

THE FIRST CALL FOR CONCEPT NOTES

“Inclusive Business Funding - Scheme 2”



Gender Responsive and Equitable Agriculture and Tourism (GREAT)
Lao Cai Province

August 2018



GREAT is an initiative of Aus4Equality Program managed by CowaterSogema on behalf of Australian Government.

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THE FIRST CALL FOR CONCEPT NOTES

Inclusive Business Fund

Background

Aus4Equality|GREAT is a flagship initiative of the Australian Government's Aid Program for the socio-economic development of women in north-west Vietnam, which was officially launched in November 2017 and will be implemented over four years (2018-2021).

The programme will be implemented in Son La and Lao Cai provinces with total funding of over AUD 33 million, of which AUD 18,500,000 will be invested through multiple co-investment agreements through different funding schemes such as Women Economic Empowerment and Policy Funding, Inclusive Business Funding and Innovation Funding with 70 – 80 partners in the two provinces.

The Provincial People's Committees of Son La and Lao Cai is the Program's owner. Within each Province a Project Management Unit (PMU) works collaboratively with CowaterSogema as the Australian Aid Program, Department of Foreign Affairs and Trade (DFAT) - appointed Managing Contractor to provide essential coordination, liaison, and advisory roles.

Key results of this Program in each province include: increased income of at least 20,000 women of working age by 2021; creation of 2,000 new full-time (or equivalent) waged positions for women; 15 percent increase in women led and co-managed formal businesses or cooperatives; and increased confidence, enthusiasm and self-esteem of 80 percent of women beneficiaries in families as well as in their lives and to leverage three million US Dollars from the private sector for business activities.

The present Call for Concept Note is for Inclusive Business Funding, which is specifically designed to provide financial support in the form of co-investment to potential businesses (interested enterprises, cooperatives and multi-national groups having business license in Vietnam) to implement innovative inclusive business models with women in agriculture and tourism sectors in Lao Cai province.

It is a business opportunity for enterprises to increase profits and at the same time, generate positive impacts on women's income and employment; and increase enterprises' market access, production and business capacity for their higher economic benefits. Total investment amount of the Inclusive Business Fund in Lao Cai is AUD 2.7 million, over a 36-month period (2019-2021).

Specific tasks of Inclusive Business Fund:

To promote inclusion and innovation in the agriculture and tourism sectors:

- To promote enterprises that develop and apply technology innovations;
- To apply business management solutions to improve productivity and add value to products/services, as well as reduce labor and investment costs;
- To provide technical assistance for enterprises to minimize business risks and reduce transaction costs related to engaging women in the product and service value chains of enterprises;
- To remove barriers, improve performance of supply chains and enable the engagement of households providing services (particularly women) in business activities;
- To incentivize enterprises to offer quality and affordable inputs/supplies for women involved in the supply chain of enterprises.
- To facilitate cooperation among different market system actors in selected products and services.

I. TYPES OF INVESTMENT

1. Co-investment mechanism

The Inclusive Business Fund will provide a non-refundable investment up to 49% of total investment cost of the selected inclusive business projects in Lao Cai province through a public and competitive call for concept notes.

Co-investment/funding sizes under Inclusive Business Fund 2 are as follows:

Small grants: From AUD50,000 to AUD80,000
Outreach: at least 200 households in agriculture and 50 households in tourism

Medium grants: From AUD80,001 to AUD200,000
Outreach: at least 300 households in agriculture and 100 households in tourism

Large grants: From AUD200,001 to AUD400,000
Outreach: at least 1,000 households in agriculture and 300 households in tourism

a) Investment by Enterprises

- Enterprises may contribute toward activities in the form of cash and/or in-kind. **Investments and fixed assets incurred prior to January 2018 will not be counted as part of 'contribution'**. All purchased assets that are considered as business investment will be verified through evidence submitted upon request.
- **Grants and/or financial contributions from a third party**, for example non-governmental organizations, investment funds or other non-profit organizations, are considered co-investment of enterprises if applicants are able to prove that the third party is committed to the value of financial contributions (these contributions shall not exceed 15 percent of project's total investment cost).

b) Aus4Equality Co-investment through Inclusive Business Fund

- Inclusive Business Fund will provide non-refundable co-investment of up to 49% of total investment cost of the proposed projects;
- Advance payment will be made against bank guarantee. For those who do not require cash advance, a reimbursement mechanism will be applicable;
- Aus4Equality funds under this funding scheme may be used to cover procurement and upgradation of small facilities/infrastructure that have a direct impact on women/communities engaging in the business supply chains, capacity building, research and test new products and markets.

2. Non-eligible items

The following items are not eligible for the funding by Aus4Equality's Inclusive Business Fund:

- (i) Purchasing and rental of existing land or buildings;
- (ii) Leasing equipment and infrastructure which are purchased by funding from the Inclusive Business Fund;
- (iii) Bank guarantee charge and similar charges;
- (iv) Fee for intellectual property rights;
- (v) Value of existing inventory to be used to produce goods and/or services of the project;
- (vi) Costs related to the preparation of this investment project proposal (consultants, general legal fees, feasibility study costs to prepare for the investment and costs related to the purchase of patents and licenses, etc.)
- (vii) Costs related to attracting and soliciting foreign direct investment (FDI);
- (viii) Costs related to Research & Development (R&D) of long-term research projects that are not relevant to this Project's objectives;
- (ix) Costs incurred during the registration of new inventions and application of patents.

3. Other non-financial benefits for enterprises

- Enterprises will have opportunities to expand their market, business networks and to better access business development support services.

- The Inclusive Business Fund will invest in those business initiatives with a strong capacity to generate sustainable social and economic benefits for women and more profit for enterprises.

II. PRIORITIZED PRODUCTS AND SERVICES

The Inclusive Business Fund encourages enterprises to submit their inclusive business concept notes related to prioritized products and services, except for those ‘exclusions’ specified in the tables below.

1. Agriculture

Products	Possible business solutions	Examples
<ul style="list-style-type: none"> • Agricultural and natural ingredients (including tea (lowland and highland tea), off-season vegetables, cinnamon, benzoin (resin), medicinal plants, temperate fruit trees; crops (chilli and specialty rice); • Aquaculture (cage-fish); • Supporting services in agriculture; • Other agriculture crops, husbandry and aquacultures. <p>Exclusion: Tobacco and raw materials for alcohol and alcoholic beverages production are not eligible for co-investment by the Scheme.</p>	<ul style="list-style-type: none"> • Application of new technology and techniques to improve households’ production and processing capacity for higher productivity and quality, and more effective engagement in the enterprises’ supply chains. • Application of environment-friendly production and quality standard certification. • Application of measures to improve small-scale infrastructure such as irrigation, harvest, transportation, post-harvest preservation of producer households. 	<ul style="list-style-type: none"> • A business model - between enterprises and women - for improved tea supply chain toward organic standards in Bac Ha district, Lao Cai province. • Business model – between cooperative(s) and women – for enhanced capacity in supplying off-season vegetables under VietGAP standards to certified vegetable markets (applying block chain technology, digit code, barcode, origin tracing and product certification). • Models offering solutions/services to support business development at competitive and reasonable prices for women.

2. Tourism

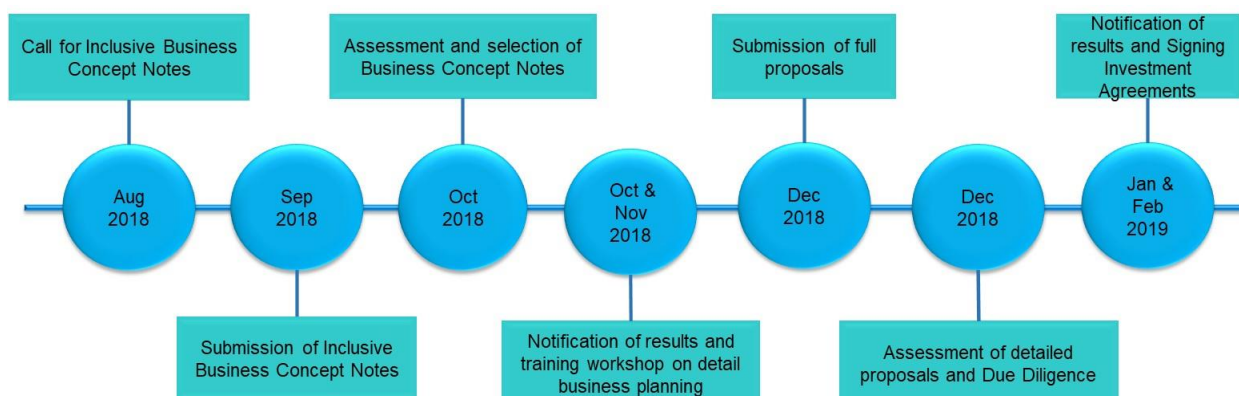
Prioritized sub-sector	Themes	Examples
<ul style="list-style-type: none"> • Employment in hospitality sector (receptionists, housekeeping, laundry; waiters; local guides) • Community-based Tourism (CBT), including homestay, foods and beverage, cultural exchanges, trekking • Handicraft; <p>Exclusion: Sub-sectors related to the production of alcohol and alcoholic beverages serving tourism are not eligible for co-investment by the Scheme.</p>	<ul style="list-style-type: none"> • Vocational trainings/ Work-based learning in tourism services for women, based on labor demand. • Expansion of economic opportunities for women who provide quality and diversified CBT services; • Application of sustainable and innovative CBT in existing and new CBT villages, linking households providing CBT services with domestic and international markets; • Engaging more women, particularly ethnic minority women in market systems for high value handicrafts 	<ul style="list-style-type: none"> • Develop and provide work-based training programs on professional skills and working skills for new employees and refresh trainings for female staff based on the demand of employers. Associate with households to develop or upgrade current CBT services and products for domestic and international tourists. • Strengthening of existing producer groups, support training on production, designs, product development and marketing skills, develop cotton plantation areas to increase supply of material for

		traditional textiles and handicrafts enterprises, develop market linkages for producer groups.
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Moreover - with tourism sector - initiatives such as development of cultural tourism, eco-tourism, adventure tourism, agri-tourism, development of input supply chain for tourism sector, or other tourism initiatives will be considered for co-investment given their feasibility and levels of impact on job creation and generation of sustainable income for women in the GREAT Program's target locations.

III. PROCEDURES FOR SUBMISSION AND SELECTION OF CONCEPT NOTES

1. Tentative Timeline



Activities	Tentative Timeframe	Agencies in charge
Official publication of Call for Concept	21st August 2018	• PMU Lao Cai and GREAT
Clarification questions	15 days prior to the submission deadline	• PMU Lao Cai and GREAT
Clarification response	8 days prior to the submission deadline	• PMU Lao Cai and GREAT
Submission of “Inclusive Business Concept Notes” using the provided template	By 17.00 of 26th September 2018	• Applicants
Assessment and selection of the most potential “Inclusive Business Concept Note “using the Program’s selection criteria	01 – 12 th October 2018	• Evaluation Committee consisting of representatives from PMU, Managing Contractor and independent expert(s) experienced in co-investment fund management
No-objection by DFAT on the short-list of Concept Notes	22 nd October 2018	• DFAT
Notification on results of concept notes selection to applicants	22 nd October 2018	• GREAT
Training workshop on inclusive business planning	30 October– 2 November 2018	• GREAT and Lao Cai PMU
Submission of detailed “Inclusive Business Concept Notes/proposals”	03 rd December 2018	• Applicants
Assessment of detailed proposals and Due Diligence assessment.	3 rd – 14 th December 2018	• Lao Cai PMU, GREAT and independent expert

Activities	Tentative Timeframe	Agencies in charge
Drafting funding agreement.		experienced in fund management
Presentations on detailed business proposals to the appraisal committee	07 – 10 th January 2019	• Applicants
No-objection of final selection results	22 nd January 2019	• DFAT
Signing funding agreements	February 2019	• GREAT and applicants

2. Deadline for submission of concept notes

Deadline for submission of “**Inclusive Business Concept Notes**” is no later than **17:00 pm, Friday 26th September 2018** in form of:

- An electronic version of the concept notes in pdf format (scanned version) shall be sent to the email address: c4p@aus4equalityvn.org, **AND:**
- A hard copy (printed version) of signed and sealed concept note shall be submitted to the GREAT Project Office on **7th floor, Vinapaco building, No. 142 Doi Can Street, Ba Dinh district, Hanoi** (as attested by date on postmark).

3. Content of concept notes dossier

The main part of the concept notes shall not exceed twelve (12) pages (using template provided in Annex 1). Supplementary documentation can be provided as annexes.

Applicants must provide the following documents to be eligible for assessment and selection

- 3.1 Inclusive business concept note (template in Annex 1): original version
- 3.2 Business permit/business registration certificate of the applicant and partner(s), if any: copy/scanned version
- 3.3 Financial statements of the years 2015, 2016 and 2017 (audited or certified by financial authorities): copy/scanned version
- 3.4 Any other relevant supporting documents to further explain the concept note: copies

Applicants are encouraged to:

- Prepare professionally written and high-quality business concept notes and full business plans by engaging with consultants;
- Partner with other entities to propose innovative business solutions.

Language of the Concept Note submission dossier: Documents will be submitted in Vietnamese.

Font type: Arial; Font size: 10

Format: Left indent justification.

IV. SELECTION CRITERIA AND GRID

The below key criteria will be assessed for selection of concept notes:

1. Eligibility:

- The concept note is submitted on time
- Have been registered as business entity in Vietnam with at least two years of relevant experience
- The concept note covers at least five districts of Sa Pa, Bat Xat, Bac Ha, Van Ban and Muong Khuong of Lao Cai province
- Provide all required information as specified in the Concept Note

- The business plan has no negative impact on environment

2. Selection criteria

- Project viability
- Social impact
- Cost effectiveness
- Sustainability and potential scalability
- Innovation

Please refer to **Annex 2** for details of the Selection Criteria and Grid

V. CONFIDENTIALITY

Information provided by applicants in the concept notes shall be kept confidential, and solely used for concept note selection and assessment by the Program.

The selection committee's decisions are final, and its deliberations are held in closed session. The members of the selection committee are bound to secrecy.

All selection reports and written records are for internal use only and may be communicated neither to the Applicants nor to any party other than the PMU, GREAT program and DFAT.

VI. CLARIFICATIONS

The deadline for requests for clarification is **15** days before the deadline for submission of concept notes. Applicants may also refer to the 'Frequently Asked Questions (FAQs)' document to clarify some applicant queries. The deadline for replies by the GREAT program to all candidates is 8 days before the deadline for submission of concept notes.

Please refer to the website: equality.aus4vietnam.org for FAQs and other information about the Program.