Question and Answers to SDC's Call for Proposals "Scaling up Social and Impact Entrepreneurship"

Questions related to "definitions":

What is the definition of SIEs in the priority countries? Would it be possible for you to provide an inspiring example of a success story from a previous program?	A (broad) definition, including a link to the SDC's guidance paper on "Achieving Development Outcomes with Social and Impact Enterprises", is provided in the Call for Proposals document (see "Introduction and Context"). The Call for Proposals also clearly states that SDC's ultimate target groups for this project are low-income households and vulnerable people, including migrants and/or forcibly displaced persons, and that working with SIEs is a means to this end. Annex 1 of the Call for Proposals document provides a list of previous (and ongoing) programs with links for examples/inspiration, if needed.
How does SDC define "vulnerable people" in the context of this request for proposal (RFP)?	Vulnerability depends on the (geographical) context. In general, vulnerable populations are defined as those groups of people who are typically excluded, disadvantaged or marginalized due to their economic, social or cultural characteristics and their environmental circumstances. Typical examples in development contexts, other than people living in extreme poverty and migrants, refugees and internally displaced persons, are often women or persons belonging to national, ethnic and/or religious minorities. Migrants in vulnerable situations are migrants who are unable to effectively enjoy their human rights, are at increased risk of violations and abuse, and who, accordingly, are entitled to call on a duty bearer's heightened duty of care (IOM Glossary on Migration, 2019).
How does SDC define "social cohesion" in the context of this RFP?	Social cohesion is a concept with multiple definitions and uses in the development community. It generally includes social inclusion (creating solidarity in society) and social capital (social organization, networks, norms, trusts that facilitate coordination and cooperation for mutual benefit). The promotion of social cohesion can be understood as the process of improving the ability, opportunity, and

	dignity of people disadvantaged on the basis of their identity, to take part in society and enjoy fundamental social and economic rights.

Questions related to the "project approach":

Can the project be multi-platform, i.e., working with different co-funders in different sectors (e.g., one partnership supporting agricultural SIEs and another working with SIEs selling menstrual hygiene)?	In general, yes.
How important is it to include a focus on migration? Does including a focus on migration subtract or add points?	Please read the Call for Concept document, especially "2.2 What kind of project can be funded" 2.4 "Funding" and "4.2 Evaluation". Support of migrant-centred SIE is a must and its approach needs to be described in the proposal. Support of migrant-centred SIE includes the specific targeting of migrants and/or forcibly displaced as part of the project's end beneficiaries. The project, however, does not need to focus exclusively on migrants and/or forcibly displaced persons. The SDC cannot and does not wish to provide an assessment of specific project ideas/approaches at this stage.
On SIEs targeting migrants and/or forcibly displaced persons, should it be their main area of focus (e.g., can SIEs operating in countries with high percentages of migrants fit in the scope)?	
Climate resilient Agriculture is a one sector that we see as very aligned with the objectives of this proposal. Is this a sector under consideration for SDC or an appropriate target sector?	Please refer to "2.2 What kind of project can be funded" in the Call for Proposals: "SDC originally envisages a sector-agnostic project. However, if the selected organisation(s) feel that a sectoral focus is appropriate and has the expertise, network and/or co-financing for a particular sector, this can be brought forward in the call for proposals as long as the target group remains the same". SDC cannot and does not wish to provide any assessments of project ideas/ approaches at this time.
Is there a preference for sector agnostic solutions to reduce poverty or for solutions that focus on particular themes (i.e. health, agriculture, etc.) as pathways to reducing poverty?	
Nous accompagnons des bénéficiaires migrant.e de retour, membre de la communauté en entreprenariat en lien avec les emplois verts et nous voudrions lié le système de cofinancement à nos activités en cours pour aller dans une plus grande échelle de développement et d'impact en lien avec les changements climatiques, les emplois verts, le développement local avec l'implication de la diaspora et du secteur privé. Nous avons même dans un sens un grand forum que nous souhaitons organiser en	This round of questions relates to the clarity and understanding of the Call for Proposals. The SDC cannot and does not wish to provide an assessment of project ideas/approaches at this stage.

novembre 2024 et voudrions par cela comme exemple d'activité de cofinancement. Est-ce que cette stratégie est faisable avec cet appel ?	
What type of capacity building is expected on impact measurement (e.g., training of the SIE staff, small-scale impact studies to help pivot their business models, large-scale studies possibly leading to result-based finance)?	This round of questions relates to the clarity and understanding of the Call for Proposals. The SDC cannot and does not wish to provide an assessment of project ideas/approaches at this stage.
When it comes to fostering ecosystem support for SIEs, it is essential to acknowledge the complexity of SDC's priority countries. To truly excel in this area, it would be beneficial to establish synergistic relationships with local, regional, and other existing ecosystem support programs. How do you perceive the potential for collaboration between SDC's initiative and European funds-based ecosystem support programs as well as regional ecosystem support programs?	
Pathways to strengthening ecosystems: Are there examples of ecosystem support that you could provide?	The SDC wishes to contribute to the strengthening of ecosystems, and therefore the ideas in the Call for Proposals should be submitted by organizations with expertise in this field. For a broad definition of ecosystem support please refer to the SDC's guidance paper on "Achieving Development Outcomes with Social and Impact Enterprises", which is provided in the Call for Proposals document ("Introduction and Context").
Recognizing that "SDC does not have a pre-defined vision/idea with respect to ecosystem support," does it necessarily require direct financial support to ecosystem actors, such as through subawards, or could exclusively non-financial support satisfy this approach?	As the SDC does not have a pre-defined vision, the approach is left to the applicant and must make sense in the context of the overall project in order to achieve impact.

Questions related to the "geographic outreach":

In "2.2 What kind of project can be funded" in the Call for Proposals, the following information with respect to the geographic outreach is provided:

The project should be global in scope, covering at least five ODA-eligible countries, at least two of which must be SDC priority countries, located in at least - but not necessarily exclusively - two regions of the global South, at least one of which must be a region where SDC is active in bilateral development cooperation, i.e. North Africa and the Middle East, Sub-Saharan Africa, or South and South-East Asia. The aim is also to promote learning, knowledge sharing and networking between regions/countries.

Geographical outreach is one of the "4.2 Evaluation" criteria and SDC has realised that the information provided in the Call for Proposals document may not be clear enough. Therefore, SDC would like to add the following information:

- For this project, SDC funds should only be spent to achieve impact in ODA-eligible countries.
- At least two countries in which the project is active must be SDC priority countries in which SDC is active with a bilateral development cooperation country programme. A list of these countries can be found in footnote 7 of the Call for Proposals:
  Afghanistan, Bangladesh, Benin, Burkina Faso, Chad, the Horn of Africa (Somalia, Ethiopia and Kenya), Mali, Mekong Region (Cambodia and Laos), the Middle East (Syria, Lebanon, Jordan and Iraq), Mozambique, Myanmar, Nepal, Niger, North Africa (Egypt, Tunisia and Algeria), the Occupied Palestinian Territory, Tanzania, the Great Lakes Region (Rwanda, Burundi and DRC), Zambia, Zimbabwe.
  - ➔ This list does not include countries in Latin America and the Caribbean, as SDC is withdrawing bilateral cooperation from these countries. It also excludes countries where SDC is active through its cooperation with Eastern Europe and the Commonwealth of Independent States (CIS) and its contribution to the enlarged EU, as this is not the focus of this project. However, this is a global project and activities/interventions in non-priority countries, including countries in these regions, may be supported as long as at least two of the above countries are involved and the project is active in two regions of the Global South (one of which must be an SDC priority region).

SDC priority countries: are all the countries listed on the https://www.eda.admin.ch/deza/en/home/countries/schwerpunktregionen-iza.html eligible or is there a preference for the listed countries in the footnote on page 5 of the call for proposals?	See explanation above. Eligible are all countries on the webpage, if they are ODA-eligible. At least 2 countries from the list above (i.e., footnote 7 on page 5) need to be targeted.
We wanted to confirm that a regional focus on East and West Africa (including SDC priority countries of Kenya, Tanzania, Uganda and Ethiopia), Columbia and India – that this would be acceptable with the multi-country focus requested in the Call for proposals.	Yes, Ethiopia, Kenya and Tanzania are on the list above. With three regions from the Global South, you cover more than the minimally requested two regions. For SDC Eastern and West Africa are considered as one region ("Sub-Saharan Africa"). South and South-East Asia is another SDC priority region with bilateral cooperation country programmes. Latin America is a region from the Global South.

Since India is an ODA country but not an SDC priority country, would inclusion of India in the proposal add or subtract points in SDC's evaluation?	Neutral, as long as the geographic criteria are fulfilled.
In section 2.3 of the Call for Proposals, priority regions are listed and Latin America is not included. If one or more Latin American countries were included in the proposal with a limited project budget allocation, would that be viewed as positive, negative or neutral when the proposal is being evaluated?	Neutral, as long as the geographic criteria are fulfilled.
Solicitamos que se nos pueda aclarar si es elegible la participación de Bolivia, en asociación con otros países de la región latinoamericana y en una red de colaboración con países prioritarios para COSUDE.	Yes, Bolivia is not included in the list above, but can be targeted as long as the other geographic criteria are fulfilled.
Quick confirmation. As Colombia is part of ODA-eligible countries, it then can be part of the global scope you require?	Yes, Colombia is not included in the list above, but can be targeted as long as the other geographic criteria are fulfilled.
Chile is not an ODA-approved country, however, could the northern part of the country, which is close to the border between Argentina, Peru and Bolivia be considered eligible for the call? If not, could Chile be part of the pitched project as a "sixth" potential country to be also considered as a "de-risking" country if money is kept in Chile, but spent in five other countries?	Unfortunately, not. For this project, SDC funds should only be spent achieving impact in ODA eligible countries.
Could you also provide a bit more guidance on what weight of Latin America in the project/budget you´d be comfortable with when forming a consortia?	In general, no, as it depends on the overall approach of the proposal and estimated impact at the level of the beneficiaries. For different reasons, the beneficiaries should be at least to a certain extent living in SDC priority regions and countries as defined above. The budget allocation should reflect this accordingly. Just adding SDC priority countries to the list in order to fulfill the geographic criteria of a project that is focused on Latin America would therefore not score high in the evaluation of the proposal.

Questions related to "funding":

What is the minimum and maximum contribution for any co-financing by the SDC?	Please read the Call for proposal document ("Funding"). Maximum 50%, no minimum.
What types of co-financing are applicable (e.g., grant, equity, debt)?	Please read the Call for proposal document ("Funding"). In-kind, cash and investment. The investment can be debt, equity or anything in between.
Section 2.4 of the Call for Proposal states that acceptable means of co-financing are: i) cash contributions, ii) contributions in kind, and iii) investments in SIEs that are attributable to the project. What is the approximate expected/acceptable ratio of these three co-financing categories?	There is no expected ratio. Cash is usually the easiest to measure and value. Contributions in kind are much more difficult to determine. Investment is difficult to determine because of the need for attribution.
Is there a timeframe for the co-financing target? E.g. does the co-financing need to be secured at the project inception stage/ prior to contract signing or can it be by the end of the project?	In principle, the co-financing should be committed / secured by the time of the signing of the contract with SDC, since it will be legally binding. The disbursement timeframe of the "co-financing" component should take place within the duration of the project.
What level of certainty do you expect regarding partners' commitment (e.g., letter of intent, ongoing discussions)?	For the Project Proposal and project development process: The higher the certainty, the better the rating when it comes to the respective evaluation criteria, see Call for Proposals document "Evaluation". A letter of intent is better than a statement from the proposal submitter that discussions are ongoing. An already financed and running project would score even higher. For the signing of the contract, see question above.
Are there any restrictions on the type of potential private co-funders (e.g., extractive industries)?	Some private sector partners are excluded, others are delicate and need to be justified. This is described in SDC's "General Guidance on the Private Sector in the context of the International Cooperation Strategy 2021–24" and in more detail in "SDC Handbook on Private Sector Engagement". The link to the website with the documents is provided in the Call for Proposals document ("Funding", Footnote 8).
With regard to funding from the private sector. Can we also use funds from foundations?	Yes, if the foundations are private. This is described in SDC's "General Guidance on the Private Sector in the context of the International Cooperation Strategy 2021–24" and in more detail in "SDC Handbook on Private Sector Engagement". The link to the

	website with the documents is provided in the Call for Proposals document ("Funding", Footnote 8).
Est-ce que l'appel est ouvert à toutes les agences des Nations Unies y compris l'OIM ? Si Oui Etant une agence des Nations Unies, nous avons un pourcentage de 1% à budgétiser dans nos projet pour une participation direct aux nations unies qu'on appelle 1% UN LEVY mais aussi un OVERHEAD de 7% non lié aux activités et voudrions savoir si c'est applicable dans le cadre de ce financement ?	Yes. The overhead cost and levy need to appear in the overall budget, which can only be financed up to 50% by SDC. The organization, just like any other organization, needs to fulfil the requirements stated in "2.1 Who can apply". Of particular importance is the also "2.4 Funding", determining that SDC's contribution will cover up to 50% of the total project costs. It is expected that the selected partner organisation(s) will co-finance the remainder. This "remainder" cannot be financed through other SDC funds.
I am reaching out to you to know whether 'International Organization for Migration' (IOM), is eligible to apply.	
If one of the partner organizations is only an implementer, can its fees be paid by the project's budget?	Yes, see also answer above. If there is enough co-financing from other partners/third parties: Any overhead costs related to engaging an implementing organisation need to appear in the overall budget, which can only be financed up to 50% by SDC. However, within a consortium, not every single organization needs to finance at least 50% of its share.
Could you please confirm that capital leveraged by companies that receive support from the program could count toward co-financing? E.g., If we put CHF500K into Company A, and they raise CHF1M from another investor or funder that can be attributed to our initial investment, this CHF1M can be considered co-finance.	In principle, yes to this set-up; however this would have to be determined case by case and depends on the specifics of the proposal and – if selected – on the project development process. In any case, these companies need to be aligned with the development goals of this Call for Proposals, the capital leveraged needs to be plausibly attributed to the program and the leverage needs to take place within the timeframe of the project.
Are there any limitations to using the grant funds for investment capital for SIEs?	The way this question is formulated is not clear to SDC. In general, capital investments into any company should be treated as "investments", and not as "grants". Grants could be used primarily to facilitate/enable investments by absorbing some risks or specific types of costs. If the question pertains to whether it is possible to use SDC grants as source of funding for making investments into SIEs, the answer is that it depends on the status of the potential implementing partner. In such a case, the implementing partner would need to have appropriate

	processes and systems in place, as well as the necessary expertise and track record to use investment instruments.
Could you please clarify if it is permissible to use SDC funding under this award to expand an existing program into new countries? More specifically, is it possible for SDC funding to cover 50% of overall program costs, while being the sole funding source for the program's activities in the new countries?	In principle, yes. A contribution means that the project is owned by the partner(s) and not SDC. If you have a running project that fits with the Call for Proposal, the expansion to new countries is possible.
Could the SDC finance seed projects to de-risk further investments from partner organizations in case of success?	The way this question is formulated is not clear to SDC and depends on the approach of the project proposal and the role of these "seed projects". The idea of contribution is that the project is owned by the partner(s), i.e. SDC contributes up to 50% to a project where others are "on board", also financially. It is not excluded that there is some form of asymmetries in spending, i.e. some front-loading from SDC, a higher percentage than 50% in beginning. However, contractually, over all co-financing of a minimum of 50% is required (see answer above related to the timeframe for the co-financing target). A portfolio/funnel of "seed projects" being 100% financed by SDC and then not being financed by anybody else would not work.
Are early-stage projects, requiring a relatively small budget for the first year of pilot with uncertainties on financing disbursements for the subsequent years, eligible?	Again: The way this question is formulated is not clear to SDC and depends on the approach of the project proposal and the role of these "early stage projects". See answer above. Early co-financing would be necessary. However, disbursement costs may vary over the years.
In relation to the requirement that 25% of SDC funding be allocated towards migration/forcible displacement activities, is it necessary for this to be a cross-cutting theme throughout the entire program? Alternatively, can this funding be concentrated in specific geographies where migration/forcible displacement is more contextually relevant?	This is not determined. It needs to make sense in the project's overall approach that is proposed by the applicant and the respective impact generated.
How much funding per SIE would SDC envision?	

Other questions:

Are there specific constraints as to the starting date of the projects submitted? (i.e. should already be running, committed start date before end June, end December...).	Contributions to new projects and initiatives together with other funders and/or contributions to ongoing projects are eligible as described in the Call for Proposals document ("who can apply"). The contribution/co-finance part from SDC can only start after all contracts are signed, i.e. the earliest in quarter 3 2024, more realistically in quarter 4 2024, also depending on the project development process, see «timeline» in the Call for Proposal document.
Could you please confirm the proposal submission deadline is 29 February 2024 at 23:59 CET?	Yes.
Do you by any chance have a list of organisations that could potentially be interested in partnering for the project?	Please read the Call for Concept document, especially Annex 3.
By mistake Upaya Social Ventures details got missed out in the list of organisations who want to participate. I had shared our details and this email ID during the regional webinar. Would it be possible for you or the team to update the document so that potential partners can also approach us?	We are sorry about this mistake. SDC prefers not update the document at this stage, but as interested organisations have access to the questions and answers in this document, they can reach out to Upaya Social Ventures.