

WATER AND ENERGY FOR FOOD: A GRAND CHALLENGE FOR DEVELOPMENT

OPEN CALL FOR INNOVATION (O-CFI) Middle East and Northern Africa (MENA) region

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Open Call for Innovation (O-CFI)

Subject: Open Call for Innovation (O-CFI) for Water and Energy for Food: A Grand Challenge for Development Competition

Dear Prospective Applicants:

The German Federal Ministry for Economic Cooperation and Development (BMZ), the European Union (EU), the Ministry of Foreign Affairs of the Government of the Netherlands, The Norwegian Agency for Development Cooperation (Norad), Sweden through the Swedish International Development Cooperation Agency (Sida), and the U.S. Agency for International Development (USAID) invite eligible organizations to respond to the Open Call for Innovation (O-CFI) **Water and Energy for Food: A Grand Challenge for Development (WE4F) Call for Innovations.**

This Open Call for Innovation (O-CFI) is designed to address barriers to enable the production of more food with efficient and sustainable usage of water and energy along the value chain from farming to end-users, and to impact food security, gender, and poverty reduction in an environmentally sustainable way. The O-CFI describes the purpose of the program and the types of activities that it will fund; indicates the process for preparing and submitting concept notes and proposals; and outlines criteria for their evaluation.

Individual awards are expected to range between 25,000 US Dollars and 250,000 US Dollars depending on the type of funding requested with the awardee expected to bring in a minimum 1-1 matching amount themselves. The period of performance for individual awards is up to two years; the actual period of performance for each award will be determined at the time of award. The WE4F Middle East and North Africa Regional Innovation Hub (MENA RIH) will make every attempt to distribute funding to awardees as quickly as possible, but awardees should expect to begin activities immediately after the award is signed, even if funding is delayed by one to two months. The time to disburse funds will be agreed upon with awardees based on their budgets.

Awards made through this Call for Innovations may be in the form of grants or other instruments as appropriate, depending on the nature of the submitting organization and at the discretion of the WE4F MENA RIH (and its partners). The O-CFI solicitation document can be downloaded from www.we4f.org/apply-mena and your application can be submitted via:

https://form.jotform.com/230804341945050

The MENA RIH accepts applications on a rolling basis starting April 3, 2023. MENA Hub reviews of submitted applications are planned to take place every quarter, subject to the availability of funds. Applicants may submit a concept note via the following link:

https://form.jotform.com/230804341945050

Applicants should retain a copy of their proposals and accompanying uploaded documents for their records.

<u>QUESTIONS</u>: Prospective applicants who have questions concerning the contents of this Call for Innovations shall submit them in writing via email to <u>we4f@berytech.org</u>.

Issuance of this Call for Innovations does not constitute an award commitment on the part of WE4F, or any of its Funding Partners, to pay for costs incurred in the preparation and submission of proposals. Further, the WE4F MENA RIH reserves the right to reject any or all proposals received.

Sincerely,

Nicolas Farhat WE4F MENA RIH Manager we4f@berytech.org

Background

Water & Energy for Food (WE4F): A Grand Challenge for Development is a joint international initiative of the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Union (EU), the Ministry of Foreign Affairs of the Government of the Netherlands, The Norwegian Agency for Development Cooperation (Norad), Sweden through the Swedish International Development Cooperation Agency (Sida), and the U.S. Agency for International Development (USAID).

WE4F aims to:

- Increase food production along the value chain through a more sustainable and efficient usage of water and/or energy
- Increase income for base of the pyramid (BoP) women and men in both rural and urban areas working in farming and/or consuming food products
- Sustainably scale the Organizations' solutions to meet the challenges in the WE4F nexus.
- Promote climate and environmental resilience and biodiversity through the sustainable, holistic management of natural resources and ecosystems

In April 2023, the WE4F program will launch a pilot Open Call for Innovation (O-CFI) program to broaden its support to diverse types of innovators. Similarly, to the Call of Innovations, the Open Call for Innovation (O-CFI) is designed to address barriers to enable the production of more food with efficient and sustainable usage of water and energy along the value chain from farming to end-users, and to impact food security, gender, and poverty reduction in an environmentally sustainable way. The O-CFI will be accepting applicants on a rolling basis in 2023 and 2024, subject to the availability of funds .

Individual Open Call for Innovation (O-CFI) awards are expected to be up to 250,000 USD depending on the type of funding requested. The period of performance for individual awards is up to one year; the actual period of performance for each award will be determined at the time of award. Unlike the Call for Innovations, The O-CFI-awarded innovators must match the grant amount by 100%. For example, if the innovator's budget to scale its Water- and/or Energy-Food nexus solution is 200,000 USD and the grant ask from the WE4F program is 100,000 USD, the innovator must contribute with 100,000 USD in cash or in-kind. Moreover, while in the Call for Innovations the grant payments were milestones-based (against evidence that specific agreed upon benchmarks/milestones have been achieved as defined by the Grant Agreement), O-CFI grants are disbursed on a re-imbursement basis (i.e., the grantee is to submit a monthly invoice for the Allowable Costs as defined by the Grant Agreement as well as the needed back-up documentation and proof of matching spending).

Commonly Used Terms and Definitions

Within the context of this Open Call for Innovations, potential Applicants should be aware that these definitions apply to the following commonly used terms:

Accelerate to sustainable scale	The process of advancing an innovative SME and its product(s) from a small number of recurring clients to a large one targeting thousands of recurring clients. Across a country or across other countries in the MENA.			
Apparently Successful Applicant(s)	The Applicant(s) for the WE4F MENA RIH funding recommended for an award after technical evaluation, but who has not yet been awarded a grant or other type of award. Apparently successful applicant status confers no right and constitutes no commitment to an award, which still must be obligated by WE4F.			
Environmenta I, Social and Governance (ESG)	ESG means using Environmental, Social and Governance factors to evaluate the level of overall sustainability of companies, especially criteria related to gender integration, water management, natural resource management, climate resilience, and poverty reduction/BoP impact.			
Award	A form of implementing mechanism through which the WE4F MENA RIH transfers funds to an implementing partner, generally selected through a competitive process resulting in a grant or other agreement (Source: ADS).			
Base of the pyramid (BoP)	Base of the pyramid refers to the largest segment of consumers which are also the poorest on a global scale. BoP consumers are typically improvised o economically marginalized groups. They could be smallholder farmers or poo food consumers and could include individuals below the poverty line.			
Business Model	How an enterprise creates, delivers and captures value profitably.			
Customers	These are individuals or organizations directly purchasing your product or service. Your customers are either farmers/food consumers (when you operate as B2B) or businesses selling products to farmers/food consumers (when you operate as B2C).			
End-users	End-users are those who are clearly and unequivocally benefiting from your Innovation, i.e., individuals whose income increases, have access to more affordable products/services, or save on expenses because of your Innovation to the extent which your organization can determine and document. This is given the fact they can be uniquely determined. If you are eligible to apply to WE4F, your customers are either farmers/food consumers or businesses selling products to farmers/food consumers. Family members of farmers who benefit from your product or service can also be counted as end-users, particularly in the case of small-scale farmers. Workers in farms or			

	food processing establishments benefitting from your Innovation can be also considered as end-users.			
Sustainable Scale	A technology and associated business model which is financially, socially, environmentally sustainable to unlock growth in new and larger markets.			
Food Security	When all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life.			
Food Value Chain	The full range of participants and activities that produce and move agricultural goods from a farmer's field to the end consumer. Activities within the food value chain include input production or supply (i.e., seed, fertilizer, feed, etc.), irrigation, production (i.e., planting crops, raising livestock), storage, transport, processing (i.e., sorting, drying, grinding, packaging), wholesaling, marketing, retailing, and waste management, it also includes financial and nonfinancial services as well as process optimization			
Innovation	The development and application of unconventional, new (and/or modification of existing) technologies, tools, products, services, or processes.			
Intervention	Awardees' planned activities intended to increase the amount of water available for the food value chain, or produce more food using less water, consume less energy, use renewable energy and production optimization tools to produce more food or reduce the waste of food, or an intervention that covers both energy and water intervention and other solutions that could improve access to financing to integrate and scale such tools in developing countries.			
Market Driven	Market driven means investment, production and distribution are determined by supply and demand and reflected in freely set prices.			
Matching Funds	Funds invested by your organization, toward the Water-Energy-Food Innovation you are applying with, that supplement the grant. This could be monetary (excluding funds from WE4F Founders/donors) or in-kind contributions (e.g., land, equipment, warehouses, salaries of your staff allocated to the proposed WE4F Innovation). In-kind contributions could be given a monetary value in the budget. To help ensure the sustainability of your Innovation, Open Call for Innovations (O-CFI) awardees are required to have at least one-to-one (1-1) matching funds (cash/cash equivalent) to satisfy the matching requirements. Matching (whether in-kind or cash/cash equivalent) is based on funding provided by WE4F, not the total project budget. For example, applicants who request 100,000 US Dollars (initially) for an Innovation would need to provide a minimum of 100,000 US Dollars of in-			

	kind contributions *or* matching funds, making the total project budget 200,000 US Dollars. The funds must pay for activities that further the growth, development, or commercialization of the organization's technology (e.g., manufacturing, distribution, marketing).			
Peer or Scientific Review	Peer review is a process of evaluation involving qualified individuals from the relevant field.			
Open Call for Innovations (O-CFI)	A general announcement of a WE4F research interest, including criteria for selecting proposals and soliciting the participation of all offerors capable of satisfying the WE4F's needs. As opposed to the regular Calls for Innovation, OCIs accept applicants on a rolling basis and have an at least 1-1 Matching Fund requirement.			
Scaling	Expanding, adapting, and sustaining successful technology or process solutions at the product level or above, in different places and over time, to reach a greater number of people in a financially, socially, and environmentally sustainable manner.			
Target Area of Operation	market for project implementation and impact			
Water- energy-food nexus	In short, referred to as the "Nexus". The term refers to the interlinkages between water, energy, and food, and reflects that typically a change in one impacts the other.			

1. Why Join WE4F's OPEN CALL FOR INNOVATION (O-CFI)

Are you a MENA-based organization with a proven solution tackling water and/or energy issues in urban or rural food production? The MENA RIH for WE4F is designed to support organizations in the region in growing their business by tackling the most common internal and external challenges.

By tackling matters related to business growth, technical aspects, environmental and social impact, and access to finance together with MENA RIH experts, organizations such as yours will receive tailored and intense support to help you rapidly grow through:

- developing your strategic growth plan
- redesigning your business model for growth and impact
- overcoming your cashflow problems
- strengthening your financial management foundations
- optimizing your production processes and organizational structure
- receiving more than 20 other growth support services such as export readiness, technical, and Environmental, Social and Governance (ESG) aspects.

The MENA RIH will also help you in

- building your network across the MENA region
- becoming investment ready to access needed debt and/or equity funding
- developing partnerships with financial institutions for end user finance
- raising the right type of capital needed through the best mix of debt and equity
- receiving cash grants of up to 200,000 USD (reimbursement basis).

The WE4F Middle East and North Africa Regional Innovation Hub (MENA RIH), one of the five regional hubs in the WE4F program, has launched two regional Calls for Innovations and a special call for Iraq since the hub's establishment in 2019.

In 2022, the Middle East and North Africa Regional Innovation Hub (MENA RIH) onboarded an additional 21 innovators, of which 38% are women-led or women-owned. This brings the total number of supported innovators to 38, of which 24 are active. Based on the 2022 results, 42% of innovators are expected to meet all their targets and intended impacts, which is ahead of WE4F estimates. In addition, MENA RIH innovators:

- Impacted more than 139,000 end-users, helping them grow nearly 3.1 million tons of food while saving over 598 million kWh of energy.
- Mobilized over \$20.2 million in investment, which is more than 2.6x the MENA Life of Program (LOP) Target.
- Helped more than 49,000 end-users increase their income from agricultural activities.
- Provided solutions to address environmental sustainability 42% of innovators focus on biodiversity.
- Provided solutions that adapt and mitigate climate change

The Open Call for Innovations' solicitation document can be downloaded from www.we4f.org/apply-mena.

2. Target Groups of the WE4F Grand Challenge OPEN CALL FOR INNOVATION (O-CFI) program

Through our support for Innovations, WE4F expects to target poor or vulnerable men and women, smallholder farmers and others working in all parts of the agriculture value chain. This section highlights the program's eligibility criteria as well as prioritized thematic areas, organizations, and Innovations. Organizations with large potential for sustainable scaling that have previously received support and proved successful in the introduction phase from either Securing Water for Food or Powering Agriculture Grand Challenges as well as organizations who have applied to and **have or have not been** accepted to WE4F's first and second Regional Call for Innovations are also invited to apply.

2.A. Thematic areas

The WE4F Founding Partners have identified <u>priority</u> thematic areas in which innovation is urgently needed as mentioned below. Innovations supported by *Water and Energy for Food* **COULD INCLUDE, BUT ARE NOT LIMITED TO,** the themes mentioned below:

- THEME 1: Innovations in food production to reduce water usage
- THEME 2: Efficient use of water resources for food production
- THEME 3: Sustainable use of energy and water on farm
- THEME 4: Energy innovations for food processing & logistics
- THEME 5: Food production with efficient energy use
- THEME 6: Leveraging food/agriculture waste for energy

2.B. Priority Organizations and Innovations

The WE4F Founding Partners have identified <u>priority</u> types of organizations and Innovations. Innovations prioritized by *Water and Energy for Food* **COULD INCLUDE**, **BUT ARE** <u>NOT</u> LIMITED TO, the below:

- Energy- Agricultural processing: This includes Innovations which use renewable energy or aim to improve the energy efficiency of value-added food processing including the transformation of raw agricultural goods to food stuffs or the changing of food stuffs to other more valuable forms.
- Digital solutions: This includes Innovations which are digital in nature and improve the water and/or energy efficiency of agricultural processes but cannot be defined by one single other Innovation type listed.
- **Financial solutions:** This includes Innovations which improve the financial access or financial resources of actors within the food value chain including food producers, food processors, and direct end-users of agricultural goods.
- Women-led, managed, or owned organizations or organizations with a track record of serving at least thousands of female-end users in agriculture and food value chains.
- Organizations which demonstrate strong capabilities to monitor and document key programmatic KPIs such as the end-users benefitting from the Innovation and the impact on water and/or energy savings (e.g., through CRM systems, data loggers, etc.).

- Organizations that have a clear positive environmental impact and impact on Base of the Pyramid (BoP) and vulnerable communities through the provision their Innovation to end-users and/or in their value chains.
- While the program is targeting organizations established or operating in the MENA countries in Appendix 1 – Eligible Countries of Implementation, priority countries include Yemen, Algeria, and Tunisia.

Characteristics of Supported Organizations

The O-CFI targets supporting organizations with the following characteristics:

- a) **Have a well-defined financial model and revenue traction.** In accordance with lessons learned from legacy grand challenge programs, WE4F is focused on mid- to late-stage enterprises/innovations which showcase a commercially proven revenue model and are on the cusp of unlocking exponential growth in terms of scale and scope.
- b) Address the water-energy-food nexus challenges. The Innovation must address at least two dimensions of the water-energy-food nexus with food always being one of the two.
- c) Understand and incorporate the local enabling environment for technology and business innovations. Applicants must be able to articulate the social, environmental, institutional, legal, and regulatory challenges for sustainably scaling their Innovation and describe how they will overcome those barriers and also embed their Innovation to have the intended impact. Applicants must also provide market research that describes local market conditions.
- d) Promote user-centered design, not technology for the sake of technology. Thousands of water, agriculture, and energy technologies exist but are not available or utilized. In many cases, this is due to a lack of understanding of the needs of Customers and/or end users in developing or emerging countries. Water and Energy for Food will emphasize the importance of the end-user in its criteria, milestones, and subsequent innovation reviews.
- e) **Build sustainability into the fabric of the program.** All innovations must be sustainable. This means that all innovations must not only have the financial means to remain viable after WE4F funding has ended, but also be able to successfully integrate into the existing social and institutional ecosystem in the countries of implementation and provide environmental benefit. Preference would be given to organizations that showcase net positive environmental benefits, especially related to climate resilience, natural resource management, and biodiversity conservation.
- f) Innovations supported by this program must demonstrate direct or strong indirect benefits for the poor. Water and Energy for Food is a program that is focused on alleviating relative poverty through both economic growth and environmental sustainability. Through their project implementation, all WE4F innovations need to provide either direct benefits to those that are earning less than half their country's median income through the provision of resources in form of goods or services that directly benefit them, or should provide economic growth for instance through the creation of jobs and/or labor and/or through strengthening poor people's opportunities and choice, power and voice, and

human security and as such can have positive indirect benefits on those earning less than half of their country's median income.

- g) Show how their Innovation benefits women. Women and men use, access and control water, energy, land, and ecosystem resources in different ways. When these differences are properly understood, targeted actions may be developed to decrease the pitfalls and enhance the potentials of the innovations. By including a gender perspective into business strategies and plans, the potential of an innovation to sustainably scale increases. Addressing gender issues may improve the efficiency in the implementation of the business plan, as well as it may improve the social and environmental benefits, or outcome, from the use of our water, energy, land, and ecosystem resources. Successful innovations can break boundaries and catalyze transformative changes in people's lives. Investing in women is not only a moral and institutional imperative; it is also a profitable thing to do. Thus, WE4F is giving preference to women-focused Innovations that highlight the roles, skills, and capacities of women. Therefore, innovations should contribute (directly or indirectly) to more equal gender relations, e.g., by addressing practical needs of women (e.g., positive impact on the workload of women) or strategic needs of women (e.g., increase their access and control over production means).
- h) Have a local presence and develop market-driven¹ partnerships. WE4F innovations must be validated and disseminated through market-based models. All applicants must be registered and authorized by the national government in the countries of operation in MENA or have at least one local partner that is registered to work in MENA. We also encourage applicants to develop market-driven partnerships that can help bring the Innovation to scale. If working with a local partner, the local organization should have a tangible stake in the Innovation and its development rather than, for example, a local merchandiser who stocks the product. Demonstrating a pre-existing relation and strong partnership between the applicant (if not based in MENA) and the local organization is desirable.
- i) Have strong financial systems and financial growth models/sustainability plans and ability to adapt these in different scenarios. WE4F MENA RIH and its partners are better resourced and prepared to assist organizations that already have sound financial plans. As a result, all applicants will be required to submit financial documentation as well as a description of the organization's long-term financial sustainability plan to support the innovation.
- j) Have a basic understanding of ESG issues and showcase strong commitment towards ESG integration into the business model. WE4F is a program that is focused on promoting the integration of ESG issues into the Organization's business model and day to day operations as it presents a compelling business as well as development case for the Organizations. Through project implementation, the Organization must meet the minimum set of ESG-related criteria required to enter the program, especially related to gender integration, sustainable natural resource management (including sustainable water management), environmental sustainability (including climate resilience and biodiversity), and poverty reduction. Apart from meeting the minimum prerequisites, the Organization must showcase commitment to further integrate ESG issues into their business and

¹ The use of the term "market-driven" is not meant to exclude Innovations from not-for-profit organizations; it simply means that Innovations must be demand- and market-driven.

operational model. As a result, all applicants will be required to submit information and any such documentation that supports their application with respect to ESG integration. Please see Appendix IV for the full WE4F ESG guidelines.

k) Have a gender balanced team which can scale up the innovation in a sustainable manner. This can be reflected in the leaderships team (upper management, founders, or key team players) experience in the nexus or relevant sectors. The leadership team should also have complementary skill sets and demonstrate capacity to sustainable enable the firm/company to grow. WE4F will give preference to women-owned/women-led organizations and MENA-based entrepreneurs.

2.C. Eligibility Criteria

Applicants must meet the following minimum requirements to participate in the call for *Water and Energy for Food*:

- Type WE4F is open to legally incorporated / registered for-profit and not-for-profit organizations or academic institutions which are responsible for generating revenue and maintaining a self-sustaining operational budget (i.e., covering costs). In addition, these organizations should be able to demonstrate a revenue track record selling the waterenergy-food nexus-relevant product or service. WE4F is focused on financially viable businesses or organizations that can showcase a proven and sustainable revenue model.
- Size Water and Energy for Food is open to all relevant organizations / companies regardless of size. We encourage applications from small and medium enterprises (SMEs).
- 3. Location See Appendix 1 for geographic restrictions.
- 4. Language- Application responses must be written in English, French or Arabic.
- 5. Matching funds or cost-sharing <u>All Open Call for Innovation (O-CFI) awardees</u> are required to have at least one-to-one matching funds (cash/cash equivalent) to satisfy the matching requirements. Matching (whether in-kind or cash/cash equivalent) is based on funding provided by WE4F, not the total project budget. For example, applicants who request 100,000 US Dollars (initially) for an innovation would need to provide a minimum of 100,000 US Dollars of in-kind contributions *or* matching funds, making the total project budget 200,000 US Dollars. The funds must pay for activities that further the growth, development, or commercialization of the organization's technology (e.g., manufacturing, distribution, marketing).
- Local presence All applicants must use the funds to implement the innovation in a developing or emerging country (see Appendix I). In addition, applicants must either already have a presence in MENA or must have a local partner active and operational since at least January 2022 (supporting documentation required).
- 7. Impact Innovations must have a direct linkage between water/energy and the food value chain. Applicants must demonstrate that they are not causing any negative harm to the environment like increased water usage or biodiversity loss. In addition, innovations must directly or indirectly benefit the poor (income, products, opportunities). In addition, applications must contribute to gender equality and strive for a positive impact on the environment while avoiding negative environmental effects and local market distortions.

8. **Data collection** – Applicants must have in place proven data collection tools and/or processes that capture the number of end-users, contact details, addresses, income category per quintile, and gender amongst others. If the applicant's main clients are points of sales, distributors, i.e., work on a B2B basis, their direct clients' end-users will still need to be reported as per the aforementioned criterion.

Applicants from nearly any category of organization or institution are welcome to respond to this solicitation. Specific categories of organizations and institutions that are welcome to respond include, but are not limited to, for-profit and not-for-profit organizations, and regional organizations. *Water and Energy for Food* welcomes and encourages high-quality applications, especially from women-owned/women-led enterprises and entrepreneurs from developing countries.

Note: Government entities and individuals are not eligible to apply for funding.

What Will Not Be Funded

WE4F aims to source emerging, cutting-edge business and technology innovations at the water/energy/food nexus. The focus of the challenge is to support game-changing innovations with a focus on wide-scale adoption to impact hundreds of thousands to millions of smallholder farmers and other customers. WE4F will not provide funding for traditional development programs and is not looking to evaluate proposals that present conventional approaches. WE4F will not fund proposals that do not present a viable business model with sufficient backup documentation for the financial model.

Currently, the Founding Partners view the following activities as low priority and unlikely to receive program funding:

- a) Innovations that fail to clearly demonstrate how they can eventually ensure sustainable benefits in line with the development purpose of WE4F (e.g., enhanced value of the agricultural chain, promotion of food security, sustainable management of natural (including water) resources and ecosystems, increased broad-based economic growth in developing or emerging countries, and a focus on impacting women and the poor).
- b) Innovations that fail to clearly demonstrate their positive impact on the poor and women.
- c) Innovations that fail to demonstrate their positive impact on the environment (including natural resource management, water resource management, climate resilience, and biodiversity).
- d) Innovations focused on research and development for a product without a clearly defined market or potential for commercialization or growth to a minimum of hundreds of thousands of Customers/end-users within a five-year timeframe. Innovations without potential or intent for commercialization do not fit within the scope of this challenge.
- e) Technologies that have not reached a minimum customer base of 5,000 end-users for a product/solution that costs less than 100 US Dollars. If the business model is B2B, then combined end-users of all direct Customers should be more than 5,000.
- f) Technologies that have not reached a minimum Customer base of 1,000 end-users for a product/solution that costs more than 100 US Dollars. If the business model is B2B, then combined end-users of all direct Customers should be more than 1,000.
- g) Innovations that do not have operations in at least one of the countries mentioned in Appendix-1.
- h) Innovations focused on sustainable water supply and energy access without an explicit benefit to the food sector. This agriculture link must have been demonstrated through the organization's existing customer base.
- i) Innovations focused on agricultural products and services without a significant and sustainable water or energy component.
- j) Organizations using or promoting the usage of pesticides either directly or indirectly in their operations.
- k) Products/solutions that require any sort of construction or land development/levelling activities.
- I) Large dam projects for water capture and storage.
- m) Solar/renewable energy mini/micro/Pico grid projects that lack an explicit and inherent benefit to the food value chain.

- n) Wastewater treatment projects that lack an explicit and inherent benefit to the food value chain
- o) Large pipeline infrastructure projects.
- p) One-off water/energy technology installations or pilot projects to support proven technologies for proven applications.
- q) Established and large companies whose technologies are already used throughout the eligible countries.
- r) Organizations promoting the use of fossil fuels.

2.D. How Do You Get a Partnership through WE4F's Open Call For Innovation Partnerships (O-CFI)?

The below illustrates the key phases of the O-CFI program. The number of Innovators selected to benefit from the O-CFI and the grant amount is contingent upon the availability of funds. The MENA RIH accepts applications on a rolling basis starting April 3, 2023. MENA Hub reviews of submitted applications are planned to take place every quarter, subject to the availability of funds. Applicants may submit a concept note via the Online Application Platform

https://form.jotform.com/230804341945050

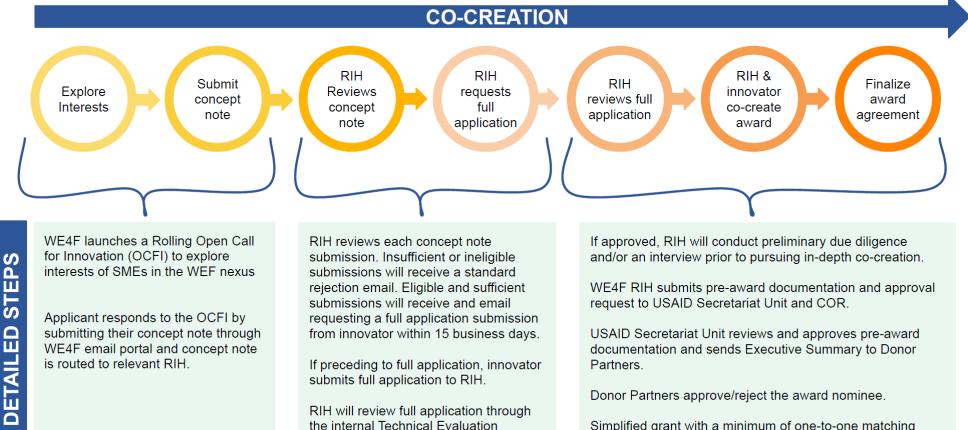
Phase 1 - Explore Interests and Submit Concept Note: WE4F launched a Rolling Open Call for Innovation (O-CFI) to explore interested of SMEs in the Water-Energy-Food (WEF) Nexus. Applicants respond to the O-CFI by submitting their concept note via <u>https://form.jotform.com/230804341945050</u>.

Phase 2 – RIH Reviews Concept Note and requests Full Application: RIH reviews each concept note submission. Insufficient or ineligible submissions will receive a standard rejection email. Eligible and sufficient submissions will receive an email requesting a full application submission from the innovator within 15 business days. If preceding to full application, innovator submits full application to RIH. RIH will review full application through the internal Technical Evaluation committee (TEC).

Phase 3 – RIH reviews full application, RIH & Innovator co-create award, Parties finalize award agreement: If approved, RIH will conduct preliminary due diligence and/or an interview prior to pursuing in-depth co-creation. WE4F RIH submits pre-award documentation and approval request to USAID Secretariat Unit and COR. USAID Secretariat Unit reviews and approves pre-award documentation and sends Executive Summary to Donor Partners. Donor Partners approve/reject the award nominee. A simplified grant with a minimum of one-to-one matching funds requirement is given to the innovator.

Phase 4 - Scale-up: This step ensures you receive the support needed to implement your growth plan and transform your organization into a rapidly and sustainably growing one. It includes the following activities: Technical Assistance (TA) and Investment Readiness and Brokerage (IR) in the form of tailored consultancy project, one-to-one support, and workshops (including Bootcamps or Annual Convenings to meet other innovators and key stakeholders), enabling environment and ESG support as well as networking opportunities and access to potential buyers, suppliers, financing entities and partners in agri-food value chains in MENA and internationally. Such services will be provided on a best effort basis over the Grant Agreement period and following contingent on performance.

HOW DO YOU GET A PARTNERSHIP THROUGH WE4F'S OPEN CALL FOR INNOVATION PARTNERSHIPS (O-CFI)?



committee (TEC)

Simplified grant with a minimum of one-to-one matching funds requirement is given to the innovator.

3. Expression of Interest (EOI)

<u>We are inviting all eligible applicants to submit an EOI</u>, which includes responses to the questions below. In addition to responding to the following questions, applicants will be required to provide background information in the online platform and demonstrate that they meet the minimum eligibility criteria described in 1.C EOI Eligibility Criteria.

General Information

Name of the organization(s). Click or tap here to enter text.

Title of the WE4F-specific Innovation (if applicable)

Click or tap here to enter text.

Your Organization's website or any social media pages.

Click or tap here to enter text.

Type of Organization: Choose an item. - Click or tap here to enter text.

- For-profit; If for-profit, please indicate the type of company (e.g., Joint stock / LLC / Other – Please indicate)
- Non-profit; If non-profit, please indicate any for-profit arms or for-profit partners
- Other Please indicate

Primary point of contact information

- Full name Click or tap here to enter text.
- Position title Click or tap here to enter text.
- Phone number
- Click or tap here to enter text.
- Fax number (if applies)
- Click of tap here to enter text.
- E-mail address Click or tap here to enter text.

Secondary point of contact information

- o Full name Click or tap here to enter text.
- Position title Click or tap here to enter text.
- Phone number Click or tap here to enter text.
- Fax number (if applies) Click or tap here to enter text.
- E-mail address Click or tap here to enter text.

Incorporation and Operations

- Are you applying as a standalone Organization or in a consortium?
 Standalone Organization

 Consortium
- If you are applying as a consortium, please list the name of the lead organization as well as the name of the other Organizations (co-applicants).
- For Your Organization (Lead Applicant):
 - i. Name
 - ii. Year of incorporation

Click or tap here to enter text. Click or tap here to enter text.

If you're not a registered entity, please pause your application for future rounds. Thank you for considering us.

- iii. Year of start of operations
- iv. Country (ies) of legal incorporation
- v. Country (ies) of operations in MENA
- For the consortium partner (s)/co-applicants:
 - i. Name
 - ii. Year of incorporation
 - iii. Year of start of operations
 - iv. Country (ies) of legal incorporation
 - v. Country (ies) of operations in MENA

Click or tap here to enter text. Click or tap here to enter text. Click or tap here to enter text.

Click or tap here to enter text. Click or tap here to enter text. Click or tap here to enter text. Click or tap here to enter text. Click or tap here to enter text.

 If you are not established in any of the MENA countries in Appendix I – do you have a local partner?

□Yes

□No

 If yes, how many years has your partnership been operational? (Numeric input only)

Click or tap here to enter text. year(s)

If you're not establish in MENA and do not have a partner who is, please pause your application for future rounds.

Share of women in founding and/or management team (%) (Numeric input only)

Click or tap here to enter text. %

Share of ownership by women (%) (Numeric input only)

Click or tap here to enter text. %

Share of female employees (part-time and full-time) (%) (Numeric input only)

Click or tap here to enter text. %

Are you willing to collaborate with WE4F in documenting and providing key impact metrics?

□Yes □No □Maybe

Through providing grants, Technical Assistance, and partnership opportunities to fast growing Water/Energy-Food Nexus Organizations ("innovators") as well as supporting the enabling environment in which such innovators operate, WE4F aims to enable 100s of thousands of end-users in agriculture and food production value chains in the targeted countries in MENA to adopt affordable water and/or energy saving solutions to enhance their resource efficiency, agriculture and food productivity as well as their climate resilience. Therefore, the selection of the organizations for the Open Call for Innovation (O-CFI) program, and the extent they could continue to benefit from the program, is contingent upon the provision of key information and data to be provided by the innovators to measure the impact of their solutions on end-users. Such information includes, and is not limited to, the numbers and gender breakdown of the Innovation's end-users, the changes in income levels, the water and/or energy savings as a result of using the Innovation. Examples of documentation include locations, and contact information of end-users

(e.g., from CRM systems), income ranges, savings in energy or water consumption and food produced or processes (e.g., information from data loggers, inputs backed by sales data, publications and/or primary research, etc.). WE4F will also provide a wealth of resources, best practices, training, tools, and one-to-one support to the innovators to prepare the information required and has successfully supported 30+ innovators in MENA in upgrading their ability to document and report on key financial and impact matrices.

Eligibility Questions:

The following questions apply to the Lead Applicant organization.

- **1. Nexus focus area:** Choose an item.
- 2. Please describe your traction since the start of your operations
 - Do you provide your Innovation directly to Customers (B2C) and/or through a distributor/retailer (B2B)? or both?
 Choose an item.
 - How many paid Customers in the agriculture or food sector have you acquired since the start of your operations to date? Customers are individuals or organizations directly purchasing your product or service. Your customers are either farmers/food consumers (when you operate as B2B) or businesses selling products to farmers/food consumers (when you operate as B2C). Choose an item.
 - How many end-users in the agriculture or food sector have you acquired since the start of your operations to date? End-users are those who are clearly and unequivocally benefiting from your Innovation, i.e., individuals whose income increases, have access to more affordable products/services, or save on expenses because of your Innovation to the extent which your organization can determine and document. This is given the fact they can be uniquely determined. If you are eligible to apply to WE4F, your customers are either farmers/food consumers or businesses selling products to farmers/food consumers. Family members of farmers who benefit from your product or service can also be counted as end-users, particularly in the case of small-scale farmers. Workers in farms or food processing establishments benefitting from your Innovation can be also considered as end-users. Choose an item.
 - Estimate share of female end-users Choose an item.

□No

3. The WE4F grant does not fund construction activities. Does your Innovation/solution require any construction/land development activity (ies) at any stage of operations to be financed by the grant?

□Yes

Does your Innovation/solution/business model use, intend to use, or encourage/drive usage of any type of pesticides/herbicides either directly or indirectly?
 □Yes
 □No

5. Grant request and Matching Funds

Individual Open Call for Innovation (O-CFI) awards are expected to be up to 200,000 USD depending on the type of funding requested. The period of performance for individual awards is up to one year; the actual period of performance for each award will be determined at the time of award. O-CFI-awarded innovators must match the grant amount by 100%. For example, if the innovator's budget to scale its Water- and/or Energy-Food nexus solution is 200,000 USD and the grant ask from the WE4F program is 100,000 USD, the innovator must contribute with 100,000 USD in cash or in-kind. O-CFI grants are disbursed on a re-imbursement basis (i.e., the grantee is to submit a monthly invoice for the Allowable Costs as defined by the Grant Agreement as well as the needed back-up documentation and proof of matching spending). If your response to Q3 or Q4 is "Yes", please pause your application. Thank you for considering us.

If you do not plan to provide Matching Funds (cash or in-kind). please pause your application for future rounds. Thank you for considering us.

 a. How much investment/financing (in US Dollars) will you need if you were to scale your Innovation to tens or hundreds of thousands of endusers by 2024? How do you plan to use the investment needed for growth? (please give examples).

Click or tap here to enter text.

b. What are your expected sources of funds and/or in-kind contributions to meet this target with WE4F support (please estimate a monetary value in US Dollars)?

Click or tap here to enter text.

Innovation Details:

 Describe the Innovation you are applying to WE4F with (energy and/or water saving product/service/solution targeted to agriculture and food value chains in the targeted MENA Countries). Please elaborate on your target customers and end-users as well as your business model. In addition, you may attach your Organizational Profile. *(maximum 250 words)*

Click or tap here to enter text.

2. How much growth in your customer base (in agriculture and food value chains) do you anticipate from 2023 to 2025? (in %) and what key strategic initiatives do you plan to deploy to achieve such growth? *(maximum 250 words)*

Click or tap here to enter text.

- 3. Are there any arrangements that you have undertaken, or are planning to undertake, to ensure that you Innovation(s) is/are accessible and/or affordable to vulnerable groups and the poor? *(maximum 250 words)*
 - Such arrangements could include product/solution customization, special pricing/financing schemes, tailored communication channels, etc.

Click or tap here to enter text.

- 4. Are there any arrangements that you have undertaken, or are planning to, to ensure that you Innovation(s) is/are accessible and/or affordable to women? *(maximum 250 words)*
 - Such arrangements could include product/solution customization, special pricing/financing schemes, tailored communication channels, etc.

Click or tap here to enter text.

- 5. Describe the existing or potential positive and negative environmental impacts (especially related to natural resource / water management, climate mitigation and adaptation as well as biodiversity) that could be generated by your Innovation. Please describe your key mitigation measures for the negative impacts. Please note that despite the core product/service being environmentally friendly, collateral/unintended negative environmental impacts can occur during its life cycle and needs to be mitigated. *(maximum 250 words)*
 - Positive impact e.g. Are there positive effects on biodiversity as result of your solution's water management, does the innovation support diversification as opposed to monocultures. Does your innovation reduce dependence on fossil fuels; does your innovation prevent loss of crops due to flood or drought or salinity; does your innovation protect the natural habitat (lakes, forests, soil) etc.
 - Negative impact e.g., from procurement to production to distribution to end of life), especially related to natural resource management, including water, and biodiversity, and how you intend to (or already) mitigate any current and future negative risks. Illustrative examples: our mobile solar pumping solution could result in excessive, unmonitored use of water. Mitigate: install digital water meters and monitor water use in real time.

Click or tap here to enter text.

VII. Appendices Appendix 1 – Eligible Countries of Implementation

Algeria	Iraq	Morocco	Tunisia
Egypt	Lebanon	West Bank/Gaza	Sudan
Jordan			Yemen

Appendix 2- Budget Information Requirements

This section may be subject to change, and refers to information and details to be shared in the full proposal stage.

1) Grant Use Budget Spreadsheet

The budget should represent a detailed summary budget. A template for the budget will be provided in the online platform. Applicants will need to complete the template and submit it to the application platform. The basic definitions for the detailed cost elements are provided below. Grant payments will be made based on submission of documented expenditures in line with the approved budget and USAID regulation.

2) Budget Narrative

The budget narrative should provide information on the basis for estimating each line item, including reference to sources used in substantiating the cost estimate (e.g., organization's policy, payroll document, vendor quotes, etc.).

- i) Direct Labor: Direct salaries, wages and annual increases for all personnel proposed under the application must be in accordance with the applicant's established personnel policies. To be considered adequate, the policies must be in writing, applicable to all employees of the organization, subject to review and approval at a high enough organizational level to assure its uniform enforcement, and result in costs which are reasonable and allowable in accordance with applicable cost principles. The narrative should include a level of effort analysis specifying personnel, rate of compensation, and amount of time proposed. Anticipated salary increases during the period of the agreement should be included.
- ii) **Fringe Benefits**: If the applicant has a fringe benefit rate that has been approved by a USG agency, such rate should be used, and evidence of its approval should be provided. If a fringe benefit rate has not been so approved, the application should propose a rate and explain how the rate was determined. If the latter is used, the narrative should include a detailed breakdown comprised of all items of fringe benefits (e.g., unemployment insurance, workers compensation, health and life insurance, retirement, FICA, etc.) and the costs of each, expressed in dollars and as a percentage of salaries.

- iii) Travel and Transportation: The application should indicate the number of trips, domestic, regional, and international, and the estimated costs. Specify the origin and destination for proposed trips, duration of travel, and number of individuals traveling. Per diem should be based on the applicant's normal travel policies.
- iv) **Allowances:** Allowances must be broken down by specific type and by person and must be in accordance with the Applicant's established policies.
- v) Supplies and Equipment: Differentiate between expendable supplies and nonexpendable equipment (NOTE: Equipment is defined as tangible nonexpendable personal property including exempt property charged directly to the Award having a useful life of more than one year and an acquisition cost of 5,000 US Dollars or more per unit, unless the applicant's established policy establishes nonexpendable equipment anticipated to be required to implement the program, specifying quantities and unit cost). The recipient will not purchase any goods or services, except as authorized pursuant to 22 CFR 228 or ADS 310 "Source and Nationality Requirements" or any applicable waivers, and the recipient will not purchase any single item that has a useful life over one year and a cost of 5,000 US Dollars or more. BERYTECH may modify the Simplified Grant Format as long as the agreement includes the applicable Standard Provision for related costs in the small grant award, and if the support of international travel or the purchase of equipment is necessary for performance of the grant.
- vi) **Sub-awards (contracts/grants) (if any):** Applicants who intend to utilize sub awardees should indicate the extent intended and a complete cost breakdown, as well as all the information required herein for the applicant. Sub-awards cost applications should follow the same cost format as submitted by the applicant.
- vii) **Other Direct Costs:** This could include any miscellaneous costs such as office rent and utilities, communications, transportations, supplies, public outreach, sub-awards, audits, report preparation costs, passports, visas, medical exams and inoculations, insurance (other than the Applicant's normal coverage), etc. The narrative, or supporting schedule, should provide a complete breakdown and support for each item of other direct costs.

3) Cost Sharing

The Berytech encourages simplified grant recipients to provide as much cost matching as they reasonably can. The company will consider waiving cost-sharing when necessary to support WE4F MENA RIH objectives that may not otherwise be met. However, WE4F will primarily use Fixed Amount Awards for innovation grants. Note, cost sharing is not allowed for Fixed Amount Awards.

Grant cost-sharing must adhere to applicable USAID guidance, such as ADS 303.3.10, Acquisition and Assistance Policy Directive (AAPD) 02-10, and any other Applicable Standard Provision. It is USAID's policy not to apply its source, origin, and nationality requirements or the "restricted goods" provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" on cost-sharing amounts. In accordance with Title 2 of the Code of Federal Regulations (CFR), part 200.207, program income may be used to finance the required non-U.S. government cost-share portion of the grant award.

Cost-sharing or matching refers to that portion of project or program costs not borne by WE4F MENA RIH. All contributions, including cash and third-party in-kind contributions are acceptable as part of the recipient's cost-sharing or matching when they meet the criteria established in the standard provision governing recipient contributions.

For instance, the cost share may be in the form of funds from other (non-US Government) donors; it may be the labor of the grant recipient employees or volunteers; or it may be the use of a recipient's meeting room to hold a workshop for the grant activity.

Backup documentation is used to verify the source and value of the cost-share contributions. The types of backup documentation required vary according to the type of cost share. Examples of backup documentation include:

- Donation letter from a donor for cash or in-kind contributions and copy of bank statement (for cash contributions only);
- Time sheets;
- Rate calculations;
- Valuation of donated goods and use of space; and
- Independent appraisals (for donated equipment, building or land).

Cost share can come from a variety of sources, as described below. BERYTECH encourages grant recipients to explore different cost share possibilities within their organization as well as pursuing other potential donors that could contribute to project costs. BERYTECH staff will be available to work with recipients to help identify possible sources of cost share. It is critical that all forms of cost share are documented throughout the duration of the grant.

Allowable and Unallowable Cost-Share

All costs, whether reimbursable or contributions to cost share, must have the following three characteristics:

- 1. Costs must be reasonable, meaning they are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.
- 2. Costs must be allocable, meaning they are incurred specifically for the grant activity.
- 3. Costs must be allowable, meaning that they must conform to any limitations in WE4F MENA RIH's award from USAID.

Contributions, whether cash or in-kind, are acceptable as part of cost share if they meet ALL of the following criteria:

- 1. Cost-share contributions must be verifiable from the recipient's records.
- 2. Cost-share contributions must not be included as contributions for any other U.S. Government-assisted program.
- 3. Cost-share contributions must be necessary and reasonable for proper and efficient accomplishment of grant activity objectives.
- 4. Cost-share contributions must be types of charges that would be allowable under the applicable Federal cost principles.
- 5. Cost-share contributions may not be paid by the U.S. Government or any other WE4F donor under another grant or cooperative agreement
- 6. Cost-share contributions must be provided for in the approved budget when required by USAID.
- 7. Cost-share contributions must conform to other provisions of USAID guidance.

4) Audit

The grant must be included in any audit required by 2 CFR 200 or ADS 591.3.2. The grant requires the recipient to allow USAID access to its records for up to three years after the end date of the grant, and the recipient will refund USAID for any funds it receives for any costs that did not meet the terms and conditions of the grant.

Appendix 3 – Guiding Principles for Environmental, Social and Governance Adherence in WE4F

One of the major foci of WE4F is to support integration and uptake of activities that enhance the social, environmental, and governance structures in the countries of operations. Under the broader definition of ESG, WE4F specifically focuses on tackling gender mainstreaming, environmental sustainability, and poverty reduction related issues and supports all related stakeholders in overcoming barriers related to these themes. The guiding principles mentioned below are based on the United Nations Principles for Responsible Investment (UNPRI). However, these principles have been evolved and customized to align with WE4F's vision and goals as follows:

- Principle 1: We will be an active issue manager and incorporate ESG issues into the decision-making process, operating structure, and standard practices.
- Principle 2: We will seek appropriate disclosure on ESG issues by the organizations in which we invest.
- Principle 3: We will promote acceptance and implementation of the Principles related to ESG within the WEF nexus and larger international development ecosystem.
- Principle 4: We will work together with all stakeholders to enhance our organization's effectiveness in integrating the principles related to ESG into their business and operational model.
- Principle 5: We will report programmatic activities and progress towards integrating the ESG principles.
- Principle 6: We recognize that the level of ESG integration within organizations might be at a beginner/intermediate/advanced level hence, we will work with a "no one size fits all" approach. However, organizations must meet a minimum set of requirements related to gender mainstreaming, poverty reduction, and environmental sustainability to be eligible for support.

Classification of WE4F Organizations

All WE4F organizations will be classified into one of the three levels based on their current level of ESG integration into their business and operational model. The three levels are defined as below:

<u>Beginner:</u> A WE4F organization will be termed as a beginner if they meet the minimum set of ESG related criteria required to enter the program, especially criteria related to gender integration, sustainable natural resource management including sustainable water resource management, biodiversity, climate resilience, and poverty reduction. Apart from meeting the minimum prerequisites, the organization must showcase commitment to further integrate ESG issues into their business and operational model. The program will support them in increasing awareness of key ESG issues to help them move from beginner level to intermediate/advanced level of ESG integration.

<u>Intermediate:</u> A WE4F organization will be termed as intermediate if they **not only** meet the minimum set of ESG related criteria required to enter the program **but also** showcase tangible progress on ESG issues in terms of implementation and results. They might not meet all the stated criteria and goals of WE4F and hence there could still be scope for improvement. The program will support them to improve and aim to reach an advanced level of ESG integration

<u>Advanced</u>: A WE4F organization will be termed as "advanced" if they meet **all** the stated ESG-related objectives and goals set by WE4F and not just the minimum set of criteria required to enter the program. The program will help them to scale their impact on ESG issues.

Appendix 4 - WE4F Innovation Types

Though there are expected to be a wide of technologies or Innovations supported under WE4F, all Innovation data will be reported to the WE4F secretariat and in the WE4F M&E platform according to the definitions outlined in this document. Any instances of an Innovation which does not match one of the following definitions and is not digital or financial in nature must be reported as "Other." RIH-level documents related to Innovations should adopt the terminology and definitions in this document.

Energy- Farm input: This includes Innovations which are used as energy efficient inputs or preharvest treatments themselves or improve the energy efficiency of existing agricultural inputs.

Energy- Farm production: This includes Innovations focused on increasing the energy efficiency and renewable energy in agricultural production and/or harvesting processes. This may include labor saving technology or the replacement of: human or animal labor with machines, existing machines with more energy efficient machines, or the improvement of existing machines.

Energy- Agricultural processing: This includes Innovations which use renewable energy or aim to improve the energy efficiency of value-added food processing including the transformation of raw agricultural goods to food stuffs or the changing of food stuffs to other more valuable forms.

Energy-Energy production and infrastructure in agriculture: This includes Innovations which improve the energy efficiency of existing energy production methods, energy distribution infrastructure, or energy storage methods which are being used to support agricultural processes.

Energy-Aggregation and storage in agriculture: This includes Innovations used post-harvest in food aggregation, packaging, and storage which use renewable energy or aim to improve the energy efficiency of these agricultural processes.

Energy- Agricultural goods transport: This includes Innovations which improve the energy efficiency of the transport of agricultural goods using renewable energy or using other energy efficient solutions.

Water-Irrigation: This includes Innovations which are new water efficient methods or improve the water efficiency of existing processes used to divert water from its source and distribute or redirect water resources for the purpose of agricultural production.

Water- Capture/storage in agriculture: This includes Innovations which aim to improve water efficiency in agriculture by collecting and storing water, including rainfall, for agricultural purposes.

Water- Reuse in agriculture: This includes Innovations which treat wastewater or support the reuse of water resources to improve the water efficiency of agricultural processes.

Water- Quality/salinity in agriculture: This may include technologies which use brackish or saline water to improve the water efficiency of agricultural processes, or which treat poor quality or saline water to increase freshwater resources for agricultural use.

Digital solutions: This includes Innovations which are digital in nature and improve the water and/or energy efficiency of agricultural processes but cannot be defined by one single other Innovation type listed. Any digital Innovation which does match only one definition for an existing Innovation type should be categorized under that Innovation type.

Financial solutions: This includes Innovations which improve the financial access or financial resources of actors within the food value chain including food producers, food processors. and direct end-users of agricultural goods.

Other: This includes Innovations which are not digital in nature, improve the water and/or energy efficiency of agricultural processes, and cannot be defined as any other one Innovation type.

[END]