

IAP CALL FOR PROPOSALS FREQUENTLY ASKED QUESTIONS

Kindly click on the questions to find answers

Questions related to eligibility criteria

1. [What kind of organizations can apply for IAP support?](#)
2. [In which countries does IAP provide support?](#)
3. [What are the sectors that IAP is targeting?](#)
4. [If you have received funding from IAP during the previous call, are you eligible to apply again for the new call?](#)
5. [Are companies that unsuccessfully applied for IAP in earlier call eligible to apply for the new call?](#)
6. [Is an internationally operating company allowed to apply in more than one of the target countries?](#)
7. [If a foreign company not registered in one of the four target countries, would apply, what would its partnership \(with what type of organization in one of the four eligible countries\) need to look like?](#)
8. [If a company has an investments license that is older than two years but has trading licenses that is less than one year. Is the company eligible? Which license IAP will refer to?](#)
9. [In case a company's license is less than two years, would it be possible to partner with a private company that has more years of experience?](#)
10. [University are the hubs for a lot of innovation, why university are not eligible to apply?](#)
11. [Why two years operational experience? Why not less than that?](#)
12. [Is a company that fully targets export market eligible to apply?](#)
13. [Are cooperatives eligible to apply? Are they considered to be companies?](#)
14. [A company was a sole-proprietor and had eight years of operational experience. Currently, the business is changed to PLC with a group of other individuals. The PLC has almost a year operational experience. Is the PLC eligible to apply?](#)
15. [When it says operational for at least 2 years, does it mean since market research or since business registration or other criteria?](#)
16. [What if the company is not eligible in one of the five criteria?](#)
17. [A business has been operational for the past 2 years in a field that is different from the area of the business idea. Can it apply?](#)
18. [Can an innovation that has been implemented in other countries but not yet in Ethiopia be considered an innovation for IAP?](#)
19. [Clarify the eligibility of the private companies; sole proprietorship, partnership, limited by shares, limited by guarantee, are all eligible?](#)
20. [Is Innovation around poultry farming within scope for consideration in Agriculture?](#)
21. [Is funding outside the EU part of eligibility criteria?](#)
22. [A company manufactures and sells smart solar kiosks, is it eligible to apply?](#)
23. [How about private companies who are suppliers of renewable energy products? Can they apply?](#)
24. [Can a non-profit and private business \(lead\) jointly apply?](#)
25. [If we finance CBOs to start and run business, do we qualify?](#)
26. [Are consortium applications accepted?](#)
27. [2 years' minimum experience is referring to business in any sector, or must be related to the inclusive business sector where the grant will be seeking?](#)
28. [In the case that the business has been operating for two years, but is not yet registered, but by the time of this application we want to apply for it. Can we apply?](#)
29. [Can a project with a total budget of less than \\$ 50,000 be funded?](#)
30. [If a business is in the waste management business, but the activity is recycling the Bottle Waste into floor tile, brick, so under which IAP category does it fall?](#)
31. [What if a business has just registered now, and does not have 2 years' experience yet?](#)
32. [Can Start Up businesses apply for IAP grants?](#)
33. [What if a family business never had an audit or kept proper business records on profit/loss, is it eligible?](#)
34. [Is there a need to include IT components in the application?](#)

Questions related to the application process, submission, evaluation and selection

35. [When and how should the proposal be submitted?](#)
36. [Should we submit the application in English?](#)
37. [Are other languages accepted for submissions?](#)
38. [How do I submit my application and when is the deadline?](#)
39. [A company has more than one innovative Inclusive Business idea. Can it apply more than once during the same call?](#)
40. [In the case that one company has 2 good ideas, can that company join with another company as partner for the second idea?](#)
41. [How many proposals can one company apply?](#)
42. [Is it possible to submit a service sector-related proposal, specifically on renewable energy promotion and maintenance sector?](#)
43. [How will the project proposal be evaluated?](#)
44. [How does the selection process work?](#)
45. [How do you ensure transparency during the screening and selection process?](#)
46. [How can we trust online application? From the intellectual property point of view?](#)
47. [Will the company participating on this call get feedback on their application if they did not pass through?](#)
48. [How many applicants is IAP expecting to support?](#)
49. [The application process can only be started after March 31st?](#)
50. [Will there be one recipient for this grant?](#)
51. [Is there any possibility that the timeline can be accelerated given COVID-19 disruptions to our businesses?](#)
52. [How does the financial health of the applicant affect the decision of the committee?](#)
53. [How does IAP view a company's application that consists of a mixed project that consists of different component from each sector?](#)
54. [What does concept note mean?](#)
55. [How can I save my Concept Note application?](#)

Questions related to IAP funding/financial co-investment (cash and in-kind contributions)

56. [What kind of funding support does IAP provide?](#)
57. [How will the IAP funding be disbursed?](#)
58. [Is the IAP grant non-reimbursable?](#)
59. [What should the company's co-investment look like?](#)
60. [Can IAP funding be used for working capital?](#)
61. [What items are eligible and non-eligible for IAP funding?](#)
62. [Can rent for land be considered in IAP?](#)
63. [Can loans be considered as cash co-investment?](#)
64. [My working space was provided by the government as temporary premise. I have invested in the improvements. Would IAP consider this as the company's in kind contribution?](#)
65. [At what stage will the company be expected to show proof of own cash contribution/co- investment?](#)
66. [Why is in-kind contribution \(buildings, equipment\) that were built or procured more than 2 years prior to submitting the proposal not accepted?](#)
67. [Source of grantee cash contribution can be bank loan?](#)
68. [Is the grant amount provided in foreign currency or in local currency equivalent?](#)
69. [If I have never received funding from the EU directly but somehow I know my donor receives money from EU, would that mean I received money from EU? For clarity does it mean that EU should have given me the money directly?](#)
70. [Can a company use a loan to finance own contribution \(51%\)](#)
71. [In the application, which company needs to contribute the 51% co-investment for the project? Is it the Cambodian partner or the foreign applicant? Or the combination of the two?](#)
72. [What was the average project size \(budget\) in the previous call?](#)
73. [What proof do we need to provide for our own contribution?](#)
74. [Our company has received assistance from other development projects in the past 3 years, are we eligible to apply? If yes, can we use the funding from other projects as our counterpart funding?](#)

75. [If I have a project with other MFIs, and we want to provide greenhouses with solar systems to farmers on credit, train them, and buy their harvest \(thereafter deducted the greenhouse investment costs\), can we use IAP grants for obtaining the greenhouses?](#)
76. [Does the 51% minimum own contribution have to come in upfront or can this come in later during the implementation period?](#)
77. [In case of marketing, how far can the funding cover? Can it cover costs for packaging and labeling materials?](#)
78. [In a situation where the company has no appropriate staff. Can IAP funding cover for specialised staff positions?](#)
79. [Our proposal is a product innovation, which aims to introduce a new cash crop for cultivation to smallholder farmers. A large portion of the investment required for this is the working capital needed to off-take large quantities of the harvested crop at predetermined prices. Would this be eligible for co-investment by the IAP fund?](#)

Questions related to IAP non-financial support

80. [What kind of advisory support does IAP offer?](#)
81. [Can we get technical support on packaging machine?](#)
82. [When is IAP non-financial support available?](#)
83. [What does it mean by "commitment to using advisory services – in milestone table and budget" ?](#)

Others

84. [What kind of results are expected from investees?](#)
85. [What is meant by "innovation"?](#)
86. [What is meant by "inclusive business" and what are the benefits?](#)
87. [Do external consultants help the IAP team manage the program?](#)
88. [How should we present a business that has several components of innovation?](#)
89. [How long will the contract be between IAP and the Business?](#)
90. [Can the business open for other investments or funds during the period of contract with IAP?](#)
91. [Is a business model innovation valid?](#)
92. [What is meant with Low Income Population?](#)
93. [What does Additionality mean?](#)
94. [When it comes to commercial business, does it have to be dealing in a product or can it also be a service?](#)
95. [Can companies communicate directly by phone with IAP?](#)
96. [Will the presentation be shared after the call?](#)
97. [Is the assessment scoring available on the IAP website?](#)
98. [Having received EU funding in the past 3 years; which EU institutions does this apply to, according to your definition?](#)

Answers related to Eligibility criteria

1. What kind of organizations can apply for IAP support?

In order to be eligible to apply for IAP funding, the company must be a private commercial company, duly registered to operate in the country where the proposed inclusive business idea is meant to be implemented. Other forms of organisations like community development organisations, business associations and cooperatives are, however, welcome to be an implementing partner with a private business company, as long as the private business company is the lead applicant for the IAP fund.

2. In which countries does IAP provide support?

IAP offers support in the following four target countries:

- Cambodia
- Ethiopia
- Uganda
- Zambia

3. What are the sectors that IAP is targeting?

Your innovative Inclusive Business idea should be relevant to at least one of the three sectors (Agriculture/food, WaSH, and/or Energy). Any ICT-related innovation should be related to one of the three sectors. The innovative and inclusive business idea should ideally be linked to any of the priority development challenges listed in the table below, but alternative ideas can be presented as well;

Agriculture	Energy	Water, sanitation & hygiene	Cross-sectoral
Climate smart agriculture	Clean/alternative energy for domestic use (cooking, heating, lighting, appliances)	Improved latrines/sanitation facilities	Sustainable natural resource use (soils, water, forests, fish, etc)
Intensification of production (less land)	Financing systems for energy services (suppliers and customers)	Clean drinking water	Food and nutrition security
Diversification of production (less dependence on normal cash crops)		Affordable hygiene products and services	Energy efficiency in agricultural production and processing
Access to affordable quality agro-inputs, agri-finance, technologies, information, and markets		Rain water harvesting systems	Clean/alternative energy for productive use (basic value addition, cold storage, irrigation)
Reduced food waste and spoilage (post-harvest loss prevention)		Solid and liquid waste management/recycling	Women entrepreneurship
Value addition to agricultural produce for the market			

4. If you have received funding from IAP during the previous call, are you eligible to apply again for the new call?

No, companies that have received funding from the first phase of IAP are, unfortunately, not eligible to apply for the second phase due to the De Minimis rule that is applicable to IAP funding. This rule means a recipient of EU funds (including IAP funds) cannot have received more than EUR 200,000 over the past three fiscal years. A sister company, provided it is duly registered as a separate legal entity from the previous applicant, can, however, submit a funding proposal.

5. Are companies that successfully applied for IAP in earlier call eligible to apply for the new call?
Yes, companies that have applied before, but were not successful in a previous call, are eligible to apply for a new call.

6. Is an internationally operating company allowed to apply in more than one of the target countries?
Yes, your company is welcome to apply in more than one of the target countries during the same round of calls, in separate applications. However, IAP will not commit financial support for more than €200 000 in total for a selected company. Please see next question for more details regarding international applicants.

7. If a foreign company not registered in one of the four target countries, would apply, what would its partnership (with what type of organization in one of the four eligible countries) need to look like?
In general, IAP commercial applicants can partner up with other commercial companies, NGOs, business associations or public agencies as relevant for the success of the inclusive business initiative.

In the case of applicants that are not operational and registered in the country where they propose to implement their inclusive business initiative, they are required to have a registered local partner as lead applicant in order to minimize the time of localization and learning, registration processes, building networks and ecosystems, amongst others that influence the efficiency and chances of success from the early stages of the implementation.

In terms of the type of partnership, IAP only requires that:

- a. The local partner plays a relevant role in the implementation process
- b. Both parties are in agreement on the type of legal structure and format they will take in order to guarantee the success of the implementation but also the sustainability and potential scalability of the initiative;
- c. If the legal structure and registration of the local partner is to be used for the implementation, then that should be the lead applicant to IAP and must be therefore a private business.

8. If a company has an investments license that is older than two years but has trading licenses that is less than one year. Is the company eligible? Which license IAP will refer to?
We want proof that your company has at least two years of business/operational experience. Any proof will do.

9. In case a company's license is less than two years, would it be possible to partner with a private company that has more years of experience?
Yes. Please submit, and indicate the combined years of experience.

10. University are the hubs for a lot of innovation, why university are not eligible to apply?
Not as lead applicants. They would need to find a private sector partner.

11. Why two years operational experience? Why not less than that?
Companies with at least two years of operational experience are eligible. This is based on IAP's past experiences with start-ups who have no or little business experience, and this has caused quite some challenges with regard to basic financial management, procurement, and business decision-making. Quite a number of our contracts with such companies were terminated prematurely, which has been a waste of IAP funds.

12. Is a company that fully targets export market eligible to apply?

Sure, why not? Please consider the risks with this when submitting your full business

13. Are cooperatives eligible to apply? Are they considered to be companies?

In case that a cooperative has a business license, registration license and tax identification number, it is eligible to apply. Otherwise, it needs to partner with a private company or social enterprise, having the latter as the lead applicant.

14. A company was a sole-proprietor and had eight years of operational experience. Currently, the business is changed to PLC with a group of other individuals. The PLC has almost a year operational experience. Is the PLC eligible to apply?

As long as the business was operational and the link can be demonstrated between the sole-proprietor and PLC then that can be considered as just change of ownership and be considered to apply.

15. When it says operational for at least 2 years, does it mean since market research or since business registration or other criteria?

This means the business must have been operating for at least 2 years, and can provide proof of this (i.e. business records).

16. What if the company is not eligible in one of the five criteria?

Applying companies need to fulfill all eligibility criteria

17. A business has been operational for the past 2 years in a field that is different from the area of the business idea. Can it apply?

Yes. The 2 years will still be seen as relevant business experience.

18. Can an innovation that has been implemented in other countries but not yet in Ethiopia be considered an innovation for IAP?

Yes. Innovations are context-specific

19. Clarify the eligibility of the private companies; sole proprietorship, partnership, limited by shares, limited by guarantee, are all eligible?

Yes. We just need proof that you are duly registered to do the business that you are in, and that you are profit-driven.

20. Is Innovation around poultry farming within scope for consideration in Agriculture?

Yes, poultry is considered part of agriculture. So is dairy, fish-farming, horticulture, aquaculture, hydroponics, etc

21. Is funding outside the EU part of eligibility criteria?

No, but we do look at the additionality of IAP funding. If you can get funds easily from other sources, why should we give you an IAP grant? Also, we will not consider investments made by any donor as eligible in-kind co-investment.

22. A company manufactures and sells smart solar kiosks, is it eligible to apply?

Absolutely. You do not need to have low-income people as direct customers, it can be anyone in the value chain that eventually serves low-income people as end-beneficiaries.

23. How about private companies who are suppliers of renewable energy products? Can they apply?

Yes, you can apply whether you are supplying retailers/distributors, or customers directly. But we need to see the element of innovation. What will you be offering that is new?

24. Can a non-profit and private business (lead) jointly apply?

The lead applicant must be a duly registered private company, the partner can be an NGO. Not vice versa.

25. If we finance CBOs to start and run business, do we qualify?

Depends what your business angle is, what innovation you are bringing to the table, and what sector the CBOs operate in.

26. Are consortium applications accepted?

Yes, but we do need to have a lead applicant that will sign the contract, receive the funds and be responsible for reporting.

27. 2 years' minimum experience is referring to business in any sector, or must be related to the inclusive business sector where the grant will be seeking?

Any business sector.

28. In the case that the business has been operating for two years, but is not yet registered, but by the time of this application we want to apply for it. Can we apply?

Yes, as long as you are duly registered by the time you submit your application.

29. Can a project with a total budget of less than \$ 50,000 be funded?

No. The minimum grant size from IAP is EUR 50,000, and you as a company would then need to co-invest worth at least EUR 51,000. So the smallest IAP co-funded project should be worth EUR 101,000

30. If a business is in the waste management business, but the activity is recycling the Bottle Waste into floor tile, brick, so under which IAP category does it fall?

It could be under WaSH (sanitation, hygiene) and even agri-food (drinks waste recycling)

31. What if a business has just registered now, and does not have 2 years' experience yet?

No, we want all applicants to provide proof of having at least two years of business experience.

32. Can Start Up businesses apply for IAP grants?

We need all applicants to have at least two years of business experience. The business registration/license does not have to be at least two years old.

33. What if a family business never had an audit or kept proper business records on profit/loss, is it eligible?

This is a problem for IAP. We will check your business track record and will require proof of the viability of your business and the requisite business systems and procedures before we decide to invest in your company. Without any evidence that your company is viable, we will not take the risk.

34. Is there a need to include IT components in the application?

IT inclusion is not compulsory. Innovation could indeed also be around business model, service delivery mode, new product, etc.

Answers related to the application process, submission, evaluation and selection

35. When and how should the proposal be submitted?

The call for proposals is open from 3rd April 2020 until 15th May 2020. Applications can be submitted at any time until the closing date. The proposals can be submitted only through our online application system, to be found at www.innovationsagainstopoverty.org

36. Should we submit the application in English?

Yes, the application can only be submitted in English. Your company is free to hire additional support to assist you with the translation of your concept note or business plan. Please note that English proficiency will not be taken into account in the assessment so long as the business idea is clear.

37. Are other languages accepted for submissions?

No, only English.

38. How do I submit my application and when is the deadline?

The deadline is May 15th. The application process and all relevant resources can be found on our online application centre. Click on the “How to apply” on our website www.innovationsagainstopoverty.org

39. A company has more than one innovative Inclusive Business idea. Can it apply more than once during the same call?

Yes, companies are welcome to submit multiple innovative Inclusive Business ideas during the same call, as long as the ideas are submitted as separate applications. However, IAP will not commit financial support for more than €200 000 in total for a selected company.

40. In the case that one company has 2 good ideas, can that company join with another company as partner for the second idea?

One idea can be submitted as lead applicant, and the other as a partner to another lead applicant. If the two business ideas are somewhat related/complementary, then they can be combined in one proposal.

41. How many proposals can one company apply?

Companies can submit multiple proposals but will not win all of them. Maximum amount awarded is EUR 200,000 per company

42. Is it possible to submit a service sector-related proposal, specifically on renewable energy promotion and maintenance sector?

Yes, solutions in the energy sector are acceptable.

43. How will the project proposal be evaluated?

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**. Shortlisted candidates will subsequently be notified and invited to do a face-to-face pitch. A final list of shortlisted candidates will then be asked to submit a full business plan, which will be evaluated against the full list of assessment criteria. The eligibility and assessment criteria can be found on our online application system, to be found at: www.innovationsagainstopoverty.org

44. How does the selection process work?

The full process starting from the concept note submission to contract signing will take around 8 to 10 months. The application process consists of the following steps:

- i. Concept note (CN) submission
- ii. Screening, evaluation, and shortlisting of initial CNs
- iii. Face-to-face pitching by initially shortlisted companies
- iv. Final shortlisting of companies
- v. Full Business Plan (FBP) submission
- vi. Evaluation and shortlisting of FBPs
- vii. Due diligence
- viii. Final evaluation and selection
- ix. Contract negotiation and signing

45. How do you ensure transparency during the screening and selection process?

Firstly, the whole IAP team, additional SNV advisors, and external consultants will sign the IAP Code of Conduct. Secondly, 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. The selection process steps and assessment criteria are well-defined and shared with all parties. The IAP team will not address any direct questions or requests for additional information from individual applicants, but instead will use a chat box function on the online application centre open to all applicants to answer questions. Final selection of awarded companies will be done by an independent panel of experts.

Applicants can contact Sida at investigation@sida.se to report any corruption practice related to this IAP call/application process.

46. How can we trust online application? From the intellectual property point of view?

All company-related information shared with IAP as part of the application process is strictly confidential, and will not be shared with any other party. A confidentiality agreement to this extent will be shared with each shortlisted company.

47. Will the company participating on this call get feedback on their application if they did not pass through?

Yes, you will be provided with feedback.

48. How many applicants is IAP expecting to support?

IAP is expecting to be able to support around 25 inclusive business ideas for this round, from all four countries combined.

49. The application process can only be started after March 31st?

Yes, it will be open starting March 31st and concept notes need to be submitted by May 15th, 2020.

50. Will there be one recipient for this grant?

No, we have about EUR 3 million available for this call. Grant sizes will range between EUR 50,000 and 200,000. For this upcoming round, we expect about 25-30 contracts to be awarded across the four countries.

During the previous round, EUR 2.7 million was disbursed to the initial 35 companies awarded with IAP grants. Over time, ten contracts were terminated prematurely due to performance issues and external factors beyond the control of the companies. Two contracts expired before full funds were used up. At the start, however, the available funds were overcommitted in anticipation of terminations.

51. Is there any possibility that the timeline can be accelerated given COVID-19 disruptions to our businesses?

No. The IAP application process will need to take about 8 to 10 months. All steps need to be followed and unfortunately take time to ensure quality and transparency. In addition, the question on expected changes in the application process due to COVID was raised verbally.

52. How does the financial health of the applicant affect the decision of the committee?

Financial health will be checked as an indication that your business has a good track record, is viable, and sufficiently mature for us to invest in, and that you have the co-investment needed to get the IAP grant.

53. How does IAP view a company's application that consists of a mixed project that consists of different component from each sector?

Great! We encourage cross-sector innovations. All other criteria still apply.

54. What does concept note mean?

How environmentally sustainable, inclusive, innovative, scalable and commercially viable your business idea is. Applicants will find out what the concept note fully entails when starting the application on the online application centre.

55. How can I save my Concept Note application?

In order to save your concept note, you have to fill-in all required fields to save one section (there are 7 sections; section A to G). All required fields that aren't completed, will be marked in red. If you successfully save your concept note, a pop-up window should appear on your screen, confirming that you have saved the section. You can also choose to fill-in the concept note offline, by using the concept note form available on our website([insert hyperlink to how-to-apply tab](#)) to avoid losing any content that you have worked on, and then copy it to the online application."

Answers related to IAP funding/financial co-investment (cash and in-kind contributions)

56. What kind of funding support does IAP provide?

IAP provides funding of up to 49% of the total cost of investment for implementation of the Inclusive Business idea. IAP will provide funding 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.

57. How will the IAP funding be disbursed?

IAP will not provide advance payments. IAP will reimburse expenditures related to pre-approved budget items/activities spent in accordance with the approved IAP investment proposal and compliant with financial reporting conditions and requirements stipulated in the contract.

58. Is the IAP grant non-reimbursable?

In principle, the grant is non-reimbursable, but IAP reserves the right to demand a (partial) refund from contracted investees under the following conditions;

SNV-IAP may, at its discretion, require all or any part of the IAP funding to be repaid if:

- (a) any claim for the IAP funding is based on misleading information or falsified documentation; or
- (b) the Company uses the funding for any purpose other than the purposes set down in the contract Agreement.

59. What should the company's co-investment look like?

In cash and in-kind to match IAP with at least 51% of total project cost. Cash contribution should make up at least 30% of the company's co-investment. Higher cash contributions will be positively assessed.

In-kind contributions:

- Must be specifically and directly related to implementation of the inclusive business project (this will be evaluated at the time of contract signing).
- The value must be tangible and verifiable, based on supporting evidence such as contracts, invoices, etc.
- Could have been built or procured in previous years but not more than 24 months prior to signing of the IAP investment contract.
- Not sourced from other donor initiatives, programmes and public funds, or facilities, but sourced from private investment funds or company's own sources.

What is eligible for inclusion as in-kind contribution value?

- Project-related personnel non cash costs during implementation of the inclusive business project (This should be verifiable by a document indicating the cost of the personnel).
- Annual company registration and business license fees during implementation of the inclusive business project
- Buildings, facilities, inventories/stock, and equipment built or procured less than 24 months prior to signing the IAP investment contract, but directly pertinent to the inclusive business project.
- Software previously developed less than 24 months prior to signing the IAP investment contract.
- Software previously developed less than 24 months prior to signing the IAP investment contract.

60. Can IAP funding be used for working capital?

Yes, please refer to page 9 in our Guidelines for Applicants (see online application centre) to see what IAP funds can be used for, including categories for working capital.

61. What items are eligible and non-eligible for IAP funding?

Eligible costs;

Category	Explanation
----------	-------------

Capital expenditure	Investment in company’s physical assets such as equipment, tools, facilities, and transportation related to production, manufacturing, processing, and /or marketing. IAP funds can only be used to cover up to 50% of the required CAPEX investment costs. The remaining 50% must be provided by the company
Direct investment in low income population	Spending that directly benefits low-income beneficiaries such as inputs, tools, equipment, loans, construction, and training for farmers, amongst others.
Project operational expenses	Project running expenses such as transport & travel expenses, office & administration costs, salaries for project staff, recurrent operational costs, marketing costs, investment readiness support (market studies), leasing of equipment, land, and facilities.
Training and consulting	Training, researching, and consulting related to the inclusive business project for the company and its internal staff
Other expenses	Other expenses related to the project, which could not be listed under the categories described above such as audit, marketing, amongst others.

Non-eligible costs;

- Purchase of land
- Purchase of existing buildings
- Bank charges, cost of guarantees and similar charges
- Value of existing inventory used for the production of goods and/or services not relevant to the inclusive business project
- Value and registration costs of intellectual property rights
- Cost of personnel paid in the past

62. Can rent for land be considered in IAP?

Purchasing and leasing land, equipment, and facilities cannot exceed 50% using IAP funds. Physical infrastructure/machinery (CAPEX) cannot exceed 50% using IAP funds. During due diligence, IAP will check availability of sufficient cash/liquidity in case the Applicant intends to use IAP funds for CAPEX. The Applicant should provide audited books of accounts for the last two years.

63. Can loans be considered as cash co-investment?

Yes, provided that we are given proof that the loan has been approved and/or it has already been (partially) released.

64. My working space was provided by the government as temporary premise. I have invested in the improvements. Would IAP consider this as the company’s in kind contribution?

Yes. If the company can provide proof that the improvements were concluded 24 months prior to applying for IAP funding.

65. At what stage will the company be expected to show proof of own cash contribution/co- investment?

During the due diligence stage in Oct-November, if your application has reached that stage.

66. Why is in-kind contribution (buildings, equipment) that were built or procured more than 2 years prior to submitting the proposal not accepted?

These investments are considered to part of the “old” core business of the company and has already been producing returns. Within 2 years, the investments are considered to be linked to a new line of business, and therefore possibly part of the innovation being proposed.

67. Source of grantee cash contribution can be bank loan?

Yes, but there needs to be proof that the loan has been approved or already partially released

68. Is the grant amount provided in foreign currency or in local currency equivalent?

It will be paid to the contracted private company in local currency equivalent.

69. If I have never received funding from the EU directly but somehow I know my donor receives money from EU, would that mean I received money from EU? For clarity does it mean that EU should have given me the money directly?

This rule applies only when you, as the applicant, have not received any EU funding up to EUR 200,000 over the past three years.

70. Can a company use a loan to finance own contribution (51%)

Yes, but we need to see proof that the loan has been approved and/or already disbursed.

71. In the application, which company needs to contribute the 51% co-investment for the project? Is it the Cambodian partner or the foreign applicant? Or the combination of the two?

The lead applicant needs to be duly registered in the country that you are applying for, and will be held accountable for all contractual requirements and obligations. The 51% co-investment can come from both.

72. What was the average project size (budget) in the previous call?

Average grant size was just under EUR 130,000. Average project size was around EUR 350,000 to 400,000 (IAP grant + co-investment from company)

73. What proof do we need to provide for our own contribution?

For cash contribution, we need to see bank statements and/or audited reports for the past two years. For in-kind contributions, we will need documentation that confirms the monetary value of the item being proposed (e.g. invoices, receipts, salary slips, etc)

74. Our company has received assistance from other development projects in the past 3 years, are we eligible to apply? If yes, can we use the funding from other projects as our counterpart funding?

The applicant cannot use funding from other donor projects/organisations as its minimum 51% counterpart funding. The applicant is, however, allowed to source additional private investments/financing, on top of its 51% co-investment, with funds received from third party investors or partners. It is also important to note that companies having received or currently receiving grants from EU member states, are not allowed to be benefited with more than €200 000 in 3 continuous fiscal years.

75. If I have a project with other MFIs, and we want to provide greenhouses with solar systems to farmers on credit, train them, and buy their harvest (thereafter deducted the greenhouse investment costs), can we use IAP grants for obtaining the greenhouses?

Yes, IAP allows funds to be used for investments directly going to farmers, but we would want know how this investment will be recovered. How will it be sustainable from a business viability perspective. In addition, IAP funds can also be used to pay for the farmer trainings.

76. Does the 51% minimum own contribution have to come in upfront or can this come in later during the implementation period?

Proof of the co-contribution from the company is provided during milestone report submission, when the company requests for a disbursement tied to a milestone.

77. In case of marketing, how far can the funding cover? Can it cover costs for packaging and labeling materials?

Yes, these are eligible cost. Note that IAP also offers non-financial support in the area of 'marketing & distribution'. You are encouraged to make use of these services when deemed

relevant, but this is not mandatory. In the concept note, you are requested to indicate your needs regarding non-financial support.

78. In a situation where the company has no appropriate staff. Can IAP funding cover for specialised staff positions?

Yes, labour costs are eligible cost in principle. Your team capacity will be assessed during due diligence.

79. Our proposal is a product innovation, which aims to introduce a new cash crop for cultivation to smallholder farmers. A large portion of the investment required for this is the working capital needed to off-take large quantities of the harvested crop at predetermined prices. Would this be eligible for co-investment by the IAP fund?

Yes, IAP grants can be used as working capital (i.e. for purchasing of raw materials), but the business model must show how this will eventually be done in a sustainable manner (i.e. like a revolving fund) that will enable constant purchasing of these inputs, not just a once-off transaction.

Answers related to IAP non-financial support

80. What kind of advisory support does IAP offer?

IAP will provide a range of advisory services through group workshops and individual coaching sessions, focused on areas such as business development and innovation support, gender and environmental integration, organizational strengthening, contract management advice, monitoring and evaluation advice, marketing & distribution advice, and investment readiness/match-making support, to further develop the business ideas and practices.

81. Can we get technical support on packaging machine?

Yes. Through IAP's support package, we can arrange for technical expertise (either from SNV or sourced externally). Funding and/or co-funding for the associated costs will need to be arranged beforehand. Any investment from the applicant to cover such costs will be positively assessed.

82. When is IAP non-financial support available?

IAP provides only full business plan development support during the application process (i.e. before contract signing). After contracts have been signed we can provide the full package, based on agreed plans.

83. What does it mean by "commitment to using advisory services – in milestone table and budget" ?

In case you request for non-financial support in certain areas, IAP facilitates its provision to your company during project implementation. However, IAP expects in return, that you commit on following up on the advice provided with deliverables agreed upon before contracting. These deliverables will be included in milestones tight to disbursement, and costs for follow-up should be included in the project budget.

Others

84. What kind of results are expected from investees?

IAP expects three types of results from its investees:

Commercial viability: Companies are expected to clearly demonstrate how they will become sustainable, profile a competitive financial performance, and show signs of potential for scalability and replication.

Social impact:

- a. New Jobs created for low income people
- b. Income improvement (increased income and/or cost savings) for low-income families

- c. Access to affordable basic goods and services for low income people
- d. Greater gender equality and economic empowerment for women entrepreneurs
- e. Improved living conditions for low-income men and women

Environmental impact:

- f. Sustainable natural resource use
 - g. Environmental protection/rehabilitation/restoration
- Climate change mitigation and adaptation

85. What is meant by “innovation”?

In the context of IAP, innovation is defined as:

- 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

In any case, the idea should be proven to be innovative in the context of the targeted country.

86. What is meant by “inclusive business” and what are the benefits?

Inclusive Business is defined as a strategic, innovative, commercially viable core business initiative, which unlocks entrepreneurial opportunities for the low income people to be engaged in the value chain, as suppliers, employees, distributors, consumers- or even as innovators. Inclusive Businesses create shared value for the companies, low-income markets and the environment. Inclusive Business thus general core business benefits while supporting and improving the lives of low-income people and protecting the environment:

- I. Business impact:
 - Increased competitiveness
 - Increased market share
 - Inclusive and green supply chains
 - Improved social license
 - Business innovation
- II. Societal impact:
 - Creates jobs
 - Increased and diversifies income
 - Provides access to basic goods and services
 - Increases productivity
 - Empowers women, youth and low income groups
- III. Environmental impact: Inclusive Business contributes directly to environmental sustainability, for example:
 - Sustainable natural resource use
 - Environmental protection/rehabilitation/restoration
 - Climate change mitigation and adaptation

87. Do external consultants help the IAP team manage the program?

No, SNV manages the program and external consultants only provide technical assistance to contracted companies.

88. How should we present a business that has several components of innovation?

If the components are related, you may submit them under one business idea. Otherwise, they may be presented separately.

89. How long will the contract be between IAP and the business?

IAP will look for two-year contracts, but this can be negotiated. We expect implementation to start around January/February 2021, and end mid-2023.

90. Can the business open for other investments or funds during the period of contract with IAP?

Yes, companies are free to attract any additional investments or funding while under contract with IAP. These investments, if they come from a public source (e.g. another grant), cannot be used as part of the company's co-investment for the IAP-supported inclusive business project.

91. Is a business model innovation valid?

Yes. The innovation we are looking for can be either a product, a service, or a delivery model, provided it is applicable in the sectors mentioned and related to the development challenges presented.

92. What is meant with Low Income Population?

People living on equal or less than USD 8 PPP per capita per day. PPP stands for Purchasing Power Parity.

93. What does Additionality mean?

Under additionality, we want to know why you think you need to receive IAP grants. Would the proposed inclusive business idea not be possible without IAP grants? Why not?

94. When it comes to commercial business, does it have to be dealing in a product or can it also be a service?

Yes, both, as long as there is a profit motive for providing the product and/or service

95. Can companies communicate directly by phone with IAP?

Unfortunately no. We want to ensure a transparent and fair selection process for all applicants, and will therefore not provide information to individual companies. However, everyone has an equal chance to post questions and see all answers to questions posted by other applicants in the public chat box on our online application centre. This is available from April 3rd 2020.

96. Will the presentation be shared after the call?

Yes, if you have given us your email address. But please note that all relevant information presented during the launch is available on the above site.

97. Is the assessment scoring available on the IAP website?

The Guidelines for Applicants on the website presents the assessment criteria used for scoring the concept notes and the full business plans.

98. Having received EU funding in the past 3 years, which EU institutions does this apply to, according to your definition?

The issue is not so much which EU institution, it's about the money being public funds of European origin and meant to incentivize, support, subsidize a particular development initiative. The EU has agreed amongst its member states not to cross-fund/double-fund the same recipients.

Disclaimer: All the answers by IAP management are provided to the best of their knowledge and ability at the time. Applicants cannot claim any rights based on the answers provided. The list of FAQs will be continuously updated as questions come in.