

## **RULES OF FID'S CALL FOR PROPOSALS**

The Fund for Innovation in Development (FID) is an initiative supporting innovations that contribute to reducing global poverty and inequality. Through grant funding, FID enables innovative teams and researchers to test new ideas,, and demonstrate effective and scalable solutions that have the highest potential on the reduction of poverty and inequality.

FID is hosted by Agence Française de Développement (AFD) but is completely independent in its funding process and decision-making.

[FID's call for proposals](#) is open all year long via its online portal and provides several types of grants up to €4,000,000. Applications for FID funding must be submitted through this online portal. They are processed via a form in English or French, it varies according to the corresponding stage of funding. The different stages of funding and their evaluation criteria are specified in [FID's call for proposals](#).

### **Content of the following set of rules:**

- I. General framework
- II. Template of the application form
- III. Funding stages

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# **I. General framework defined by FID**

## **Article 1. General terms and conditions**

- 1.1** The purpose of FID's call for proposals is to provide grant funding for innovative solutions that have proved to be effective in reducing poverty and inequality.
- 1.2** These solutions may be initiated, developed and implemented by nearly any type of organization:
  - except for individual applications carried by independent individuals or international and multilateral public institutions;
  - independently or in partnership with others.
- 1.3** FID is open to applications proposing a project in any country eligible for official development assistance (according to the list established by the OECD's DAC)
- 1.4** As partnerships are recommended, each organization's activities and management costs should be explicitly stated in the various components of each project.

## **Article 2. Operating procedure**

- 2.1** FID's call for proposals is open all year long.
- 2.2** FID specifically encourages applications from organizations based in countries eligible for official development assistance listed by the OECD DAC
- 2.3** Consortium partnerships are encouraged.
- 2.4** FID's funding only covers expenses directly related to projects, known as eligible expenses.
- 2.5** Applicant organizations are entirely responsible for all costs associated with the preparation of their applications, and FID will not be responsible or liable for any of these costs.

## **Article 3. Presentation of the proposals**

- 3.1** Applications are submitted by filling out an application form, in English or French, via [FID's online portal](#).
- 3.2** The applicant organization must indicate which of the funding stages they are applying for.
- 3.3** The fund accepts applications from organizations for any type of grant. For example, applicants do not need to start with a preparation Grant in order to be eligible to apply for a Pilot Grant. However, applicants need to make sure that they already met the requirements of the corresponding stage before submitting their application.
- 3.4** FID has discretion to provide grants or levels of funding that may be different from those requested in the initial application.
- 3.5** Pre-selected organizations are then invited to proceed with the instruction process, which will be conducted in close collaboration with FID's Investment Officers, particularly for matters relating to compliance requirements.

## **Article 4. Audit, reporting, evaluation and capitalization**

- 4.1** Selected teams must conclude a contract with an external auditor, who will conduct the necessary audits to verify the proper use of the project's funds. Applicants must include the costs of financial audits in their proposals. The audit costs must be included in the project's budget.

**4.2** A detailed reporting will be specified in the funding agreement between FID and the selected applicants.

**4.3** The FID encourages the development of a learning agenda and a communication program to help disseminate best practices and ensure effective communication about the project.

#### **Article 5. Contract and payment currencies**

**5.1** Applicant teams must submit their proposals in euros, as it is the currency of the financing agreement. The funding request must specify the cost items justifying the funding request. The budget might be established with the amounts taking into account overall taxes, according to the nature of the applicant's proposal.

#### **Article 6. Understanding the terms and conditions of the call for proposals**

**6.1** By submitting their proposals, applicant teams are deemed to:

- be familiar with the conditions of the call for projects described in this document and to agree to them;
- be fully aware of the nature and scope of the operations to be carried out, of the local working conditions and of all the constraints that these projects may imply.

#### **Article 7. Steps of the selection process**

**7.1** FID evaluates each application based on three key-criteria: potential for impact; estimated cost-effectiveness; potential for scale and sustainability; as well as three additional criteria: the innovative nature of the project, the relevance of the suggested delivery plan, and the skills of the team behind it. There are 4 steps in the selection process and the level of requirement depends on the funding stages.

**7.2** Initial application: through the online platform, the FID team examines the eligibility of the application (type of structure, location of the intervention, completion of the application form). Submitted application are reviewed by FID's Investment Officers using standardized scoring models, proposals that do not meet FID's criteria are rejected.

**7.3** Gathering additional information: applicant teams whose initial application was approved are invited to further elaborate on it through discussions with the FID team during the collaborative review process. Applicants may be asked to provide additional documentation on specific issues. The FID may discuss the proposal with partners and consult one or more external experts with with relevant expertise regarding the project. Over the course of this process, FID may provide feedback to the applicant team on its proposal, including suggestions for changes in the amount and/or type of funding requested. At the end of this stage, FID can decide whether or not to continue the procedure. FID's Investment Officers report a synthesized version of the project's contents to the dedicated Review Committee.

**7.4** Review Committee meetings and recommendations:

a. The Review Committee, formed by several independent qualified experts, makes final recommendations on funding decisions. After reviewing each application, the Review Committee will issue one of the 4 following opinions: (1) favorable opinion (2) favorable opinion with some reservations, (3) Revise and resubmit and (4) unfavorable opinion.

b. The Review Committee for the Pilot, Impact Evaluation, Scale-up Transition, and Innovation and Public Policy stages, formed by several independent qualified experts makes final recommendations on funding decisions. After reviewing each application, the Review Committee will issue one of the 4 following opinions: (1) favorable opinion (2) favorable opinion with some reservations, (3) Revise and resubmit and (4) unfavorable opinion.

c. The Review Committee for the Evidence and Public Policies stage, formed by several independent qualified experts makes final recommendations on funding decisions. After reviewing each application, the Review Committee will issue one of the 4 following opinions: (1) favorable opinion (2) favorable opinion with some reservations, (3) Revise and resubmit and (4) unfavorable opinion.

**7.5** Funding decisions: once the review process is complete, the FID team makes sure that the application meets all of the compliance requirements, including those related to money laundering and terrorism (article 9). Funding decisions are made by FID's Executive Director for projects up to €1.5M and by its Board of Directors for projects exceeding €1.5M. For grant applications at stages Pilot, Impact evaluation, Transition to scale and Innovation and Public Policy, the decision is based on the opinion of the Review Committee for stages 1-2-3 and Innovation and Public Policy. For grant applications at the Impact Evidence and Public Policy stages, the decision relies on the opinion of the Review Committee for the Impact Evidence and Public Policy stages. For preparation grant applications, the decision is made by the Executive Director of the FID, based on the opinion of an external expert from the Stage 0 Review Committee.

## **Article 8. Compliance processes to prevent and eliminate all types of prohibited practices**

**8.1** FID is particularly mindful of the proper allocation of its funding and is committed to ensuring that its funds are used for their intended ends.

**8.2** As FID is hosted by the Agence Française de Développement and is required to comply with a general policy on the prevention, detection and fight against any act of corruption, fraud, money laundering, terrorist financing or anti-competitive practices that may compromise its activities or operations. Preventing and controlling all of these prohibited practices is an integral part of FID's mandate and strategic guidelines.

**8.3** All of FID's financial partners (clients, subgrantees, on-lending recipients, contractors, contract recipients) as well as its officers (including members of the Executive Committee and management) and administrators are committed to promoting and complying with these terms.

**8.4** Applicant teams must commit to provide all the necessary information and documents to identify their organizations, management teams, and project partners.

## **Article 9. FID's entitlement to refuse any given proposal**

**9.1** FID holds the right to reject any proposal, not to allocate funding, or to cancel the call for proposals without incurring any liability towards the applicants involved.

## **Article 10. Confidentiality**

**10.1** All of the information related to the applicant's proposal's review, clarification, evaluation and comparison, as well as recommendations for grants allocation will be kept confidential from the applicant organizations or any other person not involved in the review and evaluation processes, until the examination of the application is complete and up to the announcement of the grant allocation to the selected organizations.

- 10.2** Any applicant's attempt to influence FID's Investment Officers or Review Committee during the projects review, evaluation and comparison procedures will result in the rejection of the applicant's proposal.

**Article 11. Selection process, allocation and signing of the funding agreement**

- 11.1** Applicants whose proposal has been selected by the Review Committee will be informed by e-mail. The Review Committee will establish a timeline on which the review process will be based to guide the discussions between the applicant team and FID's Investment Officers.
- 11.2** Following the review process, FID will coordinate with AFD to prepare the necessary documents for due diligence and the completion of the funding agreement with the selected applicant organization. The final funding agreement will be provided according to the terms and conditions set forth in the agreement signed by the selected organizations and FID's Executive Directors.

## **2. Template of the application form**

The application form is available in [English](#) or [French](#) on FID's website.

All applications must be submitted on the online platform through the following links:

- [Link to FID's Application Portal \(French\)](#)
- [Link to FID's Application Portal \(English\)](#)

### III. Funding stages

This section gives a summary of the requirements for each funding stage, but more details can be found in [FID's Call for Proposals](#). This document specifies the selection criteria for each funding stage.

#### Prepare stage – up to €50,000

Prepare Grants are grants intended to support the development of proposals for Pilots or Impact Evaluation for promising projects that would normally be less likely to get funding from a competitive fund such as FID.

For these grants, the FID will pay particular attention to ensuring that applicant organizations are nationals of a country eligible for ODA (according to the list established by the OECD DAC).

#### Pilot stage – up to €200,000

FID funds Pilot Grants for the implementation of pilot innovations that are in the earliest stages of their development and that need to be tested in real-world conditions in order to strengthen their foundations and determine their viability on a smaller scale, including proof of operational, social, and financial viability. At this stage, FID will only fund innovations that have already been prototyped and that are ready to be tested in real-world conditions.

#### Impact Evaluation stage – up to €1,500,000

FID funds Impact Evaluation Grants in order to evaluate the innovations' potential to have a wider impact and viability. The selected applications for this funding stage should have successfully conducted pilot tests in real-world conditions, thus meeting the requirements for a Pilot grant, and should include plans to rigorously measure the cost-effectiveness and operational feasibility of their innovation. Selected applicants must either have already collected rigorous evidence of the correlation between their solution and its intended impact, or plan to conduct a rigorous evaluation of the project's impact during the grant period.

#### Transition to Scale stage – up to €4,000,000

FID funds Transition to Scale Grants to support the transition of rigorously tested and approved solutions to a wider scale, such as the rollout of an impactful innovation nationally or in new settings, with the goal of achieving generalized adoption in one or several countries. These initiatives must demonstrate a strong track record, have rigorously demonstrated their impact based on a cause-and-effect approach through impact evaluations conducted prior to applying, and demonstrate their efficiency on a large scale.

#### Innovation and Public Policies stage – up to €500,000

The Innovation and Public Policy Grant funds the adaptation of a specific innovation intended to be scaled by a public entity, based on evidence of impact. These grants are dedicated to public entities that wish to integrate an innovation into their public policies and are committed to informing its scale-up through impact evidence — for example, by conducting a counterfactual impact evaluation in the short or medium term, either during the funding period or afterwards, or by using existing impact evidence.

#### Evidence and Public Policies stage – up to €500,000

The Evidence and Public Policy Grant funds projects aimed at addressing the needs of public sector entities seeking to make decisions based on impact evidence. These grants are dedicated to public entities committed to incorporating impact evidence into their public policy decision-making processes.

by enabling them to establish the systems, capacities, resources, and processes necessary to do so. Applicant public entities must demonstrate their commitment to policy experimentation — for example, by using existing impact evidence to inform policy decisions or by more systematically conducting counterfactual impact evaluations in the short or medium term, during the funding period or afterwards.