

<b>Innovation Fund</b> <b>4<sup>th</sup> Call for Projects</b> <i>August 3, 2018</i>	
<b>What is the Innovation Fund?</b>	<p>The objective of the Innovation Fund is to promote innovations in various agricultural sub-sectors in Ethiopia that benefit smallholder farmers.</p> <p>The Innovation Fund runs from September 2016 to December 2019. It will provide financial and technical support to at least 32 projects that support the objective of the Fund and meet its criteria.</p> <p>The Innovation Fund is managed by the Ethiopia-Netherlands Trade Facility for Agricultural Growth (ENTAG). ENTAG falls under the Bilateral Ethiopian Netherlands Effort for Food, Income and Trade Partnership (BENEFIT), which is implemented by Wageningen University &amp; Research from The Netherlands and funded by the Embassy of the Kingdom of the Netherlands in Addis Ababa.</p>
<b>What has the Innovation Fund to offer?</b>	<ul style="list-style-type: none"> <li>• 50% co-financing grant for projects with a maximum grant of € 25,000. Fund disbursement will be carried out by means of a flexible payment plan, based on decision by the Approval Committee and cash flow needs of the project. Please note that ENTAG will NOT finance inputs to the production process, including sourcing of raw material from farmers, packaging material, etc.</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>
<b>What conditions do Innovation Fund projects have to fulfil?</b>	<ul style="list-style-type: none"> <li>• The Project should take place in the poultry, aquaculture, legumes, spices, sesame, potato or the dairy subsector.</li> <li>• 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 in earlier rounds of the Innovation Fund, are NOT eligible for funding. Section 2.1 of the Funding Manual provides an overview of innovations that aren't eligible for funding.</li> <li>• The project should directly or indirectly benefit smallholder farmers.</li> <li>• Projects should be implemented within one year.</li> </ul>
<b>Who can submit projects to the Innovation Fund?</b>	<ul style="list-style-type: none"> <li>• The applicant should be an Ethiopian company that is able to present a valid Ethiopian business license.</li> <li>• 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 Ethiopian</li> </ul>

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	<p>company. In this case, (one of) the registered Ethiopian company(ies) will be the applicant for the grant, and will be end-responsible for project implementation.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Applicants can't receive grant funding for more than one project at a time.</li> <li>• Partner companies, NGOs, research institutions, etc. can be involved in more than one project at a time.</li> <li>• Applicants should be willing to submit quarterly progress updates, as well as host ENTAG staff on company premises during project evaluation and implementation.</li> </ul>
<p><b>How much co-financing is expected from applicant companies or partnerships?</b></p>	<p>Applicants or partnerships are required to make cash and in-kind contributions towards the project. This contribution should be equal to or larger than the grant amount. A minimum of 20% of the own contribution should be in cash.</p> <p>In-kind contributions should be directly associated with project requirements, such as agri-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.</p>
<p><b>How does the Innovation Fund work?</b></p>	<p>The Innovation Fund application process is structured around Call for Projects. Underlying document is the fourth Call for Projects. Each Call for Projects employs a two-stage submission process:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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 the minimum criteria and five Selection Criteria as laid out in underlying Call for Projects and the Fund Manual.</li> </ul> <p>Technical and financial capacity of the applicant to implement intended project might be assessed via a company visit during first</p>

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	stage and second stage assessment. Companies can only re-apply a rejected concept note and proposal once.
<b>What are the deadlines for underlying Call for Projects?</b>	<ul style="list-style-type: none"> <li>• Announcement Call for Projects: 3 August 2018</li> <li>• Deadline for submission of concept notes: 24 August 2018, 5:PM</li> <li>• Announcement of selected concept notes: 14 September 2018</li> <li>• Deadline for submission of proposals for selected concept notes: 5 October 2018, 5:00 PM</li> <li>• Announcement of approved projects: 2 November 2018</li> <li>• Signing of contract and first disbursement for approved projects &amp; disbursement of 1<sup>st</sup> tranche of the grant: 23 November 2018</li> </ul>
<b>What are the Selection Criteria for assessing full proposals?</b>	<ul style="list-style-type: none"> <li>• <b>Technical approach:</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:</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:</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:</b> The relationship between 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:</b> The criterion assesses to which extent the proposed project is likely to have positive sustainable impact on employment, smallholder farmers, women, youth, food security and climate</li> </ul>
<b>How can you submit a concept note for underlying Call for Projects?</b>	Please submit signed concept notes, including copy of business license (front & back pages), to <a href="mailto:fund@entag.org">fund@entag.org</a> and cc to <a href="mailto:entagfund32@gmail.com">entagfund32@gmail.com</a> Concept notes that are received after 24 August 2018, 5:00 PM will not be taken into consideration for underlying Call for Projects.
<b>Where can you find the Fund Manual and concept note form?</b>	Fund Manual and concept note form are available upon request by sending an email to <a href="mailto:fund@entag.org">fund@entag.org</a> or can be downloaded from <a href="http://www.entag.org">www.entag.org</a>
<b>Who is your contact person?</b>	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:fund@entag.org">fund@entag.org</a> or +251 985 202 766.