

INNOVATE CALL FOR PROPOSALS

APPLICATION GUIDELINES

1. Introduction

INNOVATE, a three-year initiative implemented by Mennonite Economic Development Associates (MEDA) with funding support by the International Development Research Centre (IDRC), intends to spearhead research on Non-Traditional Finance (NTF) in South Asia, South America (the Andes), and East Africa. The project will assess the potential of NTF to enable large-scale adoption of agricultural innovations among women and men smallholder farmers. INNOVATE aims to identify, research and share experiences in which NTF can effectively leverage agricultural innovation and adoption among women and men smallholder farmers. The overall objective of this initiative is to use the lessons and knowledge produced to inform policymaking and agricultural development programming.

Over the last decade, a growing body of knowledge and publications on smallholder financial services have been produced by CGAP, Rural & Agricultural Finance Learning Lab, IDH, The Initiative for Smallholder Finance, and others. Building on this existing body of work, INNOVATE aims to produce action-oriented research that tests and documents experiences of NTF, to expand the knowledge sharing network, and identify the potential of innovation adoption among women and men smallholder farmers.

What is Non-Traditional Finance?

Non-Traditional Finance can be an effective vehicle to incentivize the large-scale adoption of innovations among smallholder farmers. NTF has the potential to impact not only farmers, but other organizations and institutional structures as well. NTF can be adapted to fit the needs of smallholder farmers and their context in an innovative array of multi-party financing including in-kind credit, collateral substitutes, insurance, guarantees, leasing and renting, and so on. Generally, NTF includes products, services and/or delivery channels that go beyond standard lending and saving to actively engage with smallholder farmers, private investors and entrepreneurs, offering a broader range of bundled services (financial and non-financial).¹ Therefore, while the components of NTF are not necessarily new, their combination and application exhibit non-conventional business models. NTF components are often nested within value chains, connect farmers to input and product markets, and involve multi-party interactions over long periods of time.

¹ Nathan Associates 2015.

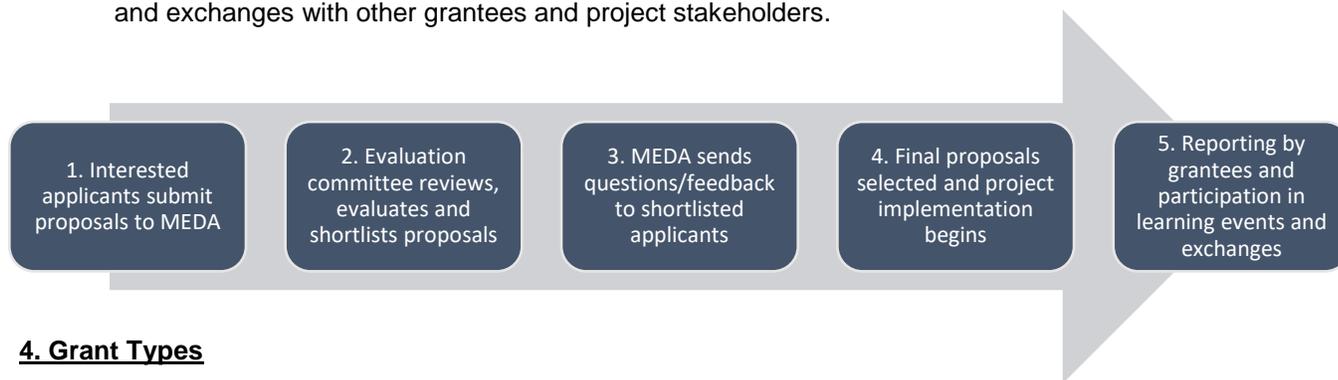
2. Call for Proposals

The INNOVATE Call for Proposals (the Call) seeks applications from eligible organizations, companies and institutions to (i) **pilot** a NTF product/service focused on rapid testing and learning OR (ii) to **document** through a case study an ongoing or completed initiative related to NTF. The initiatives should demonstrate the potential and/or ability of products, services, or delivery channels that can catalyze and/or foster the adoption of agricultural innovations by women and men smallholder farmers in East Africa, South America (the Andes) and South Asia.

INNOVATE aims to learn from the experiences of the grant recipients; to test and document which products, services or delivery channels have potential to catalyze agricultural innovation by smallholder farmers. Therefore, a key focus of the Call is learning. The Call also has a focus on gender, in which applicants shall clearly differentiate between women and men's priorities and needs, treating them as distinct market segments in the proposal and research process.

3. How the Application Process Works

1. Interested applicants complete and submit their online application form, attaching their project proposal, project budget, and supporting documents to the application before the submission deadline of Friday October 6, 2017.
2. The Evaluation Committee reviews and evaluates proposals that meet the eligibility criteria. Out of those proposals, the committee shortlists the most promising proposals.
3. The shortlisted applicants receive questions and feedback on aspects of the proposal that need to be clarified or improved. After receiving responses from each shortlisted applicant, the Evaluation Committee makes final funding decisions.
4. The final proposals are selected and successful applicants are notified. This stage also includes contract signing and implementation of projects.
5. During project implementation, grantees submit quarterly reports and participate in learning events and exchanges with other grantees and project stakeholders.



4. Grant Types

Funding is available in the form of two types of grants: (i) **a pilot study grant (up to CAD \$200,000)** or (ii) **a case study grant (up to CAD \$50,000)**. Both grant types have a 1:2 matching contribution required by the applicant. For example, an applicant requesting CAD \$200,000 from MEDA must contribute CAD \$100,000. Eligible match contributions can include direct costs funded by cash and a reasonable percentage of shared costs incurred that are directly allocable to grant activities. Eligible match contributions will be further clarified at the time of award. Intangibles such as databases or contacts are welcomed, however, will not count towards the match.

Up to twelve awards (pilot grants and case study grants combined) will be available.

	Pilot Grant	Case Study Grant
Description	Larger grants fund the design and/or implementation of new pilots that can test and report on promising NTF products/services/delivery channels.	Smaller grants fund the documentation of learning from previous initiatives or current projects that lack a strong knowledge management component.
Learning Outcomes	Capture new learning from the development and deployment of pilot NTF products/services that foster innovation uptake by women and men smallholder farmers.	- Capture learning from on-going programming that exhibit innovations in finance and agriculture and uptake by women and men smallholder farmers; OR, - Capture learning from completed programming where innovations have not been documented or shared.
Grant Amount	Up to CAD \$200,000*	Up to CAD \$50,000*
Match Requirement	Minimum 1:2 (up to CAD \$100,000 match required)	Minimum 1:2 (up to CAD \$25,000 match required)
Implementation Period	12-18 months	Up to 12 months

**Note: CAD \$200,000 is equivalent to approximately USD \$150,000 and CAD \$50,000 is equivalent to approximately USD 37,000*

5. Target Applicants

The Call targets private enterprises (including cooperatives and producer associations), financial institutions, finance-oriented organizations, research institutions, and non-governmental organizations (NGOs). Applicants may be based and registered from or outside of the target regions, however, the proposed initiatives must be implemented in the target regions of East Africa, South America (the Andes), and South Asia. Below is a table of conceptual questions and answers that may apply to the different kinds of applicants that are targeted in this Call. These are provided as notional examples to assist applicants to understand the Call description, particularly with NTF. These examples should not be interpreted as preferred questions – please use your own creativity and customer-centric understanding to respond.

Entity	Example Questions	Possible Responses
Financial Institution	<ul style="list-style-type: none"> • How to generate more female and male customers for a financial product or approach that contributes to a solution? • What products/services could be extended to new market segments? • What services do current and potential customers want that can spur innovation? 	<ul style="list-style-type: none"> • Perform market tests of new products, services, or delivery channels • Perform market test of engaging new market segment (customer-centric approach) • Prototype partner relationships to promote financing in new market segments and contexts (e.g.: supply chain financing)
Research Institution	<ul style="list-style-type: none"> • What supply chain business models might generate more rural income for women and men? • What technologies might promote agriculture production or reduce post-harvest waste? How to finance? • How can the share of supply chain revenue be improved for rural households? • How does a customer-centric approach generate new financial products and services that support adoption of Ag innovations by women and men? 	<ul style="list-style-type: none"> • Work with producer associations to identify and prove potential business models leveraging finance • Test methods to finance production technology: share business value • Test “non-traditional” methods to discover latent client needs and rapidly prototype products and services considered to be valuable and useful (e.g.: will pay to use)?
Agribusiness or Service Company	<ul style="list-style-type: none"> • Agriculture processing firm: How can the supply of commodities from supplying farmers be increased? • Producer association: How can production volumes meet market specification standards? 	<ul style="list-style-type: none"> • Test methods/services to finance and access new production techniques to increase yield • Prototype supply chain logistics and business models to finance transactions and cashflow • Test new workflows/services to finance access to post-harvest improvements
NGO	<ul style="list-style-type: none"> • How can adoption of production techniques by farmers be facilitated? • How can the share of benefit to vulnerable population (e.g.: rural women) be promoted? 	<ul style="list-style-type: none"> • Develop and test methods to access, finance and adopt new production technologies • Facilitate new finance and/or payment methods with underserved market segments

6. Eligibility Criteria

- Minimum organizational requirements:
 - Legally registered entities with audited financial statements for the last two years and proof of legal registration for a commercial entity/NGO, or proof of legal registration for a research institute AND current financial policy and procedures
 - Minimum three years’ experience in research, finance and/or agriculture
- Applicants shall indicate the region/country for the proposed initiative:
 - East Africa (Burundi, Kenya, Malawi, Rwanda, Tanzania, Uganda)
 - South America (Bolivia, Colombia, Ecuador, Paraguay, Peru)
 - South Asia (Bangladesh, India, Nepal, Pakistan, Sri Lanka)
- Applicants shall apply only for one type of grant and clearly identify/demonstrate a matching contribution (see section 4) from internal sources and/or third-party sources.

7. Evaluation Process and Criteria

Following the submission deadline, each proposal will be reviewed against the evaluation criteria. An Evaluation Committee, comprised of MEDA staff, technical advisors and regional advisors will review the proposals and determine a list of shortlisted proposals for further consideration. Shortlisted applicants will be contacted for additional information or questions from the Evaluation Committee. Following the feedback round with the shortlisted applicants, the Committee will select the final grant recipients. Successful applicants will be notified by email in early November, followed by contract negotiation and signing and submission of requisite documentation of the applicant organization. Unsuccessful applicants will also be notified by email in November.

The most competitive proposals will be those that demonstrate strong potential for learning, replication, and scalability. Proposals will be evaluated on the following criteria:

- **Promising idea/concept** – potential for catalyzing agricultural innovation among women and men smallholder farmers
- **Management and organization capacity**, especially to conduct research (provide examples and references from previous research/implementation, and capacity of the persons to be involved)
- **Target customer impact** – potential to impact target customer through proposed project and demonstrates understanding of target customers' needs
- **Gender and WEE** – potential and/or capacity for gender mainstreaming or targeting, and women's economic empowerment
- **Replicability/scalability** – potential for scale by the Applicant and/or others
- **Implementation and budget** – feasible plan with clear roles, responsibilities, timelines and corresponding budget
- **Learning potential** – potential to contribute learning to Applicant's organization and the industry/community

All proposals shall adhere to the [Government of Canada's Policy on Gender Equality](#).

8. Proposal Preparation

Interested applicants are invited to visit the [INNOVATE website](#) to access the online application form, documents (proposal form and budget template) and FAQs. After the launch of the Call, there will be a two-week window between August 7 – 18, 2017. Questions may be submitted to innovate@meda.org. Responses will be posted on the INNOVATE website.

Proposals may be submitted by a single entity or a consortium. In the case of a consortium, partnerships between a research institution and an implementing entity (for-profit or non-profit) are strongly encouraged. The prime applicant will submit the proposal and indicate the partner(s) and their role(s) in the application. The prime applicant is responsible and accountable for project implementation and reporting.

The online application form (proposal summary) shall be submitted in English. While full proposal forms are encouraged to be submitted in English, applicants may submit the proposal form in Spanish or French.

Proposal Submission Checklist:

- Download the Proposal Documents ([Proposal Form](#) and [Budget](#))
- Complete the [Online Application Form](#)
- Upload the Proposal Documents and Supporting Documents (Copy of Audited Financial Statements and/or Legal Registration, Financial Policy and Procedures) to the Online Application Form

9. Proposal Submission

The online application form must be completed, along with the uploaded proposal form, proposal budget and supporting documents no later than **Friday October 6, 2017 at 11:59PM Eastern Daylight Time**. Proposals received by the deadline and deemed by MEDA to be compliant with the requirements set out in this Call will be assessed in accordance with the evaluation criteria. Proposals received after the deadline WILL NOT be considered. Any enquiries can be directed to innovate@meda.org.

10. Implementation, Reporting and Deliverables

Once the final proposals are selected, contracts will be developed in accordance with MEDA Policies and Procedures. Contracts will include the detailed budget, implementation plan and reporting requirements (key performance indicators and financial reporting). After the grant contracts are signed, the anticipated implementation period will commence mid-to-end of November, 2017.

Financial reporting will be submitted to MEDA on a quarterly basis. Grant funds will be provided quarterly based on receipt of adequate supporting documents and an invoice. In addition, the following will apply to each funded project:

- Performance measurement is a critical component of the grant program to track progress, results and lessons of each funded project. In the case of a successful application, MEDA will work with grant recipients to develop a reporting system specific to the initiative that will include a list of indicators and targets on which applicants will be expected to report during and at the end of the implementation period. In addition to custom reporting, there will be standard indicators against which all projects are expected to report.
- MEDA will focus on understanding the data that grant recipients already have or can feasibly collect to ensure reporting is manageable and not overly cumbersome. The details of the reporting system will be outlined in the contract.
- In addition to performance measurement carried out by grant recipients, the MEDA team will engage with grant recipients (including site visits) to ensure research activities are on track and focused on rapid testing and learning.

The final product/deliverable required for each grant type are the following:

- **Pilot Grant:** a short learning paper (2-3 pages) is expected to be produced at the end of the pilot. This learning paper will be based off a hypothesis testing template which is included in the proposal template.
- **Case Study Grant:** in addition to the case study itself, a learning section/component is expected to be included in the case study that outlines the key take ways and lessons learned.

11. Cross-Cutting Research and Learning Agenda

A key component of participating in this initiative is learning and building a body of knowledge based on the lessons and results of the pilots and case studies. As pilots and case studies commence, there will be opportunities to engage with other grant recipients and project stakeholders to exchange learning and disseminate lessons and results. Once the grants are awarded, regional learning events will be held with grantees to discuss and develop a cross-cutting research plan and learning agenda. Also, a final conference (global learning event) to share lessons and findings will be held in the last year of the project for grant recipients and other project stakeholders. There will be some available funds apart from the grants to support grant recipients to participate in learning events.