

INNOVATION
SOLICITATION
DOCUMENT

2019

This document outlines the goals and sectoral focus of the Alliance and presents relevant information to prospective applicants about the Alliance, award criteria and selection process.



1. ABOUT THE MILLENNIUM ALLIANCE

Millennium Alliance (MA) - Overview

The MA is an inclusive platform to leverage Indian creativity, expertise, and resources to identify, support, and scale innovative solutions being developed and tested in India to address development challenges that will benefit base of the pyramid populations across India and the world. The MA is a network that brings together various actors within India’s social innovation ecosystem including, but not limited to, social innovators, philanthropy organizations, social venture capitalists, angel investors, donors, service providers, and corporate foundations, to stimulate and facilitate financial and non-financial contributions from the private and public sectors in support of development innovation.

The MA is a partnership between India’s Department of Science and Technology (Govt. of India), United States Agency for International Development (USAID), Federation of Indian Chambers of Commerce and Industry, UK’s Department for International Development (DFID), ICCo Cooperation, the World Bank Group, Facebook, Marico Innovation Foundation and UnLtd. India.

The Alliance provides innovators with a range of services such as seed funding, grants, incubation and accelerator services, networking opportunities, business support services,

knowledge exchange, and technical assistance, and facilitates access to equity, debt, and other capital. Through the Millennium Alliance, the partners help realize India's role as a global innovation laboratory, in which innovative solutions to development challenges can be identified, tested, and scaled to benefit base of the pyramid populations in India and around the world.

In the context of MA, Innovation refers to solutions that help produce development outcomes more effectively, cheaply, that reach more beneficiaries, and in a shorter period of time. Innovation could be in Business or organizational models; Operational or production processes; Products or services; Technological solutions; Service Delivery Models; Combinations of tried and true techniques

Focus Sectors

Although the Millennium Alliance will consider supporting innovations across all development sectors, it will prioritize the following sectors:

India Focus -

1. Education (with priority on innovations in early grade reading)
2. Water and Sanitation
3. Health (with a priority on innovations in the Family Planning & Reproductive Health and Maternal & Child Health sub-sectors)
4. Agriculture/Food Security
5. Clean Energy/Climate Change
6. from a sector not included in the above list, to be considered the innovation must either benefit BoP populations directly, or indirectly by creating or improving the environment that supports improvements in the lives of BoP populations).

Global Focus

1. Agriculture/Food Security
2. Clean Energy/Climate Change

3. Disability
4. Financial Technology
5. Water and Sanitation & Health

Development Impact and Associated Indicators:

Some illustrative examples of the **development impact** that the Alliance seeks to achieve for priority sectors 1-5 above include, but are not limited to, the following:

Basic Education:

- Improved reading abilities among primary grade children
- Increased number of primary grade children reading at grade-appropriate level

Water and Sanitation:

- Increased number of people gaining access to an improved drinking water source
- Increased number of people gaining access to an improved sanitation facility

Health:

- Increased use of effective and innovative health systems solutions
- Increased number of innovative tools, technologies, or practices employed to improve access and quality of health services for vulnerable populations

Family Planning and Reproductive Health:

- Increased modern contraceptive rate

Maternal and Child Health:

- Decreased under five mortality rate
- Decreased infant mortality rate

- Decreased maternal mortality ratio

Agriculture/Food Security:

- Increased farmer incomes as a result of applying new technologies or management practices

Clean Energy/Climate Change:

- Greenhouse gas emissions avoided, measured in metric tons of CO₂e
- Increased renewable energy capacity added
- Increased energy savings achieved (measured in kilowatt hours)
- Increased number of innovative clean energy tools, technologies and methodologies developed, tested and/or adopted
- Increased number of clean energy enterprises with improved business operations
- Increased number of beneficiaries with renewable energy services in off-grid villages

Disability Inclusion:

- Innovation which would systematically and consistently mainstream and help people with disabilities to benefit from development. Increased access to people with impairments, attitudinal and environmental barriers that hinders their full and effective participation in society on an equal basis with others

Financial Technology:

- Financial technology that allows individuals and businesses at the last mile to have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way at ease.

Indicators must be used to measure progress toward achievement of the project impact. Below is a list of **illustrative output and impact indicators** that may be used to measure progress/impact of activities in the aforementioned priority sectors. The innovator may

develop additional indicators, as needed that best reflect project goals and performance. The innovator is encouraged to use both output-oriented and impact-oriented indicators.

Basic Education (specifically Early Grade Reading/Literacy):

- Number of primary grade children with improved reading abilities
- Number of primary grade children reading at grade-appropriate level

Water and Sanitation

- Number of people gaining access to an improved drinking water source
- Number of people gaining access to an improved sanitation facility
- Percentage of children under age five who had diarrhea in the prior two weeks
- Number of improved toilets provided in institutional settings (e.g., schools, health facilities)
- Percent of households in target areas practicing correct use of recommended household water treatment technologies

Family Planning and Reproductive Health

- Modern contraceptive rate
- First birth under age 18k
- Number of service delivery sites providing family planning counseling and/or services
- Number of additional community health workers providing family planning information and/or services during the year

Maternal and Child Health

- Under five mortality rate
- Infant mortality rate
- Maternal mortality ratio

Agriculture/Food Security

- Number of farmers with increased incomes as a result of applying new technologies or management practices
- Number of farmers and others who have applied new technologies or management practices
- Number of hectares under improved technologies or management practices
- Number of rural households benefitting from innovation
- Number of private enterprises, producer organizations, water users associations, women's groups, trade and business associations, and community-based organizations that applied new technologies or management practices

Clean Energy/Climate Change

- Quantity of greenhouse gas emissions reduced, measured in metric tons of CO₂e
- Renewable energy capacity added
- Energy savings achieved (measured in kilowatt hours)
- Number of innovative clean energy tools, technologies and methodologies developed, tested and/or adopted
- Number of clean energy enterprises with improved business operations
- Number of beneficiaries with renewable energy services in off-grid villages
- Number of institutions with improved capacity to address climate change issues
- Number of stakeholders with increased capacity to adapt to the impacts of climate variability and change

Disability –

- Improved accessibility by persons with disabilities
- Percentage of persons with disabilities receiving needed health services
- Percentage of persons with disabilities receiving needed assistive technologies
- Improvement in the employment rate, disaggregated for persons with/without disabilities

Financial Technology –

- Number of BoP population getting access to the financial services

- % of population with increased access to the financial transaction

1.1. MA Objectives

Provide a platform to leverage Indian creativity, expertise and resources to:

1. Identify game changing innovations

- The Alliance intends to identify breakthrough innovations that achieve development outcomes for BoP populations more effectively, more cheaply, more broadly (that reach more beneficiaries), and in a shorter period of time

2. Rigorously test promising solutions

- The Alliance encourages innovators to rigorously test and evaluate their innovative solutions to confirm that they are achieving a concrete development outcome in the most effective manner.

3. Scale innovations that work

- The Alliance aims to support innovations that exhibit the potential to be replicated or scaled broadly to maximize their impact.

2. MA AWARDS

The Program will invest in a portfolio of projects at different stages of development. Through this call, the Alliance solicits applications under the following two stages:

- **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. They should depart from current practices, be cost effective and

must have already established a proof-of-concept. Idea stage projects are not eligible for an MA award.

All Stage 1 awardees receive upto Rs. 30 Lakh grant out of which Rs 10 Lakh are strictly earmarked for capacity building

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

Stage 2 funding is provided to innovative solutions that have demonstrated success at a pilot or small-scale stage, and now require support to assess if the solution can achieve larger scale development impact and whether it can be successfully implemented at a larger scale. Stage 2 projects should leverage MA funding strategically to access funding/resources from other project partners, government programs and funders.

Stage 2 awardees will receive a grant of upto Rs. 1 Crore at most depending on the project stage, merit and needs out of which Rs. 10 Lakh are earmarked for capacity building.

- **Stage 3: Scaling or replicating an innovation in other 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 6. 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 developing countries, 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.

The abovementioned projects are usually supported over a period of three years. On case to case basis, the timelines are extended on need basis.

3. ELIGIBILITY TO APPLY FOR THE MA AWARDS

All Innovations conceptualized/tested/developed in India and catering to a base of pyramid population stand eligible to be qualified for the MA Awards.

The following entities are eligible to apply for the MA Awards:

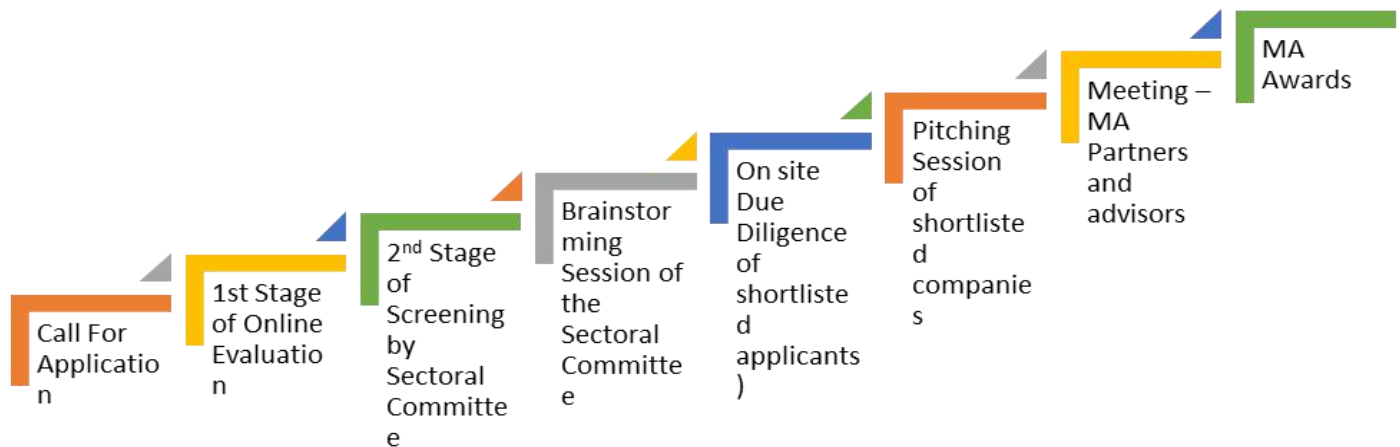
| For Local private and non-governmental entities, who are registered entities in India | For-profit educational institutions | For Non-profit educational institutions | For Private individuals |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ○ Partnerships under the Indian Partnership Act, 1932 | <ul style="list-style-type: none"> ○ Educational Institutions that are publically/privately managed | <ul style="list-style-type: none"> ○ Trusts under the public trusts act of India ○ Societies under the | <ul style="list-style-type: none"> ○ Be legal residents of India ○ 18 yrs and above ○ Have lived a full |

| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ○ Sole proprietorships ○ Limited Liability Partnerships (LLPs) ○ Family Owned Businesses/ HUFs ○ Companies registered under the Companies Act, 1956 | | <ul style="list-style-type: none"> ○ societies registration act,1960 ○ Section-25 institutions under the companies act, 1956 | <ul style="list-style-type: none"> ○ calendar year in India leading upto the submission of application ○ Currently living in India |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|

****All enterprises applying under the Stage 3 Category the organizations are granted registration/Prior Permission under the FCRA Act.***

4. APPLICATION PROCESS

The MA is based on a rigorous and transparent application and selection process, and strict evaluation criteria. The MA employs the following process to solicit applications and select award recipients:



The MA application and selection process involves the following steps:

- **Call for applications:** As a first step, interested applicants must apply on the official website of the Alliance www.millenniumalliance.in. Applications sent by post shall not

be considered for the program. ***Incomplete applications will be disqualified and not considered for the next stage.***

- ***Evaluation by Sector Expert Committees:*** Once the applicant submits the full application form, their applications will be evaluated by sector specific committees that will be established for each of the MA focus sectors. Sector Specific Evaluation Committees comprising an appropriate mix of technical/sectoral experts who understand BOP development issues and solutions, and challenges and potential for scale, shall be established and such members shall evaluate and score the ‘Full Application Forms’.

Each committee member will independently evaluate each application and score them against the MA evaluation criteria, providing narrative on the strengths and weaknesses of each application to justify their scoring. Consequently, a brainstorming session will be conducted for the evaluation committee members to select the top 10 projects (approximately) in each sector.

- ***Onsite due diligence visits:*** FICCI shall conduct an onsite due diligence for each of the projects shortlisted by the expert committees. An expert will visit the site of the project to cross check the information provided in the full application form. If need be, the expert representative shall visit both the head office and site of the project.

The applicant will be asked to fill in a due diligence template prior to the visit furnishing information on organizational structure, management and operating systems, performance reporting systems, financial reports, accounting practices, FCRA* account details and environmental compliances.

****FCRA is one of the mandatory requirements to avail funds under the MA awards.***

- ***Pitching by shortlisted applicants:*** FICCI shall call the shortlisted applicants for the pitching wherein the applicants will make a presentation to the MA partners and subject

matter experts. The presentation template, schedule of presentations and venue details will be communicated to the shortlisted innovators well in advance for them to make their travel plans. After viewing all presentations, the partners will make the final decisions on the grants to be awarded.

- **MA Awards:** The Awards will be given out at a public ceremony organized to recognize the MA Awardees.
- **Award Management:** FICCI shall sign the award agreement(s) with the awarded enterprises. The award agreement is a detailed document including the work plan and the Monitoring and Evaluation (M&E) framework for the awarded project.

5. APPLICATION EVALUATION CRITERIA

5.1. Evaluation Criteria

Innovation - 22%

How substantially incremental or novel is the innovation across the following parameters?

- Product
- Service
- Approach/business model
- Target segmentation

How strong is the hypothesis for this innovation?

Social Impact- 20%

- Considering the stage, the project is in, how commensurate is its impact?
- How scalable is the project?
- How tangible is the project's impact at the BoP level?
- To what extent will this project have positive externalities (indirect benefits)?
- Would the project have a positive impact on women and children at the BoP level?

Team - 15%

- How relevant is the skill set of key promoters and team members in executing the project?
- How relevant is the team's prior experience working on BoP solutions?
- Does the team have mentors who have experience of the BoP ecosystem?
- Does the team have the bandwidth for scale?
- You may make an observation on skill gaps that need to be filled to achieve the desired impact and size of the team.

Project Plan- 10%

- How clearly are the milestones defined?
- How realistic and achievable are the milestones?
- How well thought-out is the activity plan towards the implementation of the project?
- How well does the innovator convey the risks and barriers in the implementation of the project?
How well is the innovator equipped to mitigate the risks?

Project Cost - 5%

- How clearly are the funding requirements stated?
- How adequate is the funding request for each development stage?
- How commensurate is the funding sought with the proposed activities in the project plan?
- How well are the costs distributed across various expenditure heads?
- How well has the innovator utilized any earlier funds received for the proposed project?

Sustainability - 20%

Financial sustainability:

- How sustainable is the project beyond MA funding?
- As a growth stage project (stages 2 and 3 - please refer to evaluation guidelines), how effectively are alternate sources of funding leveraged?
- Is there a financial model for sustainability for example, revenue generation

Environmentally sustainable:

- Are there significant environmental risks in implementing this project and how effectively does the innovator plan to mitigate them?
- Please comment on any environmentally unfriendly by-products.

Social sustainability:

- How sustainable is the development impact of the innovation in the long-run?

Additionality - 8%

- How unique would be MA's contribution to the project? Has the innovator received similar support earlier from another organization?
- How easily could the innovator raise this funding from elsewhere?
- Will the MA funding be utilized to scale in other parts of the developing world?
- How well will the MA grant prepare the enterprise to be more investment ready in the future?