

RESET Plus Innovation Fund



FUNDED BY THE
EUROPEAN UNION

በአውሮፓ ዕብረት የገንዘብ ደጋፊ የሚሰጥ ፕሮጀክት

Financial support for innovators Guidelines for applicants

Amended version Nov 25th 2019 - **changes are highlighted**

RESET Plus Innovation Fund for Resilience - Road map

Launch of the Innovation Fund for Resilience	October 2019
Information sessions in Addis Ababa and 8 RESET clusters	October - November 2019
Deadline for submission of Concept Notes	December 16th 2019, 16:00
Announcement of selected Concept Notes	January 2020
Orientation workshops for selected Concept Notes	February 2020
Deadline for submission of Full Proposals	March 2020
Announcement of pre-selected Full Proposals	April 2020
Defence (face to face presentation) of pre-selected proposals	May 2020
Announcement of final selected proposals	May 2020
Contract signing with selected projects	June 2020
Implementation period for innovative projects	July 2020 - June 2022

1. Background information

Resilience in Ethiopia has, since 2011, received renewed commitments by government and the international community to strengthen the bridge between development and humanitarian projects.

The 2015/16 drought in the highlands and the 2016/17 drought in the eastern lowlands made evident that while contributions made by resilience-building programmes were important, there is an urgent need to address the root causes of vulnerability and instability in rural areas. There has been a growing call for resilience programmes to go beyond “business as usual” and address the new trends and challenges that are occurring in the country. Resilience can no longer be only understood in terms of traditional farming, disaster risk management or basic social services at community level. Due to the integration and transformation of traditional rural livelihoods systems with the opening to markets, growing urbanisation processes and new demands from youth and women, more attention and investment is required in social innovation in the development and humanitarian sectors.

The importance of **innovation for development** is widely recognised in both the development and developing countries all over the world. Innovation has always been the key driver of development processes in economic and social spheres. With the need for humanitarian aid growing rapidly, and finance in short supply, it is clear that innovation is also required in the humanitarian sector in order to make the delivery of aid more efficient and effective.

The Growth and Transformation Plan 2015/16-2019/20 (GTPII) of the Ethiopian government requires innovation across a range of social, economic and technical spheres. Innovation is integral to all the GTPII’s pillars: modernising the economy; finance and infrastructure; channelling the rapid rate of urbanisation into a force for sustained, rapid growth and structural transformation of the economy; investments in the capacity of people, and women and youth in particular and also public institutions.

The EU actively promotes innovation in a broad sense towards addressing the critical barriers in different sectors. According to the European Consensus on Development, innovation is associated to the Commission’s efforts to address issues of youth, mobility, environmental sustainability, financial services, private sector growth, cities/urban, social, education and research (European Commission, 2016).

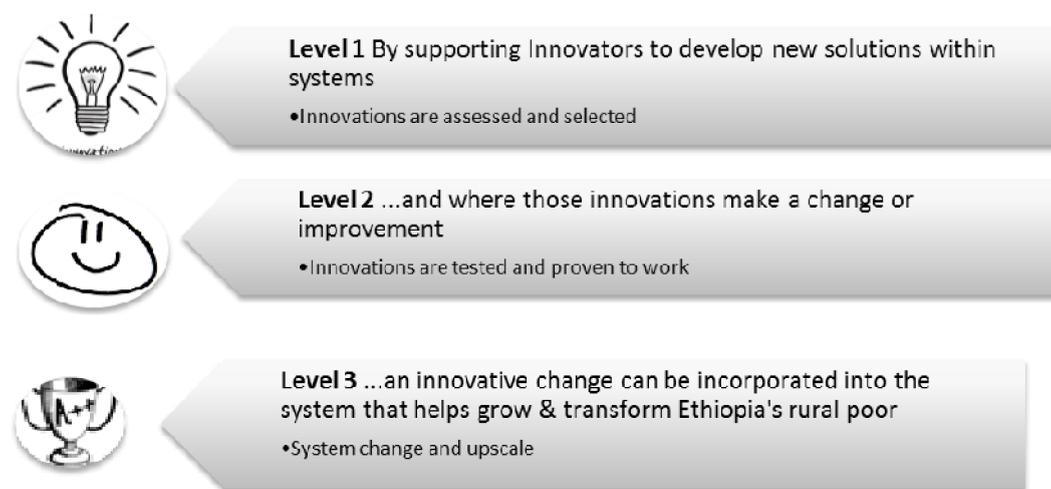
Since 2012, the EU has invested more than 200 million Euros on different resilience building programmes in Ethiopia. The **EU Resilience Building Ethiopia (RESET)** set up the base for introducing innovative resilience building initiatives aimed at interlinking the EU's humanitarian and development cooperation in Ethiopia. RESET uses a multi-sectoral, multi-level and multi-partner approach to achieve the goal of enhancing resilience to shocks of the most vulnerable populations by improving their absorptive, adaptive and transformative capacities. The EU RESET programme seeks for sustainable changes that improve the performance and impact of private and public sector systems with special focus on building resilience capacity of vulnerable people and communities in drought prone areas. To make such changes, EU RESET recognises the important role of innovation that must be driven from within those systems. More information about the EU RESET programme can be found here https://ec.europa.eu/trustfundforafrica/region/horn-africa/ethiopia/resilience-building-and-creation-economic-opportunities-ethiopia-reset_en

This Innovation Fund is one of the four components of **RESET Plus** and builds on the activities on activities of previous RESET phases and complements them by supporting interventions at a higher systemic level in order to address the more structural underlying causes of vulnerability.

In line with the framework of the EU RESET programme, the objective of this Innovation Fund is to foster social innovation that enhances resilience-building in Ethiopia. Proposed projects under this Innovation Fund are expected to influence existing systems by introducing and adopting new and appropriate methodologies, approaches, technologies and practices, in partnership with public and private stakeholders, which empower women and youth, including addressing the underlying social, cultural and economic causes of inequality in their respective societies.

The theory of change for the Innovation Fund for Resilience

A selected idea (innovation) should be tested and proven to work. If successful, it should be properly documented and disseminated to be ready to move to the second level of change, where the initiative is adopted by a system. To ensure that the Innovation Fund's Theory of Change could be easily understood and consistently applied, it has been broken down into three linked steps or levels:



Level 1 – Activities - the innovation is implemented: the RESET Innovation Fund seeks for potential partner/s (innovators) to propose innovative ideas that would bring transformative impact on the current EU resilience building interventions. The selection of proposals is designed to set-apart innovations and change that most strongly align with RESET objectives and activities. In all cases, problems and potential solutions are to be articulated at a grass roots level, and should have the potential to be scaled up at national level.

Level 2 - First level of change – proof that the innovation works: Innovators should work closely with the existing RESET clusters in the geographical and/or sectoral areas of intervention during the testing of the initiative. This will ensure that if relevant, RESET clusters will adopt the innovation within their own work. This will be the first level of change achieved by the innovation. The innovation would need to be properly documented and disseminated in order to move to the next level.

Level 3 - Second level of change – the change is adopted by the system: The RESET Innovation Fund will link proven and documented innovations with their wider systems to increase the likelihood of its adoption and replication.

2. General information about the RESET Plus Innovation Fund

2.1. Objectives

The Innovation Fund expects to be one pathway to move resilience out of the "business as usual" approach and make it more relevant to the rapidly evolving social, economic and demographic context of the country.

The **global objective** of this call for proposals is to promote social innovation in the resilience-building sector in Ethiopia by providing financial support for innovation.

The **specific objective** of this call for proposals is to contribute towards improved sustainable livelihoods and strengthened resilience of vulnerable communities through innovative actions that have the potential to influence existing systems.

2.2. Components for the financial support

The RESET Plus Innovation Fund for Resilience has two components:

- **Component 1 Financial support to Innovators:** The financial support for innovators aims to support technically and economically feasible, and replicable innovative projects that would elevate and/or lead to transformative change. Proposed innovative projects should follow the principles of innovativeness in terms of adding value towards achieving substantive impact on systems in order to address underlying root causes of vulnerability.
- **Component 2 Financial Support to Researchers:** The financial support for research, as complementary to the financial support for innovators, aims to support research institutions to undertake relevant applied research. The specific research areas will be based on the relevance and the priorities set by those innovative proposals selected for funding under the financial support for innovators (component 1).

N.B. The component 2 *Support to Researchers* will be launched after the identification of the projects to be supported under the component 1 *Financial Support to Innovators*. The present Guidelines apply for Financial support for Innovators (component 1) only.

2.3. The objectives and results to be obtained with the financial support

The objective of the financial support under this Innovation Fund is to promote social innovation in the resilience-building sector in Ethiopia.

The activities under the Innovation Fund are expected to influence existing systems by introducing and adopting new and appropriate methodologies, approaches, technologies and practices, in partnership with public and private stakeholders, including addressing the underlying social, cultural and economic causes of inequality in their respective societies.

The changes to be brought about by funded innovations are expected to particularly benefit youth and women from the EU RESET's target area / woredas.

3. Call rules for innovative projects (component 1)

3.1 Types of activities eligible for financial support

The type of activities under the financial support should comprise credible innovation concepts with the potential to bring systematic change.

Activities under financial support have to take into account the following **important aspects**:

- Clear link and complementarity with the EU RESET programme, PSNP and other relevant resilience building initiatives;
- Address capacity gaps of the beneficiaries of the innovation and of its implementers;
- Potentially integrated within a “system” in which the idea can be tested, replicated, scaled-up and sustained without external support;
- Supported by a "business case" showing the socio-economic return with clear indicators to monitor results and impact;
- Integration of new technologies for access, learning, accountability and communication;
- Proven social accountability and governance of the group managing the innovation;
- Potential for institutionalisation including possibility of partnerships among CSOs, and between private actors and public institutions;
- Integrating learning with the potential to generate documentation and influencing practices and policies of development actors at different levels;
- A strong approach and impact on gender equality and climate change.

The **thematic areas** for the financial support includes but not limited to:

- Sustainable climate smart production systems
- Livelihood diversification related to agro-livestock business and value chains related to productivity and access to market
- Livelihood diversification related to proximity services to communities
- Transforming agricultural technology transfer and adoption
- Rural job creation – self or waged employment
- Water supply development and sustainable management
- Long-term Nutrition
- Disaster Risk Reduction techniques/approaches
- Sustainable Natural Resource Management
- Demography - Family Planning

The specific activities should fall into at least one of the following indicative fields:

- Boosting resilience of the target vulnerable farmers and pastoralists to climate shocks through consideration of the multi –dimensional nature of rural economic and social development;
- Enhancing production and productivity with increasing access to quality inputs and modern technologies;
- Sustainable natural resource management systems that would enable to keep soil fertility, increase surface and ground water potential, and decrease climate changes occurrence frequency;
- Research – business nexus that would transform production and productivity;
- Drought tolerant strategies and practices expanding research to withstand drought related impacts on production and productivity;
- Modernizing agricultural practices – reinforcing agri-business - access to financial services;

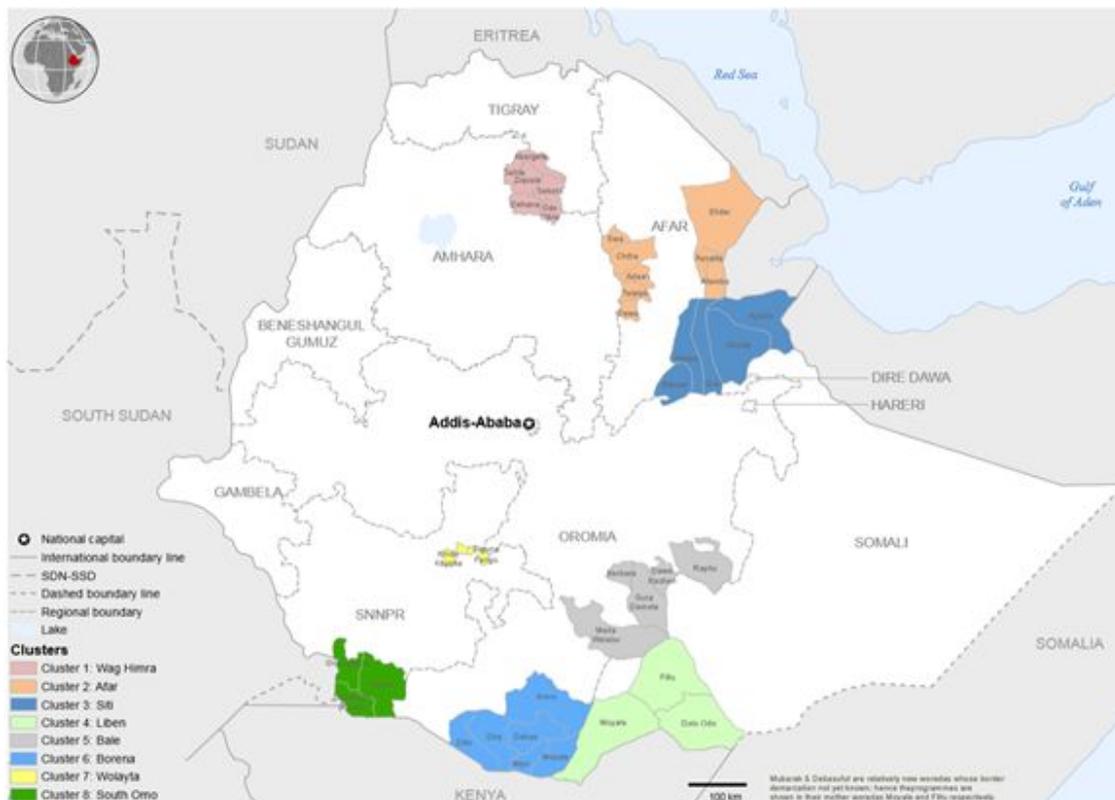
- Technology transfer and adoption to provide private sector players with evidence of profitability for investing and thus creating more job opportunities;
- Support to entrepreneurship initiatives with strong social and environmental objectives
- Value chain development - connecting small holder farmers and pastoralists / agro-pastoralists with local, national and international markets;
- Promotion of behavioural change and awareness raising of target population and empowerment, particularly of youth and women;
- Increased sustainable access to quality social basic services through introducing new practices and working models that can be scaled up and institutionalised;

3.2 Geographical coverage

The RESET plus innovation fund targets 42 pre-identified woredas in five regional states of the country. Namely;

- Amhara region, Waghimira zone (Sekota, Tsagibige - resulted after the separation from Sekota, Ziquala, Abergele, Sahla, Dehana and Gaz Gibla woredas)
- Afar region, Zone 1, 4, and 5 (Chifra, Adar, Ewa, Dewe, Telalak, Aysaita, Elidar and Afambo woredas)
- Somali region, Siti zone (Ayisha, Miesso, Afdem, Erer, Shinile woredas) and Liben Zone (Dheka Suftu, Mubarek, Dolo Odo and Moyale(S) woredas)
- Oromia region, Bale zone (Dawe Kachen, Gura Damole, Rayitu, Meda Wollabu and Berbere woredas) and Borena zone (Dillo, Moyale (O), Miyo, Dire, Dehas and Arero woredas) and
- SNNPR (Southern Nations, Nationalities, and Peoples' Region, Wolayita zone (Kindo Koysa, Damot Pulasa, Boloso Sore and Diguna Fango woredas) and South Omo zone (Hamer, Dasenech, Gngangatom woredas)

There is the possibility of outreach in the neighbouring woredas, if duly justified.



3.3 Who can apply for the component for Innovators?

Eligible entities to apply are:

- Non-governmental organisations at local, national or international level;
- Civil society organisations, including grassroots community based organisations such as cooperatives, women's associations or youth associations/clubs,
- National universities or research institutions.

Partnerships are highly encouraged.

Private sector organisations can apply, but only in partnership with non-profit organisations or institutions as listed above. Private sector organisations are not allowed to make a profit from the activities under this financial support.

All types of persons or categories should be legally registered to operate in Ethiopia.

3.4 Selection criteria for selecting the entities and giving the financial support

General criteria:

- Knowledge of the target thematic areas with experience relevant to resilience building and systematic change - innovative initiatives.
- Ability to propose an innovation that can be scaled up and institutionalised, having an impact on local, regional and/or national system;

Specific criteria for selecting entities

For lead applicant

In order to be eligible for a grant, an entity must:

- be a legal person registered in Ethiopia and
- be non-profit-making organizations and
- be directly responsible for the preparation and management of the proposed innovative project action with the co-applicant(s) and partners (if the case).
- proven presence in the target cluster.

Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations of exclusion, as defined by the Practical Guide of the European Union; <http://ec.europa.eu/europeaid/prag/document.do?nodeNumber=2.6.10.1.1>

The lead applicant may act individually or with co-applicant(s)], but not acting as an intermediary.

If awarded the grant contract, the lead applicant will become the beneficiary identified as the Coordinator. The Coordinator is the main interlocutor of the fund manager. It represents and acts on behalf of any other co-beneficiary (if any) and coordinate the design and implementation of the project.

For the Co-applicant(s)

Co-applicants participate in the design and implementation of the project, and the costs they incur are eligible in the same way as those incurred by the lead applicant.

Co-applicants must satisfy the same eligibility criteria listed above except the presence in the target cluster area.

If awarded the grant contract, the co-applicant(s)(if any) will become beneficiary(ies) in the project (together with the lead applicant - Coordinator).

A consortium can be agreed between any eligible type of applicant or partner described above. Application in consortium between different types of eligible entities (i.e. CBO or NGO or research institution or national university as lead applicant; and NGOs or/and CBOs or/and research institutes or/and universities or/and private sectors co-applying) is encouraged. A partnership arrangement can be agreed between a lead applicant with minimum of one co-applicant and a maximum for applicant to decide. The applicants should pay attention to efficiency and coordination and therefore consortia of large numbers of entities are not advised.

3.5 Rules for determining the size of the financial support for innovators

The amount of the financial support will be determined based on the scope of the proposed project, the different categories of innovators, and the set minimum and maximum amount indicated below.

- LOT 1: Community based organisations (coops, youth associations, women associations, etc): EUR 25,000 - max EUR 100,000;
- LOT 2: Research institutions and national public universities: EUR 25.000 - max 150.000
- LOT 3: Local, national and international non-governmental organizations: EUR 25,000 to max EUR 300,000.
- LOT 4: Consortia: EUR 25.000 to max EUR 500,000

In case of lots 2, 3 and 4, the max amount of funding an organisation can apply for should not exceed 60% of their annual turnover/ budget.

At least 30% of the selected number of innovators will be women-led initiatives and at least 30% should be youth-led.

Time frame for innovators projects implementation: max 24 months out of which at least 6 months for documenting, learning, disseminating and influencing activities.

3.6 Number of applications per applicants and co-applicants.

Under this call for proposals, an entity can only be part of one application alone or as a lead applicant and can be a member in a maximum of two different applications as a co-applicant in different clusters. In a specific cluster, it is not allowed to be part of more than one application (alone, as lead or as co-applicant).

3.7 Eligibility of costs

Eligible costs are primarily those costs directly related to the implementation of the innovative projects. Costs for audit, visibility, monitoring, learning and system influencing activities have to be included.

The proposals from Lot 1 - Community based organisations (coops, youth associations, women associations, etc) can consider capacity building cost to ensure successful implementation of the innovative projects to a maximum of justified 10% of the total budget.

Lump-sum overhead costs (administration costs that are not defined and justified) and purchase of vehicles are not eligible. Administration costs directly related to the project are eligible to include in the budget. There is no percentage limit with regard to salaries of the staff directly involved in the implementation or the transportation costs (i.e. hire or use of own vehicles).

4. Application process

Application process for the present Call for innovation will be done in two stages: first, applicants submit a Concept Note; then the best applicants will be invited to submit full proposal with a more detailed implementation plan and budget.

Upon submission of concept notes all applications will be acknowledged. Only shortlisted applicants will be contacted and requested to submit a full proposal after which they will be invited for a face to face presentation.

Applications must be submitted in accordance with the templates (for concept note and for full proposal) annexed to these guidelines, must be written in English and by computer.

Where and how to send applications

Applications must be submitted to ICCO cooperation Ethiopia Country office, RESET plus innovation fund management team in electronic copy using the email address: innovation4resilience@icco.nl with in the subject line: **name of applicant companies/organizations –Concept Note**. For easy reference, the file name should start with **name of applicant companies/organizations** followed by the respective file name.

The application package will consist of the Concept Note - Annex 1 (max 5 pages) and Annex 2 (applicants information) accompanied by a **scanned cover letter signed and stamped by the official representative of the (lead) applicant**.

The applicants must verify that their application is complete and with all the required details. Applications sent by any other means (e.g. by fax or by hand) or delivered to other addresses will be rejected.

Deadline for submission of Concept Note is December 16th 2019, 16:00. Incomplete applications or sent after the indicated time will be automatically rejected.

Applicants can address questions through innovation4resilience@icco.nl. A list with all questions and answers will be published 10 days before the Concept Note submission deadline on www.innovation4resilience.org, section NEWS.