



# Round 5 Solicitation Document

Dec 20, 2016



**MILLENNIUM  
ALLIANCE**  
Inspiring Innovation. Sharing Solutions.

## About Millennium Alliance



Millennium Alliance (MA) was initiated by the US Agency for International Development (USAID); the Technology Development Board (TDB), Government of India; and the Federation of Indian Chambers of Commerce and Industry (FICCI) as a platform to identify, test, and scale innovations which bring improvements at the Bottom of the Pyramid (BOP) level. MA, established in 2011, takes an innovation-driven and impact-focused approach to development. It responds to a wave of entrepreneurship which brings creative and innovative solutions to entrenched social problems. Within three years, new partners including United Kingdom Agency for International Development (UKAID), ICCo Cooperation (Netherlands), ICICI Foundation for Inclusive Growth, Wadhvani Initiative for Sustainable Healthcare (WISH Foundation) and the World Bank have joined the platform.

MA has so far received and evaluated over 4500 applications and has supported approx. 62 projects across sectors such as agriculture, clean energy, water & sanitation, healthcare, education and financial inclusion. Additionally, Millennium Alliance supports India-based innovations being scaled abroad. Millennium Alliance enables India spread innovative solutions developed in India to other parts of the developing world. Twelve out of the sixty two projects funded by the MA support replication of Indian innovations across developing countries in Africa and South Asia. Replication of Indian innovations in other developing countries is funded through DFID's contribution to the MA

# What does Millennium Alliance look for in Applications?



Applicants to MA should demonstrate a clear fit with MA's mission of testing and delivering innovative development solutions to BOP beneficiaries. Millennium Alliance looks for projects which have potential to substantially influence the BOP population in a scalable and financially sustainable manner.

Broadly, there are three factors which MA looks for:

1. Project aligns with the MA mission of providing last mile services to the BOP.
2. The development solution relies on one or several innovative components, which present a new and creative approach to solving an established need. MA defines innovation as: a product or service that challenges the status quo with a new approach. By Innovation, we imply any of the following:
  - Operational or Production Processes
  - Products or Services
  - Technological Solutions
  - Business or Organizational Models
  - Combinations of Tried and True Techniques
3. The enterprise intends to use the MA funds catalytically and has a viable plan for financial sustainability that will bring the innovation to scale. The enterprise(s) should be able to leverage the MA grant to bring in follow on funding or partnerships with other partners including Government. MA discourages models which are entirely grant-based.

Millennium Alliance aims to make an impact in low-income states, low-income districts of more developed states and developing countries. Given this priority, MA particularly welcomes projects which will be implemented in low-income states and districts in India and developing countries in South Asia and Africa.



## Focus Sectors



Millennium Alliance supports innovations in five priority sectors:



### Basic Education

(prioritizing funding for innovations in early grade reading/early literacy)



### Water and Sanitation

(prioritizing funding for innovations in solid liquid waste management and behavior change related to sanitation and river rejuvenation)



### Health

(prioritizing funding for innovations in family planning, reproductive health, and maternal and child health)



### Agriculture/ Food Security



### Clean Energy/ Climate Change

MA is also willing to consider extremely innovative proposals that do not fall under any of the five priority sectors. There is a sixth sector, 'others,' for these applications. Projects in the 'others' sector must meet the same evaluation criteria as all other applications.







## Structure of the MA Grant

Millennium Alliance offers three types of grants: Stage 1, Stage 2, and for replication in developing countries. Funding amount for Stages 1 is fixed and for Stage 2, it is upto Rs. 1 Crore. For replication in developing countries, the grant size is determined on a case by case basis. Applicants are required to apply for one of these three grant stages. An applicant who desires to scale the model in India as well as in another developing country (besides India), should apply to stage 2 and developing countries category separately.

MA evaluators will review the stage selection made by the applicant. If the evaluator determines the applicant has applied for a more advanced stage than is suitable, the application will be considered for the revised stage.

### Stage 1: Piloting or testing an innovation

Stage 1 funding is intended to support product development and to test the real-world viability of an innovation. Projects may conduct a pilot or other validation of the innovation. Projects should demonstrate a departure from current practices as well as cost-effectiveness. Projects must have already established a proof-of-concept for their project. Idea stage projects are not eligible for an MA award.

All Stage 1 awardees receive a **Rs. 30 Lakh grant, Rs 10 Lakh** of which is strictly earmarked only for capacity building.

### Stage 2: Scaling or replicating an innovation which has been successfully piloted

Stage 2 funding provides solutions that have demonstrated success at a pilot or small-scale stage with support to implement at a larger scale. Enterprises should be able to demonstrate the proven success of their innovation through credible and rigorous evidence. Stage 2 projects should transition successful innovations from the current areas of intervention to a substantially broader scale.

Stage 2 projects should strategically leverage MA funding to access funding/resources from other project partners, government programs, or funders.

Stage 2 awardees will receive a maximum of **Rs. 1 Crore grant** depending on the project stage, merit and needs, **Rs. 10 Lakh** of which is earmarked for capacity building.



### Stage 3: Innovation for developing countries

Grants for innovations for developing countries are intended to test the real-world viability of a proven Indian innovation in another developing country. Projects should have already gone to scale in India. These innovations should exhibit a strong proof of concept with evidence based data. The projects should demonstrate a departure from current practices and be more cost-effective than alternatives. Applications for global projects are accepted for Health, Agriculture and WASH sectors only under MA Round 5. Global applications in other sectors will not be considered for funding.

Funding can be used for the following activities: to scope demand for the innovation in the LIC, to adapt the innovation based on the requirements of the new context, to build local partnerships for implementation (with NGOs, businesses, or the government), and to run a small-scale pilot. In the application, the enterprise should be able to demonstrate demand for their innovation in the country of replication. Replication to countries in South Asia and Africa are eligible for Stage 3 funding.

### Funding Disbursement

Awardees shall receive their funds through 3 tranche disbursements, which are spread out across the award agreement period, up to three years. The first tranche (45%) is released at the start of the project period; the second tranche (45%) is released based on mid-project milestones; the third tranche (10%) is released upon completion of the project. The grant money released through these three tranches does not include Rs. 10 lakhs earmarked for capacity building. The capacity building fund of Rs. 10 Lakhs will be retained by FICCI and will be subsequently utilized/ released on need basis.

#### Tranches are disbursed based on the following:

- Successful completion of milestones as defined against each tranche in the award agreement.
- Timely submission of reports as per the templates shared by FICCI. Awardees are required to submit all outstanding reporting documents before the tranche may be released.





Note: Currently the Millennium Alliance is accepting applications under the Disability Sector for the Round 5 Global Call. As per the estimations of several international development agencies, the disabled community is more vulnerable to poverty. They typically lack access to health and education, clean water and sanitation, have poor housing and may live in over-crowded, unsanitary and unsafe areas. Disabled women and girls face more threats experiencing exclusion on account of their gender and their disability. Last date to apply is 31st March 2018.

The Alliance aims to solve these issues by providing technological solutions and interventions.

**The organizations applying to the programme should:**

- Empower the disabled community to overcome the barriers for higher socio-economic impact
- Be able to demonstrate demand for their innovation in the country of replication
- Exhibit a strong proof-of-concept with evidence-based data
- Demonstrate a departure from current practices while being more cost-effective than the available competition

Please note that the applications are only open for proving technologies, business models, interventions for LIC countries. No funding will be provided for applicants looking to implement their technologies, business models, interventions intervention in Indian under the disability call.



## Capacity Building

MA views capacity building as a key component of the MA award, as it enables the awardee to better implement their project and gives them the tools and resources to overcome obstacles/challenges.

A need assessment tool will be shared which will enable each awardee to determine precise areas of capacity building to focus on. The need assessment tool also identifies common challenges within the group of awardees so that MA may host relevant capacity building workshops.

As a part of the capacity building exercise, the following broad activities will be undertaken:

### Capacity Building Workshops

These cover topics like monitoring and evaluation, leadership training, tax and legal regulation and financial management. These workshops provide innovators with an opportunity for peer-to-peer learning from other MA awardees and the chance to network with other players in the sector.

### Training

Funds may be spent on activities like: staff training, hiring consultants, conducting a baseline survey, and traveling to MA-sponsored capacity building workshops. Capacity building spending must receive prior approval from FICCI.

### Business to Business Connect

The funds can also be used to create market linkages by attending and exhibiting at relevant social impact forums.

### Other capacity building services

Which may be accessed by MA awardees include

1. A designated experienced industry mentor
2. Access to FICCI's own business-to-business portal
3. Access to e-learning courses developed by the World Bank specifically for social entrepreneurs.





## How to Apply

All applicants to Millennium Alliance complete the same form, regardless of their stage. Visit Millennium Alliance's website, [www.millenniumalliance.in](http://www.millenniumalliance.in) to access the form.

Applicants are required to generate a log-in ID to access the application. It is not necessary to complete the application in a single session. Applicants are able to save and exit from the application without submitting, so that the application may be worked on over a period of time. However, an application is considered to be successfully submitted only when all sections of the application form are completed and the final submission is made by the applicant.

Applicants are encouraged to begin the application as early as possible, as the application calls for detailed and well thought-through answers. All text box responses have word limits to ensure that answers are kept concise and contain only the asked-for information. Make sure that your answer is responsive to the question which is asked. Answers that do not respond to the question asked will not be eligible for high scores.

### Instructions for the Application Form

Please refer to the following example for a logical framework. The answers in this example are brief; yours should be more detailed. Please note that the responses in each of boxes refer to the response to the subsequent question.

Need	Low farm productivity leading to low farmer income
Input	Extension agents / trainers for capacity development and training on usage of new technology and equipment is provided to low income farmers
Output	Farmers are trained in new technologies
Outcome	Farmers have implemented new farming technology due to improved knowledge of new farming techniques and hence productivity has increased
Impact	Farmer income is increased



## Budget Guidelines

Applicants are required to submit a project budget, broken down by the following headings. Stage 1 applicants should submit a budget for 30 Lakh (with 10 lakh designated for capacity building activities). Stage 2 applicants should submit a budget for maximum funding of upto Rs. 1 crore (with 10 lakh designated for capacity building activities). If the budget requested from MA does not represent the complete project budget (in other words, if there are funding contributions to the same project from other sources), please indicate the full project budget and what percentage of the total project budget is requested from MA. For replication in developing countries, the grant size is determined on a case by case basis.

The project budget should be balanced across the expenditure heads below, in keeping with the needs of the project.

- Program design and planning (including field research)
- Awareness, communication, promotion and outreach
- Remuneration and Reimbursement
- Training and Capacity Building
- Capex (equipment, machinery, utilities)
- Monitoring, evaluation, baseline assessment, and impact assessment
- Other expenses

## Eligibility for MA

1. Both for-profits and non-profit organizations are eligible to apply to Millennium Alliance. All applicants must demonstrate a plan for financial sustainability.
2. Applicants to Millennium Alliance must be registered as one of the following entities. Unregistered entities are not eligible to receive funding from MA.
  - Private Limited
  - Limited Liability Partnership (LLP)
  - Sole proprietorship
  - Trust
  - Society/Co-operative society
  - Family owned business/HUFs
  - Section 8 company
  - Educational Institutions
  - Partnerships
3. All applicants must have, at minimum, a proof of concept. Idea stage applicants will not be accepted.
4. The team and project lead should demonstrate at least 2 years of experience in the sector.
5. The innovator/enterprise must be based and registered in India.
6. Applicants who have applied to previous rounds of Millennium Alliance are also eligible to apply.



## Evaluation Parameters

Applications to MA are reviewed in two subsequent stages, where only those which meet the MA mission in the first stage advance to the second stage. Section 1 and Section 2 are reviewed according to separate sets of criteria. Please read below to understand the broad evaluation criteria.

Please note that the following criteria will remain the same for all applications - Stage 1, Stage 2, and developing countries, but that there will be different weightage for each stage. For instance, innovativeness will be weighted more highly in Stage 1 projects, whereas sustainability and scalability will be weighted more highly in Stage 2 projects.

### Section 1

**Top scoring projects will meet the following criteria:**

1. The intervention will improve BOP lives in a substantial way.
2. The intervention is extremely innovative in its approach to solving the identified development challenge.
3. The enterprise intends to use the MA grant in a catalytic way which takes their innovation and organization to the next level of scale.
4. The project seems viable and would reasonable produce the projected impact.
5. The project plan (based on the log frame) holds together.
  - a. The planned input responds to the need.
  - b. The input will reasonably create the projected output (results).
  - c. The results respond to the identified problem.





## Section 2

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### 1. Innovation

- a. The intervention brings an unprecedented solution to the BOP and improves substantially on any existing solutions to the problem.
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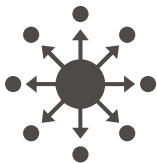
### 2. Financial Sustainability

- a. The enterprise has a viable plan for sustainability post the MA grant, which is not grant-based.
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### 3. Project Scalability

- a. The potential for this innovation to scale up successfully and expand their reach is great.
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### 4. Social Impact and Monitoring

- a. The project has strong M&E processes in place with clear and reasonable indicators.
  - b. The results of the baseline are promising/the applicant describes a detailed plan to conduct a baseline survey.
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### 5. Project Execution

- a. The project plan is clear and achievable, and will reasonably lead to the projected outcomes.
  - b. The applicant is aware of the risks and challenges and is equipped to mitigate these risks.
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## Section 2

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### 6. Team



- a. The team is sufficiently staffed (number of team members, their roles) and the necessary skills to achieve the desired impact are accounted for within the team.
- b. The project team has relevant skills and experience working in this same domain.

### 7. Funding and Project Cost



- a. The enterprise has demonstrated intent to use the MA funds catalytically by raising funds from other sources.
- b. The project makes excellent use of MA funding; proposed activities and the scale of impact is reasonably aligned with the size of grant.

### 8. MA Additionally



- a. Millennium Alliance is able to contribute uniquely to this project.

### 9. Global: Applicable for applications with developing country focus



- a. The applicant has demonstrated the need for their innovation in the new country.
- b. The applicant has demonstrated the know-how to replicate abroad.
- c. Demonstration that there is a feasible partner in the developing countries to take up the innovation.





## Evaluation Cycle



1. **Call for Applications** – Applications will be accepted only through the official MA portal, which will be open for 3 months. Applicants should submit their applications online only and must complete both Sections 1 and 2 of the application by the deadline to be eligible for review. Visit Millennium Alliance's website, <http://www.millenniumalliance.in/applyNow.aspx>, to access the form.
2. **Evaluation** – Evaluation of applications is done in two stages
  - a. The first stage of evaluation is done against Section 1 of the application. Section 1 is scored against MA evaluation criteria and a list is created of the top 60 applications in each sector (precise number may vary across sector). Please see page 9 of this document for evaluation criteria.
  - b. The second stage of evaluation is done against Section 2 of the application. The top applications in each sector from the first stage of evaluation are passed on sector-specific committees for review. This committee is made up of 3-5 experts, including development experts, technical experts from the sector, and financial experts. The committee reads and scores Section 2 of the application according to MA evaluation criteria. Please see page 9 of this document for evaluation criteria. The committees meet for brainstorming sessions and create a shortlist of the 10-15 top applications in each sector. These top applications move on to the Pitching Session stage.
3. **Pitching Session** - Innovators are called to Delhi to present a 10-minute pitch for their project to MA partners and subject matter experts. Applicants are provided with a template for the presentation. MA partners have the opportunity to ask questions to the innovator.
4. **Due Diligence** – As a next step, due Diligence is conducted for shortlisted applicants in each sector. An expert shall visit the headquarters of the organization and/or the project site to cross check the information provided in the application form. The expert will also have an in-depth conversation with the innovator to understand the innovation, development status, business model and the intended impact. Prior to this visit, the applicant is asked to complete a self-reporting template and to provide documents related to the following parameters: organization structure, management and operating systems, financial reports, accounting practices, and FCRA account details. The expert will also review these documents with the innovator during the visit.

5. **Contracting and Signing of Award Agreements** – FICCI prepares award agreements for each awardee. Awardees may review the contract before signing. Once the award agreement is signed, MA makes its first tranche disbursement to the awardees.
6. **MA Awards Ceremony** - Awards are formally presented at the Millennium Alliance Awards Ceremony, a public ceremony aimed to recognize MA awardees.

At each stage of the evaluation process, MA will notify applicants via email whether their application is advancing to the next round.

Thank you for your interest in Millennium Alliance. With further questions about the MA or the application process, please write to

[info@millenniumalliance.in](mailto:info@millenniumalliance.in).