

OPEN WINDOW: MANUFACTURING WINDOW – 4th Round
Open for Application from 5th October to 16th November, 2018

CONCEPT NOTE GUIDELINES

A. The Application Process

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



At the first part of the competition process, applicants are requested to download the concept note application form from the MICF website (www.micf.mw) and submit the completed application form to the MICF by the deadline stated on the concept note form. The MICF fund managers review the completeness and fulfilment of the eligibility criteria before submitting all concepts notes to an independent evaluation panel for their review.

If your organisation is successful during this initial assessment, you will be invited by MICF to participate in the second stage to develop and submit a full proposal. This will be a much more detailed document which, amongst other things, will highlight in much greater detail: how the project will be implemented in terms of activities and proposed timelines; how the project will address the challenge set; how will it impact on the poorer segments of the Malawian society; and provide a detailed financing plan to understand how costs will be shared between your company and the MICF.

As part of the process to support the Investment Panel in their selection of grantees, the MICF will visit each applicant to carry out basic due diligence assessments. The proposals submitted by your company and the MICF due diligence reports will be presented to the Investment Panel for their review and final selection.

B. Eligibility of Bidders

Bids must be led by private sector firms, including: a private for-profit company, joint ventures, partnership, cooperative, 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 a solid management team.

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

- The total Grant funds requested must be minimum US\$ 250,000 and no more than US\$ 850,000.
- The applicant (including third 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 the challenge 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 Challenge

The Manufacturing Window of the Malawi Innovation Challenge Fund will award grants to:

The project that will enable manufacturers either in the agriculture or non-agriculture sectors to compete either in the domestic market (e.g. through import substitution) or into regional and international export markets, through backward integration of processes to incorporate locally produced products and services and reduce reliance on imported goods. At the same time, the new initiatives shall target a positive domestic social or environmental impact to be integrated into the business model of the company.

D. Submitting Your Concept Notes

As the first stage of the competition is judged solely on the content of this 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, Manufacturing Window **is on 16th November, 2018 at 5.00 pm Malawi Time.**

Concept Notes should be delivered either 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
REF: Manufacturing Window

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 fund 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, 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 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 addresses the challenge you have identified.

6. Objectives of your business idea

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 through the effective use of Manufacturing technology. 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. Land Requirement and Availability:

This section should briefly state the size of land resources (in hectares) available for the proposed project. If land has not been set aside, please indicate how you are planning to acquire it.

10. Expected Impact and Outcomes:

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

- How will poor Malawians participate in the manufacturing project being proposed, technology, and / or approach being used?
- 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 monitor the progress of the Project?
- What does success look like?

11. Other Donor Funding

- This section should provide information on any financial support or technical assistance the lead firm has received directly or by being part of a consortium from any Donor agency in Malawi or abroad. If the lead firm has received any financial support or technical assistance, the details of the type of funding and a brief summary of the project that was implemented using this support needs to be provided.

12. 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 target group without MICF financing?

13. 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 735 (Seven Hundred and Twenty Five Kwacha) and specify the exchange rate used.