



Sida Innovations Against Poverty

Business for Development – B4D

A new tool to encourage solutions to global challenges

With this programme Sida challenges the private sector to develop products, services and business models that can contribute to fight poverty and climate change. The objective is to serve as a catalyst in order to develop products, services and market systems that benefit people living in poverty, rather than helping a single company to do better business.

Why?

Innovations in technology and business practices are critical in creating opportunities for people living in poverty to improve their living conditions. Sida's intention with this programme is to stimulate development which otherwise would not have taken place within the private sector due to perceived initial commercial risk or uncertain market opportunities, and to accelerate the go-to-market process. The starting point is the concept of Bottom of the Pyramid (BoP), which focuses on the people "on the base of the pyramid" who live on less than two dollars per day. Involving this group as innovators, entrepreneurs, producers, consumers and distributors provides positive development opportunities for all parties - and increases the chances of reaching the Millennium Development Goals!



Who?

Innovations Against Poverty (IAP) is designed for companies based in, or operating in a poor country. First, the program focuses on smaller organisations that are sitting on good ideas with great potential, but need the support of their business strategy and resources to penetrate new markets. IAP also seeks to work with larger companies, to help support the development of "inclusive business" models for these markets, which expands opportunities for the poor and disadvantaged in developing countries. Such business models can engage the poor as employees, suppliers, distributors or consumers.

Companies can be active in all sectors where innovation leads to poverty reduction, from agriculture

and infrastructure to health and education. Only exception are companies involved in arms, tobacco and gambling industries. (Full eligibility criteria are outlined in the application guide available online.)

How?

The programme will function as a risk sharing mechanism for sustainable business ventures (commercial companies or market oriented organisations) which have strong potential to impact poverty. Companies can apply for financial support from two different modules aimed at different stages of the innovation and development path.

- **Small Grants**

The IAP will provide a matching grant (maximum 50% of total project cost) up to € 20,000 for the purpose of exploring an innovation or a new market. The grant might be used for travel and pre-feasibility studies, stakeholder needs assessments, or networking with local organisations. Applicants compete for available grant resources twice a year.

- **Large Grants**

The IAP will provide a matching grant (maximum 50%) up to € 200,000 to a company for the purpose of undertaking a research and development project aimed at an innovation against poverty – a product, service, system, business model or a concept ready to be put to market test, or adaptation of existing products to be affordable and accessible by the poor. Also in this case, applicants compete for available grant resources twice a year.

For the scale up phase Sida also has a flexible guarantee instrument for reducing risks for ventures with a strong developmental dimension, which will be available for innovations at a stage of launching at full scale or for replicating. A financial institution ready to provide a company a commercial loan can get a guarantee from Sida covering 50% of the loan.

Advisory assistance

The IAP will be more than a passive funding agent and thus actively stimulate change. In addition to the funding components of the Programme, companies will be able to receive advice in developing and rolling out business models that engage the Bottom of Pyramid and deliver a commercial return. This advice may for example be done by assisting applicants for large grants to develop their business ideas and practises, or as stand alone workshop with the executive management of firms wanting to understand the concept and opportunities of “Inclusive Business”.

A global community of practitioners

In collaboration with the UK Government programme Business Innovation Facility, the Innovations Against Poverty can offer practitioners and interested companies access to information and insights on inclusive business, and share lessons learnt from the programme through an online Practitioner Hub. Furthermore, the programme will deliver workshops and learnings events, including an annual Innovations Against Poverty Conference to promote awareness, knowledge, learning and interest in Bottom of the Pyramid and Inclusive Business approaches in the business community. This will provide opportunities to share cases and best practices in the field.

Expected results and benefits

- Access to more affordable essential products and services for people living in poverty
- Access to smart solutions for example within the fields of health, infrastructure, energy, education or agriculture
- New sources of income for poor people through employment, subcontracting and engagement as innovators, producers or suppliers
- Solutions to climate and environmental sustainability challenges.

The IAP team and How to Apply

A project team led by PricewaterhouseCoopers, including Njord Consulting and ORGUT Consulting, has been contracted to implement the programme and handle the communications, application process including the screening of proposals, advisory services and knowledge exchange. Dead-lines for submissions are end of May and end of November. Instructions and forms are available online, please see below.

For more information and application forms please visit www.innovationsagainstpoverity.org or www.sida.se/iap or email the team at info@innovationsagainstpoverity.org