is expected from applicant companies or partnerships?

- Applicants are required to make cash and in-kind contributions towards the project. For Type A project this contribution is equal to or larger than the grant amount (50% of the project cost). For Type B project, applicant's total contribution is equal to or more than 50% of the grant amount (25% of the project cost). For Type A project, a minimum of 20% of own contribution should be in cash while for Type B project applicant's contribution can be fully in cash or in kind or in both cash and kind.
- In-kind contributions should be directly associated with project requirements, such as agricultural inputs, machinery and tools, as well as (part of) salaries of staff that are involved in project implementation. The own contribution must come from other sources than grants, especially not from grant programmes of the Embassy of the Kingdom of the Netherlands or the Dutch Ministry of Foreign Affairs.

#### How does the Innovation Fund work?

- The Innovation Fund application process is structured around Call for Projects. Underlying document is the second Call for Projects. Each Call for projects employs a two-stage submission process:
- During the first stage a concept note will be submitted, including business license. Overall eligibility of the concept note will be checked against the minimum criteria as laid out in underlying Call for Projects and the Fund Manual.
- Applicants that fulfil the minimum criteria will enter the second stage, and will be invited to submit a full proposal. Each proposal is evaluated on the basis of

**Innovation Fund**  
**2<sup>nd</sup> Call for Projects**  
*September 25, 2023*

	<p>the minimum criteria and five Selection Criteria as laid out in underlying Call for Projects and the Fund Manual.</p> <p>Technical and financial capacity of the applicant to implement the intended project might be assessed via a company visit during first stage and second stage assessment. Companies can only re-apply a rejected concept note and proposal once.</p>
<b>What are the deadlines for underlying Call for Projects?</b>	<ul style="list-style-type: none"><li>• Concept notes can be submitted to RAISE-FS until March 24, 2024. Concept notes will be evaluated at the end of every month in which they have reached RAISE-FS and applicants will be contacted to submit project proposals if their concept notes are accepted by the Evaluation Committee. Selection process will be conducted on first -come, first -serve basis: Applications will be dealt with strictly in the order in which they arrive at RAISE-FS</li></ul>
<b>What are the Selection Criteria for assessing full proposals?</b>	<ul style="list-style-type: none"><li>• <b>Technical approach (20 pts)</b>: This is the degree to which the proposed project offers innovations to Ethiopia, is feasible for implementation in the Ethiopian context, is demand-driven, and provides input for easy and cost-effective replication at other locations.</li><li>• <b>Economic viability (20 pts)</b>: Proposed project must show a cost-benefit analysis indicating a roadmap towards profitability in the short to medium term (1-3 years).</li><li>• <b>Implementation Capacity (20 pts)</b>: The extent to which the applicant and possible partners are capable of undertaking and accomplishing the proposed project.</li><li>• <b>Value-for-money and additionality (20 pts)</b>: The relationship between the requested grant and significance/quality of project outcomes, including justification for the need of using public funds to co-finance the project</li><li>• <b>Impact (20 pts)</b>: The criterion assesses to what extent the proposed project is likely to have positive and sustainable impact on export, import substitution, food system improvement, direct and indirect employment opportunity, support to smallholder farmers, women and youth economic empowerment and climate adaptation.</li></ul> <p style="text-align: center;"><b>Please refer to the fund manual for detailed selection criteria</b></p>
<b>How can you submit a concept note for underlying Call for Projects?</b>	<p>Please submit signed concept notes, including copy of business license (front &amp; back pages), to <a href="mailto:innovationfund2022@gmail.com">innovationfund2022@gmail.com</a> Concept notes that are received after <b>March 24 2024</b>, will not be taken into consideration for underlying Call for Projects.</p>
<b>Where can you find the Fund Manual and concept note form?</b>	<p>Fund Manual and concept note form are available upon request by sending an email to <a href="mailto:innovationfund2022@gmail.com">innovationfund2022@gmail.com</a> or can be downloaded from <a href="https://raise-fs.org">www.https://raise-fs.org</a>.</p>
<b>Who is your contact person?</b>	<p>If you have any additional questions after reading Call for Projects and Fund Manual, please feel free to contact Mr Shitaye Adugna at <a href="mailto:innovationfund2022@gmail.com">innovationfund2022@gmail.com</a> with Cc to <a href="mailto:helen.getaw.swr@gmail.com">helen.getaw.swr@gmail.com</a> and <a href="mailto:info.SWREthiopia@gmail.com">info.SWREthiopia@gmail.com</a> or on +251 118 360313/+251 985 202766.</p>