

CONCEPT NOTE – MANUFACTURING AND LOGISTICS WINDOW

Guidelines for Applicants

A. The Application Process

The Concept Note is the first part of the application process to the Malawi Innovation Challenge Fund. The process of receiving an award from the MICF is presented below:



As the first part of the competition process applicants are requested to download the application form from the MICF website (www.micf.mw) and submit them to the MICF Fund Managers by the deadline stated on the concept note form. The MICF fund managers subsequently review the concept notes to ensure they are completed correctly and fulfil the eligibility criteria before submitting them to an independent evaluation panel for their review.

If your organisation is successful during this initial assessment you will be invited by MICF to the second stage, to develop and submit a full proposal. This will be a much more detailed document which amongst others things will highlight in much greater detail: what you will do in terms of activities and proposed timings; how it will improve exports, or reduce reliance on imported goods; how will it impact on poorer segments of Malawi society; and a detailed financing plan to understand how costs will be shared between your consortium and MICF.

As part of the process to support the Investment Panel in their selection of grantees, the MICF fund manager will visit each applicant to carry out basic due diligence assessments. The proposals submitted by your organisation and the MICF Fund Manager's due diligence reports will be presented to the investment panel for their final selection.

B. Eligibility of Bidders

Bids must be led by private sector firms including: a private for-profit company, joint ventures, partnership, cooperative, sole trader, etc. Only in exceptional cases will MICF consider new businesses (start-ups), where there is strong evidence that the new company has credible and experienced investors and management team

Applicants must meet all of the following criteria for your application to be considered:

- The total Grant funds requested must be at least US\$ 150,000 and no more than US\$ 850,000.
- Applicant (including 3rd parties such as co-investors or banks and other lenders) provides matching funds of at least 50% of the total cost of the business idea i.e. at least as much as the funds requested from the MICF.
- The funding request is for a specific, new and innovative business idea/project that addresses one of the two challenges set. The MICF views innovation in its broadest sense including: i) a new approach, product, idea or service that has not been tested anywhere; ii) an approach, product, idea or service that is new to Malawi; or iii) an approach, product, idea or service that has not been applied to the sector in question in Malawi
- Applicants must demonstrate that the project could not go ahead without MICF funding or that, if it would go ahead anyway, it would be at a much reduced pace or scale.
- An organization may partner with other organizations, including NGOs and Community organizations. However it is a condition that the lead applicant and implementer of the business idea must always be a commercial organization/business.
- The idea must be implemented in Malawi either by private sector organisations registered in Malawi or externally registered businesses investing in Malawi.
- A consortium may be formed, but the lead applicant is responsible for the project/ idea and must warrant that the permission of the other members has been obtained.

C. The Challenges

The Malawi Innovation Challenge Fund will award grants to:

- Introduce new initiatives that deliver new products, services, and business models that increase the supply of manufactured goods produced in Malawi for the export market or where companies can backward integrate their processes to incorporate locally produced products and services and reduce reliance on imported goods. These initiatives must be able to deliver significant and tangible benefits in terms of increased incomes and employment to the poor in Malawi.
- Introduce new initiatives that deliver new products, services and business models that are able to support improvements in the efficiency in the distribution and logistics sector that can either: i) translate in lower logistics and distribution costs; ii) reduce wastage of product in supply chains (and in particular agricultural supply chains); or iii) allowing producers in more remoter parts of the country to access supply chains that could improve their livelihoods and incomes.



D. Submitting Your Concept Notes

As the first stage of the competition is judged solely on the content of the form, it is critical that applications are submitted within the deadline set. The deadline for submission of Concept Notes (either electronic or physical form) for the Malawi Innovation Challenge Fund First Round **is on Tuesday 9th August 2016, at 5.00pm Malawi Time.**

Stage 1 Concept Notes should be delivered both electronically to:

info@micf.mw

Or alternatively submitted in physical form to:

Malawi Innovation Challenge Fund
11 Jacaranda Avenue, Mandala Road
P.O. Box 2873 Blantyre, Malawi

Applicants that fail to meet the concept note deadline will not be assessed by the Investment Panel and will be excluded from the competition.

It is highly recommended that you discuss your planned submission with the MICF fund managers well before finalising the Concept Note and well in advance of the submission deadline to ensure that the ideas are presented correctly and are complete.

Please note that the MICF managers are not the grant decision-makers and cannot provide any assessment as to whether the concept will result in a grant.

All enquiries should be directed to either the e-mail address: info@micf.mw or alternatively please contact the MICF office in Blantyre: +265 1872961 / 872830

Completing Your Concept Notes

1. Project Title:

This should state your chosen name for the proposed Project.

2. Lead Enterprise:

This should give the name of your organisation and the type of organisation leading the application (e.g. for profit company, partnership, joint venture, sole trader, etc.)

3. Lead Contact Person Responsible for this Submission:

This section should provide the name, address, phone and e-mail of the person leading the application.

4. Partner Organisations (if any)

This section should provide the name(s) and type(s) of partner organisations. Partner organisations are those that have some responsibility for the project's implementation. These could be made of other commercial organisations, NGOs, Research or teaching institutes or civil society organisations.

5. How does this address the challenge we have set?

What we are looking for in this section is a brief explanation as to how your proposed Project addressed the challenge you have identified.

6. Objectives of your business idea

MICF is seeking to develop new profitable business models that will either increase exports or backward integrate business processes to incorporate locally produced products and services that reduce reliance on imported goods. The project must also have a positive impact on increasing the incomes and employment opportunities of poor people in Malawi. In this section we are looking for a very brief summary of the following:

- Explain why you would want to implement this idea
- If implemented how would you determine that it is successful?

7. What is innovative about your Project?

Supporting innovation is central to the MICF. The funding request must be for a specific, new and innovative business idea that will increase exports or reduce reliance on imported goods in either the agricultural or manufacturing sector of Malawi. The MICF views innovation in its broadest sense including: i) a new approach, idea, product or service that has not been tested anywhere; ii) an approach, idea, product or service that is new to Malawi; iii) an approach, idea or service that has not been applied to the sector in question in which the proposed project is being implemented; or iv) service or business model being introduced to a target group where it has not been tried before.

You will need to consider some of the following questions:

- What elements of your idea are innovative?
- Does it represent the implementation of an existing idea into a new operational setting such as in rural or semi-urban areas etc.?

8. Activities and Approach of the Project:

This section should briefly summarise the project by answering the following questions:

- Where did the Project idea come from?
- What major activities would be required for you to implement the proposed Project?
- How does the proposed Project fit in with your existing business activities?
- If you have partner organisations, what are their role(s) in implementing the proposed Project?
- What are the primary risks of the project and how will they be mitigated?

9. Expected Impact and Outcomes:

This section should briefly summarise the project by answering the following questions:

- How will the project impact on the poor in terms of jobs, incomes, or new opportunities for the poor? Please justify your numbers
- How will it be sustained commercially?
- How will you go about monitoring the progress of the Project?
- What does success look like?

10. Why Are You Seeking MICF Support For Your Project?

MICF aims to enable new risky approaches to be tested that would not normally be financed through commercial financing routes. This section should answer the following questions:

- Would the project idea take place at all without MICF financing?
- Why have you not been able to raise the required financing from other sources?
- Would the project take place on a different scale or address a different group without MICF financing?

11. Estimated Project Budget:

While clearly only preliminary estimates will be possible here, this section should break down the cost-sharing arrangements between partners and show the funds requested from the MICF. The applicants should wherever possible only provide broad categories (such as cost for management, monitoring and evaluation, equipment and inputs, product development, etc.) and use the basic format provided.

For the purposes of calculating the grant amount applied for, you are advised to use the rate of 1 USD (One US Dollar) = MWK 705 (Seven Hundred and Five Kwacha)