



# Innovations Against Poverty

Analysis of Round 1 grantees  
(small and large grants)



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# Headlines

- IAP received 89 applications for small grants and 68 concept notes for large grants. Out of the total of 167 applications, 22 got funding: a **success rate of 14%**.
- The success rate was broadly similar for small grants and large grants: 13% and 15% respectively. Out of the 68 concept notes for large grants, 14 were shortlisted to continue the full application process. 13 submitted a full application and 10 were awarded large grants: a **77% success rate amongst those shortlisted**.
- Among the organisations that was granted funding, **11 different countries** of origin are represented. This amounts to 44 % of the different countries that were represented in the initial application procedure.
- Overall, 55 % of grantees are based in a northern country, and 45 % are southern. While 7 of the funded organisations have headquarters in **Sweden**, among developing countries, **Zambia and India**, each with 3 grantees, are the most frequent. Approximately 50 % of the funded organisations are targeting African countries with their awarded BoP projects.
- The vast majority of grantees are as **“Small”** (i.e. having less than 50 employees), and a majority of the organisations funded are **companies**. There is one medium sized company and no large. The majority, 68 %, of the projects, targets mainly consumers as BoP beneficiaries.
- There is quite a **wide sectoral spread**, with 9 different sectors represented amongst grantees. Projects within the energy sector (7 applications) and the agricultural sector (4 applications) are most common. However, agriculture was also the sector with the lowest success rate: 14%, compared to 29% for energy projects.
- The scoring allocated to projects during selection shows that the criteria “Commercially driven” was of weakest performance. This criteria category had the largest gap between average score and the maximum score possible (average score 19 out of 30). It also had the highest gap between those that were selected and those that were shortlisted but did not get through. In contrast, “Additionality” was the criteria with the highest average score compared to maximum score possible (8 out of 10).

# The process large grants– overview

During the first stage of the large grant application process, concept notes were received and filed by the IAP team in Stockholm. The first filtering was also done in Stockholm, and subsequently the strongest concept notes were sent to UK for scoring. Based on this, a number of concept notes were recommended to Sida, who made the final decision regarding which applicants were invited to submit a full application. Once these were submitted, they were sent to UK for the final evaluation and scoring. Based on the final scoring, applicants were recommended to Sida, who made the final decision on which to award a large grant.

## 1<sup>st</sup> stage

Concept notes are received, filed and filtered in Stockholm

**IAP received 68  
concept notes**

## 2<sup>nd</sup> stage

The strongest concept notes are forwarded for further review in London

**32 concept notes were  
forwarded for further  
review**

## 3<sup>rd</sup> stage

Based on the scorings from the review in London, some concept notes are recommended to Sida. Sida makes the final selection

**14 applicants were  
selected for submission  
of Full Applications**

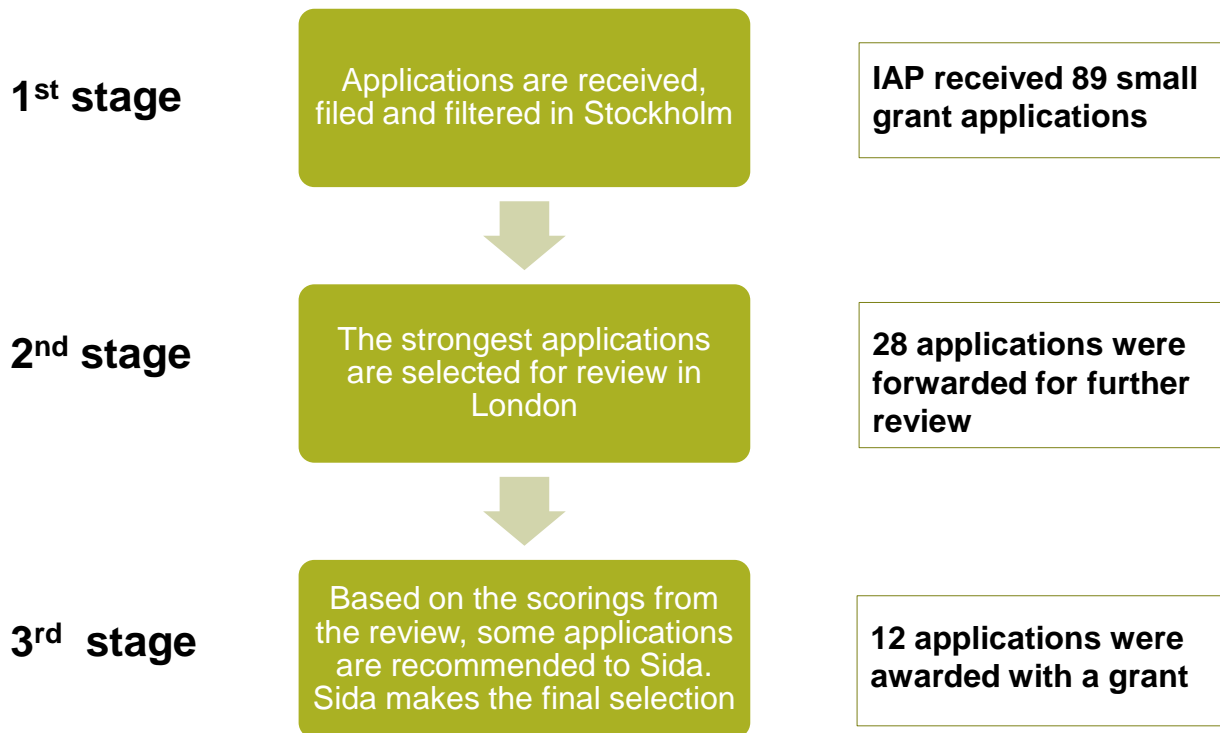
## 4<sup>th</sup> stage

Full applications that have been submitted from the shortlisted applicants are evaluated in London. Based on this final scoring, applicants will be recommended to Sida, which makes the final selection.

**13 applicants submitted a full  
10 applicants were awarded with  
a grant**

# The process small grants – overview

The small grant applications were received and filed by the IAP team in Stockholm, which also did a filtering, after which the strongest applications were sent to UK for a more thorough review. Based on the scorings from this review, applications were recommended to Sida, who made the final selection from the recommended applications.



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# Analysis of grantees and inclusive business projects from Round 1

In this report small and large grants from round 1 are analysed. There are nine different main areas evaluated, as listed below

1. Where are the companies based?
2. Are companies based in southern or northern, low or high-income countries?
3. In which countries are the inclusive business projects?
4. Which sectors are covered?
5. What are the different sizes and types of organisations selected for funding?
6. Who do the Inclusive Business projects benefit?
7. At what stage of development are the IB projects?
8. What levels of funding were requested and agreed?
9. On which criteria did the applicants score well, badly, or variably?
10. Summing up- Round 1

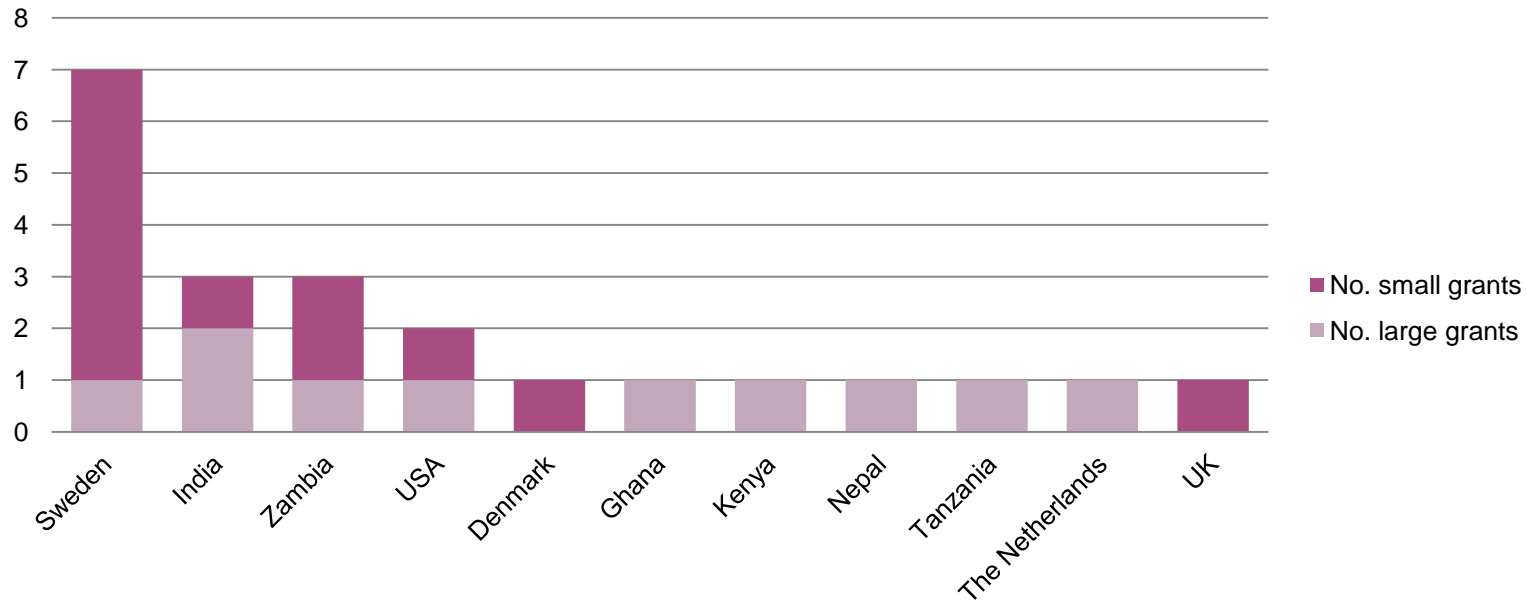
Generally large and small grants are combined in the analysis, though with some graphs, tables or sub-sections focusing in on small or large grantees.

# 1. Where are the companies based?

Among the 22 grantees for small and large grants, **11 different countries are represented**. The most common country of origin is Sweden, with 7 grantees; 6 of these were awarded small grants.

Considering low income countries, Zambia and India, with 3 grantees for each country, are the most frequent. Zambia is (so far) the only country outside Sweden where a launch event has been held.

Country of origin (HQ), grantees round 1

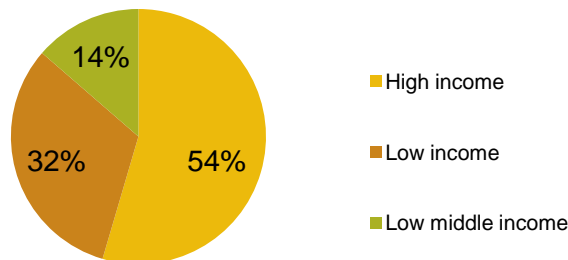


## 2. Are companies based in southern or northern, low or high-income countries?

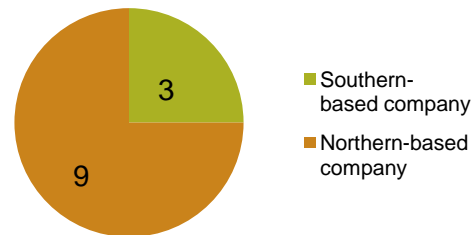
Among the 22 grantees (small and large grants), **46 % (10 grantees) have headquarters located in a country described as “Low Income” or “Lower Middle Income,”** according to World Bank classifications. The 55% that are based in high-income countries have their inclusive business project in a different country.

Overall, 55% of grantees are based in a northern country (Europe+USA), and 45% in the South (27% in Asia, and 18% in Africa). However, there is a strong difference between large and small grants. **For small grants, 75% are northern, but for large grants, 70% are southern.**

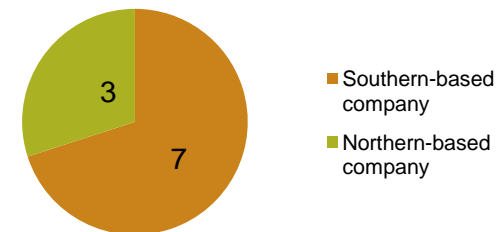
Classification of HQ countries (all grantees)



Small grants



Large grants



## 2.1 Country and regional breakdown Headquarters location for large grants

In this table, HQ-countries are listed according to the number of applications at each stage.

While Swedish-based companies accounted for around 30% of initial applicants and 2<sup>nd</sup> stage applicants, these projects generally have been considered to be weaker/less suitable for funding. Only 2 were shortlisted and one accepted.

**Overall success rates were markedly higher for companies based in Asia (50%) and lowest for northern companies (13%)** though sample sizes are very small. The average is 15%.

Indian companies stand out: of 5 original applications, 4 were invited to submit a full concept note. However, as one did not and another did not get through, the final outcome was success for 2 of the 5.

The table shows numbers of applicants at each stage by country. Success rates are shown by continent, and for countries that had at least 5 applications.

| Country                   | 1st stage | 2nd stage | 3 <sup>rd</sup> stage | Selection | Success rate |
|---------------------------|-----------|-----------|-----------------------|-----------|--------------|
| <b>Africa-based</b>       |           |           |                       |           |              |
| Zambia                    | 9         | 4         | 1                     | 1         | 11%          |
| Cameroon                  | 5         | 1         | 0                     | 0         | 0%           |
| South Africa              | 4         | 2         | 0                     | 0         |              |
| Uganda                    | 4         | 1         | 0                     | 0         |              |
| Ethiopia                  | 2         | 1         | 0                     | 0         |              |
| Kenya                     | 2         | 1         | 1                     | 1         |              |
| Botswana                  | 1         | 0         | 0                     | 0         |              |
| Ghana                     | 1         | 1         | 1                     | 1         |              |
| Nigeria                   | 1         | 0         | 0                     | 0         |              |
| Senegal                   | 1         | 0         | 0                     | 0         |              |
| Tanzania                  | 1         | 1         | 1                     | 1         |              |
| <b>Sub-total</b>          | <b>31</b> | <b>12</b> | <b>4</b>              | <b>4</b>  | <b>13%</b>   |
| <b>Asia-based</b>         |           |           |                       |           |              |
| India                     | 5         | 4         | 4                     | 2         | 40%          |
| Nepal                     | 1         | 1         | 1                     | 1         |              |
| <b>Sub-total</b>          | <b>6</b>  | <b>5</b>  | <b>5</b>              | <b>3</b>  | <b>50%</b>   |
| <b>All southern based</b> | <b>37</b> | <b>17</b> | <b>9</b>              | <b>7</b>  | <b>19%</b>   |
| <b>Northern-based</b>     |           |           |                       |           |              |
| Sweden                    | 21        | 10        | 2                     | 1         | 5%           |
| USA                       | 3         | 2         | 1                     | 1         |              |
| UK                        | 2         | 0         | 0                     | 0         |              |
| Australia                 | 1         | 1         | 0                     | 0         |              |
| Netherlands               | 2         | 1         | 1                     | 1         |              |
| <b>Sub-total</b>          | <b>29</b> | <b>14</b> | <b>4</b>              | <b>3</b>  | <b>10%</b>   |



## 2.2 Country and regional breakdown Headquarter location for small grants

In this table, HQ-countries are listed according to the number of small grant applications at each stage.

By far the largest number of applications came from Sweden (39) followed by Zambia (14) and Uganda (8). In the final allocation, the only countries that have more than one grant are Sweden (6) and Zambia (2).

Swedish and other northern companies fared relatively well. **In the Small Grants, it was African countries that had a lower success rate: 5%.** The only successful African applications came from Zambia, even though applications were received from 8 other African countries.

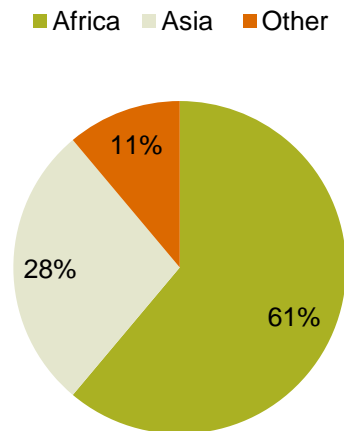
| Country               | Submitted applications | Selection | Success rate |
|-----------------------|------------------------|-----------|--------------|
| <b>Africa-based</b>   |                        |           |              |
| Zambia                | 14                     | 2         | 14%          |
| Uganda                | 8                      | 0         | 0%           |
| Kenya                 | 4                      | 0         | 0%           |
| Cameroon              | 3                      | 0         |              |
| South Africa          | 2                      | 0         |              |
| Tanzania              | 2                      | 0         |              |
| Uganda                | 2                      | 0         |              |
| Rwanda                | 1                      | 0         |              |
| Senegal               | 1                      | 0         |              |
| <b>Sub-total</b>      | <b>37</b>              | <b>2</b>  | <b>5%</b>    |
| <b>Asia-based</b>     |                        |           |              |
| India                 | 4                      | 1         | 25%          |
| <b>Northern based</b> |                        |           |              |
| Sweden                | 39                     | 6         | 15%          |
| USA                   | 3                      | 1         |              |
| Australia             | 2                      | 0         |              |
| Switzerland           | 1                      | 0         |              |
| UK                    | 1                      | 1         |              |
| <b>Sub-total</b>      | <b>46</b>              | <b>8</b>  | <b>17%</b>   |

### 3. In which countries are the inclusive business projects?

To the left, the distribution between continents is illustrated. As is obvious from both the figure and the list, a **majority of the projects granted in the IAP programme are targeting African countries.**

Approximately 32 percent of the grantees have stated that more than one specific country, directly or indirectly, will benefit from their operations. In one case a more general term “Suppliers in multiple Southern countries” are used. To the right, the specific countries mentioned most frequently among the granted projects are listed.

**Location of BoP project**



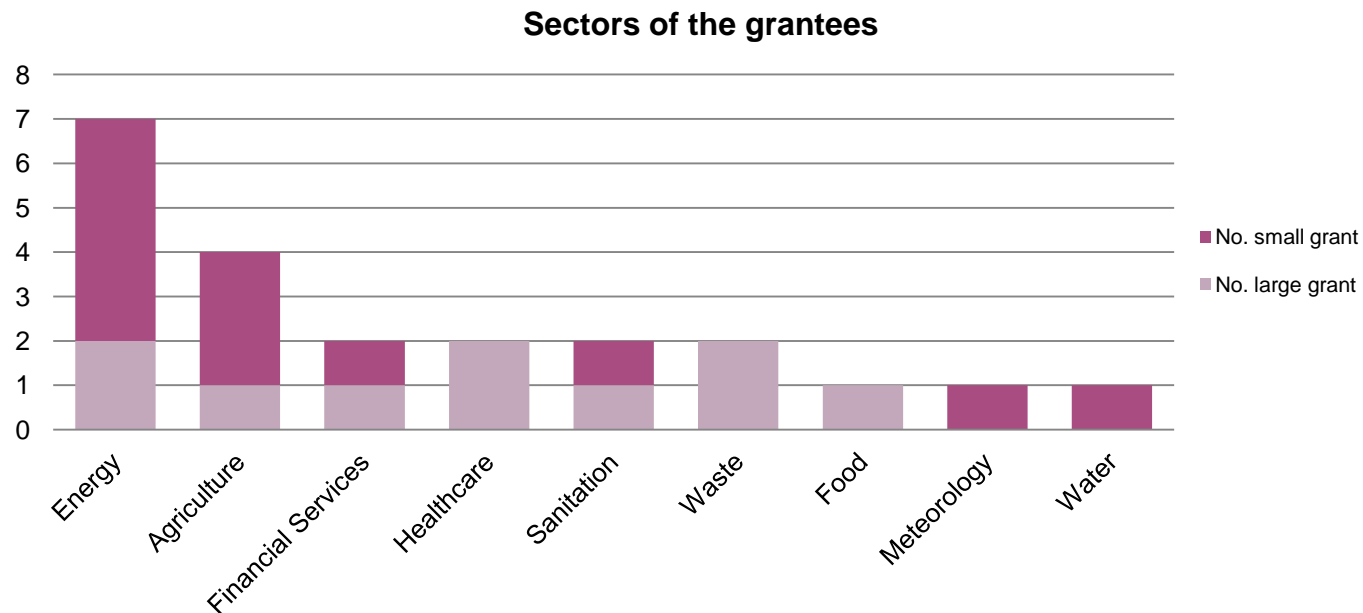
**Country of BoP-operations – top four:**

| Country  | No. |
|----------|-----|
| Zambia   | 5   |
| Kenya    | 4   |
| India    | 4   |
| Tanzania | 4   |

## 4. Which sectors are covered?

The grantees (small and large grants) cover nine different sectors. Clusters are in the energy sector (7 grantees), followed by the agriculture sector (4 grantees). Together the two sectors make up 50 % of the 22 grantees.

Small grants are concentrated in the energy sector (45%). There is a more even spread of large grants across the different sectors.

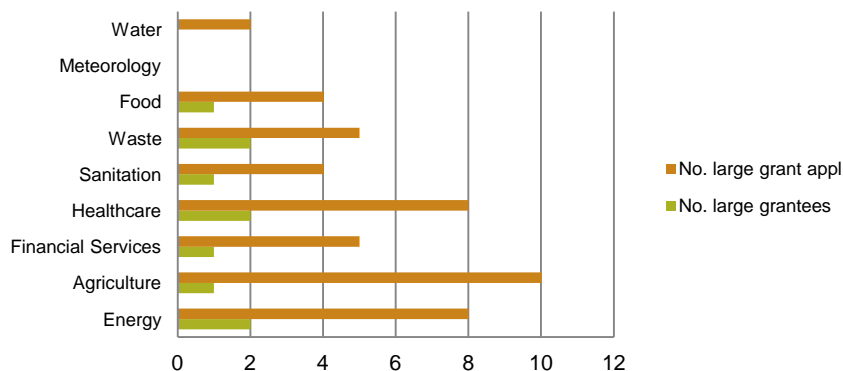


The graph above does not show other sectors, for which grants were not allocated.

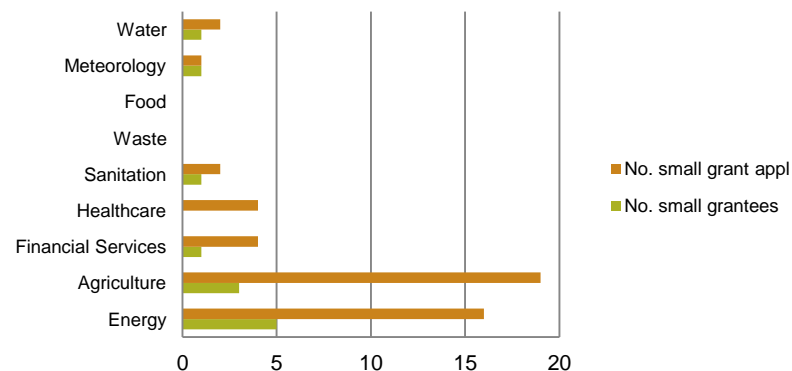
# 4.1 Breakdown by sector, large and small grant applicants

The sectoral distribution of allocated grants roughly reflects the sectoral spread of applications although agriculture was more heavily represented in initial applicants than in final grantees. Comparing applications and grants awarded by sector, we see the highest success rate was found in the energy sector (29% success), and lowest in agriculture (excluding 'other' which includes sectors of Sanitation, Waste, Food, Meteorology and Water but also includes sectors in which no grants were made.)

**Sectors receiving large grants, by number of applicants and grantees**



**Sectors receiving small grants, by number of applicants and grantees**



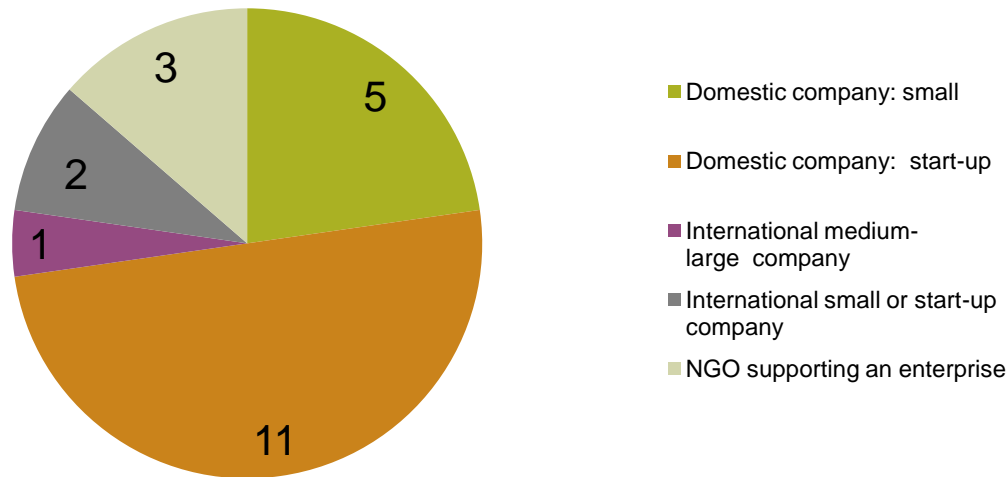
The table shows the sector-wise outcome of the large and small grant application process. The success rate is calculated as the number of selected applicants in relation to submitted applications.

| Sector             | No. of SG application | No. of SG granted | Success rate for SG | No. of LG application | No. of LG granted | Success rate for LG | Success rate for LG and SG |
|--------------------|-----------------------|-------------------|---------------------|-----------------------|-------------------|---------------------|----------------------------|
| Agriculture        | 19                    | 3                 | 16%                 | 10                    | 1                 | 10%                 | 14%                        |
| Energy             | 16                    | 5                 | 31%                 | 8                     | 2                 | 25%                 | 29%                        |
| Healthcare         | 4                     | 0                 | 0%                  | 8                     | 2                 | 25%                 | 17%                        |
| Financial Services | 4                     | 1                 | 25%                 | 5                     | 1                 | 20%                 | 22%                        |
| Other              | 46                    | 3                 | 7%                  | 37                    | 4                 | 11%                 | 8%                         |

## 5. What are the different sizes and types of organisations selected for funding?

Most grantees are small commercial companies. But there are a mixture of domestic and international companies, a few are NGOs. They can be grouped into 5 broad categories, with numbers from Round 1 as shown in the chart below.

**Sizes and types of organisations**



Some listed as companies are 'social enterprises' combining a mission with a commercial structure;

a start-up means less than one year of normal market operation.

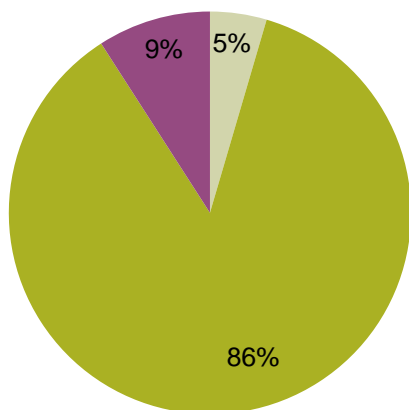
Small = <50 employees, Medium = 51-250 employees, Large = >250 employees

# 5.1 More detail on sizes and types.

Nearly all of the 22 organisations awarded with a small or a large grant can be classified as **small** (i.e. having fewer than 50 employees).

## Size of funded organisations\*

■ Medium ■ Small ■ Unknown



\*Small = <50 employees, Medium = 51-250 employees, Large = >250 employees

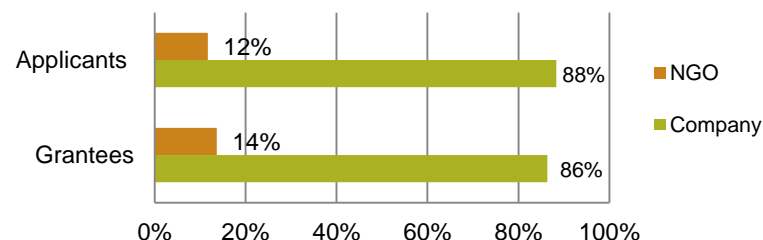
## Type of organisations applying and selected for grants

| Category     | No. applicants | No. grantees |
|--------------|----------------|--------------|
| Company      | 136            | 19           |
| NGO          | 18             | 3            |
| Gov. Org.    | 1              | 0            |
| Unknown      | 2              | 0            |
| <b>Total</b> | <b>157</b>     | <b>22</b>    |

As would be expected, a clear majority of the applicants and grantees classify themselves as “Companies.”

**The success rate for companies and NGOs was broadly similar: 14% and 17 % respectively.**

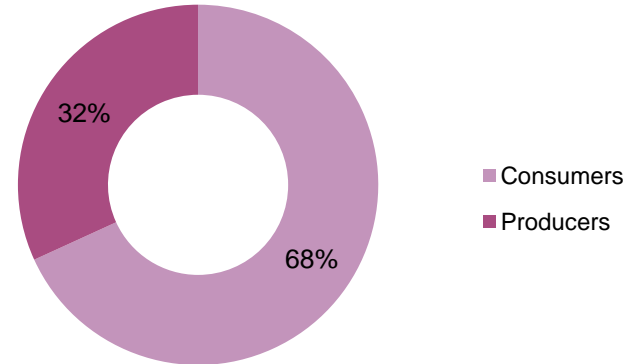
## Relationship: submitted applications/selected for funding



## 6. Who do the Inclusive Business projects benefit?

Out of the selected grantees (small and large grants), according to our interpretation, approximately 68% (15 out of 22) are targeting consumers as main BoP beneficiaries.

**Main BoP targets**

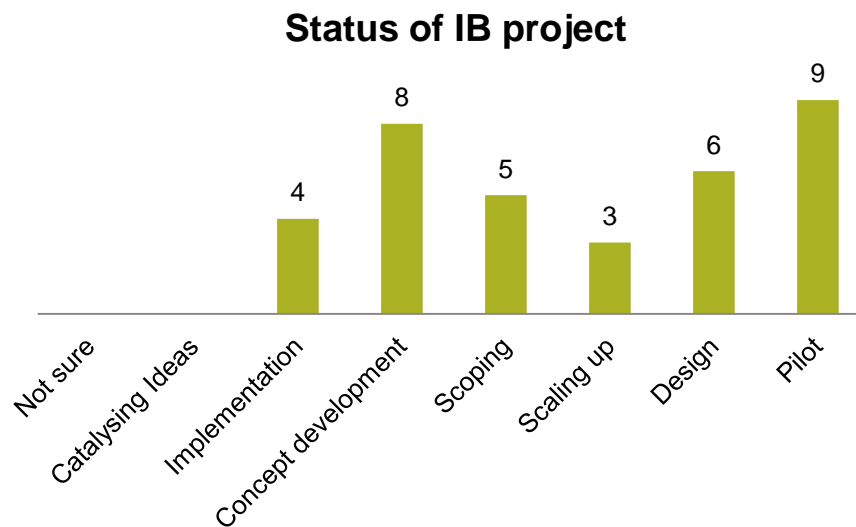


When looking at project types within the five sectors as illustrated below, most consumer-focused projects falls into sector “Energy “ and the producer- focused projects can be found within the “Agriculture” sector.

|           | Agriculture | Energy | Financial Services | Healthcare | Other |
|-----------|-------------|--------|--------------------|------------|-------|
| Consumers | 0           | 7      | 1                  | 2          | 5     |
| Producers | 4           | 0      | 1                  | 0          | 2     |

## 7. At what stage of development are the IB projects?

Many of the projects supported by IB are either at concept development or pilot phase.



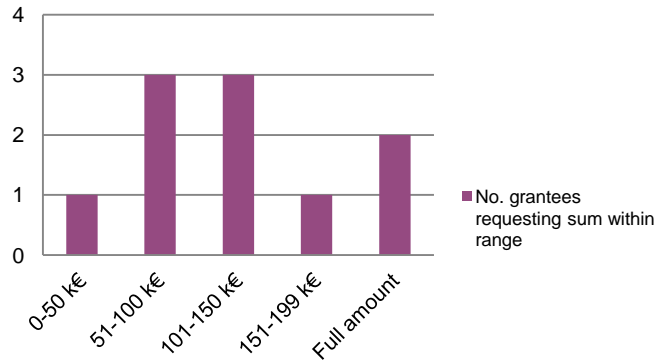
Applicants were encouraged to state the current status of their Inclusive Business project, and multiple answers were allowed. The answers given by grantees are illustrated. 10 projects put themselves in two or several phases.



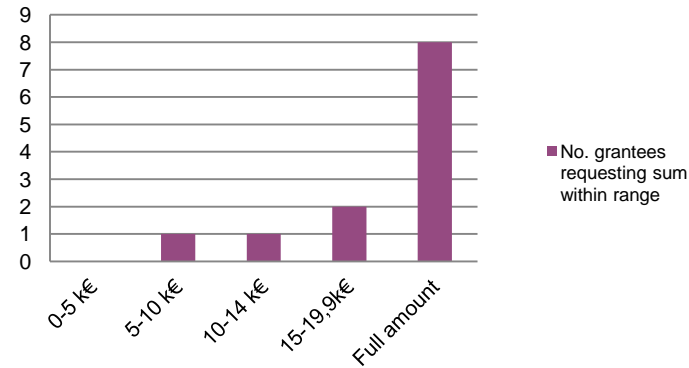
# 8. What levels of funding were requested and agreed?

The average size of large grant agreed was €113,000, with the range from €45,000 to €195,000. The average size of small grant offered was €18,000, with the range from €6,500 to €20,000. The funding allocations for large and small grants are illustrated below.

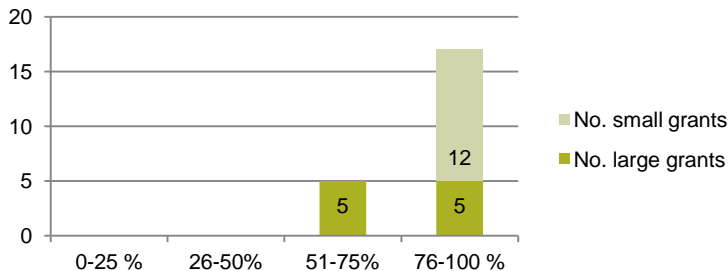
Funding allocated by grantees (large grants)



Funding allocated by grantees (small grants)



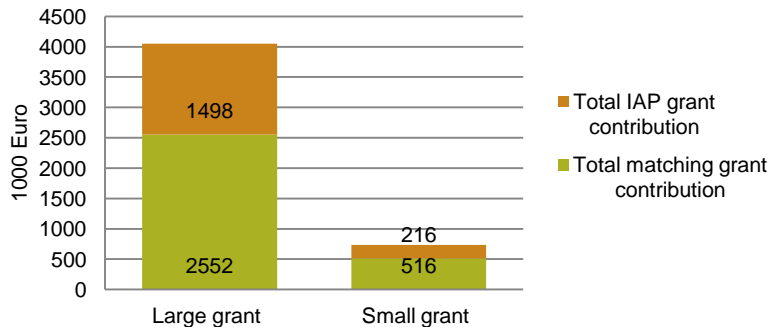
Awarded grant in percentage of requested value in CN (large grant) and application (small grant)



For small grants, the amount allocated matched the amount requested. For the 10 large grantees, the amount allocated was smaller than that requested at concept note stage for six, and smaller than the amount requested at full application stage for two. As the graph to the left shows, for 5 applicants the allocation was between 51% and 75% of that requested.

# 8.1 Grant funding in relation to company funding

**Matching grant contribution and IAP grant contribution**



**Grant requested in relation to company turnover (chart to the right)**

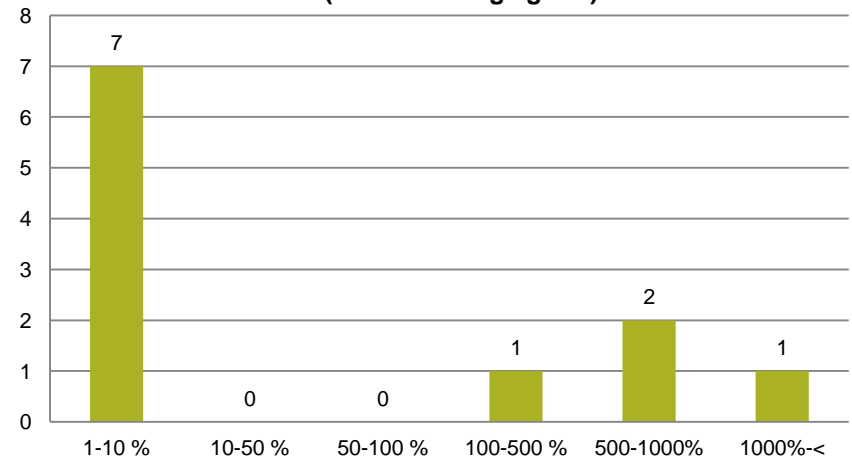
Due to the fact that some companies are start-ups and/or did not report on turnover, these statistics are not available for all grantees. For 11 companies shown below, the IAP grant amounts to less than 10% of turnover for the majority, but is greater than total turnover for the others.

## Matching funding

As illustrated (to the left) the total match contribution for both large and small grantees were higher than the total IAP contribution.

One third of grantees provide match funding (company contribution) to the IB project that is equivalent to the IAP grant, but the majority provide a higher match contribution. For 18%, the match contribution corresponds to over 200% of the IAP funding.

**Grantees (small and large grant)**



# 9. On which criteria did the applicants score well, badly, or variably?

## Scoring

Applicants for both large and small grants were assessed and scored against 5 criteria, for which the maximum scored varied from 10 to 30.

**Additionality was the criteria category in which grantees (on average) achieved highest scores** relative to the maximum (80% of max). On this criteria, those that were shortlisted but not selected scored similarly strongly.

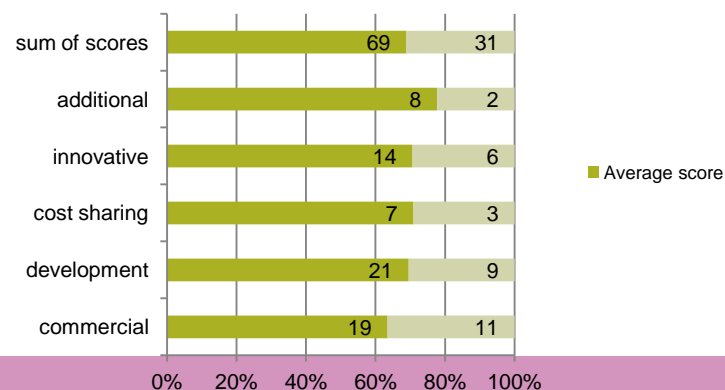
**Commercial performance was the criteria in which grantees (on average) achieved less well**, scoring 63% of the maximum. However, commercial performance is also the category with the largest difference between projects that were approved, and projects that were shortlisted but not approved. i.e. for those that were approved, it was not their strength. But **for those that failed at shortlisting stage, it was their weakness**.

The categories in which the widest variation amongst grantees can be seen are degree of innovation and development impact.

### Average scoring for grantees and shortlisted

| Score categories | Maximum score possible | Average for grantees | % of maximum | Average shortlisted but not approved | % of maximum |
|------------------|------------------------|----------------------|--------------|--------------------------------------|--------------|
| Commercial       | 30                     | 19                   | 63%          | 11                                   | 37%          |
| Development      | 30                     | 21                   | 70%          | 13                                   | 43%          |
| Cost sharing     | 10                     | 7                    | 70%          | 5                                    | 50%          |
| Innovative       | 20                     | 14                   | 70%          | 10                                   | 50%          |
| Additional       | 10                     | 8                    | 80%          | 8                                    | 80%          |
| Sum of scores    | 100                    | 69                   | 69%          | 47                                   | 47%          |

### Gap between maximum score and average score for grantees

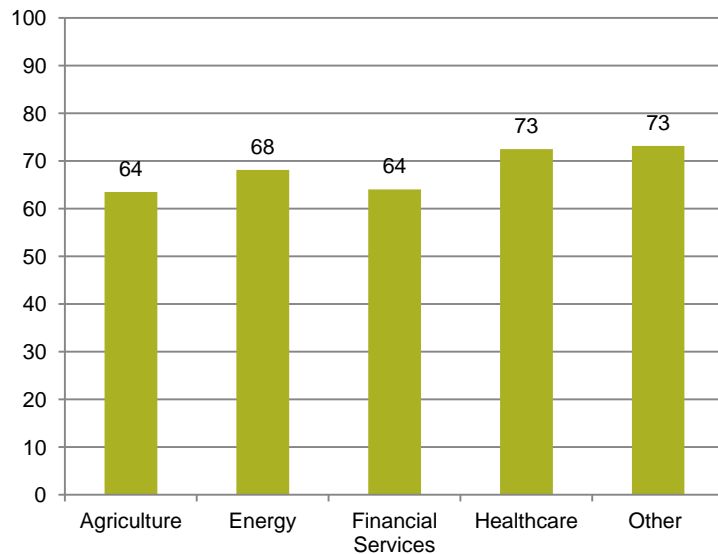


# 9.1 Grantee scoring – sectoral differences

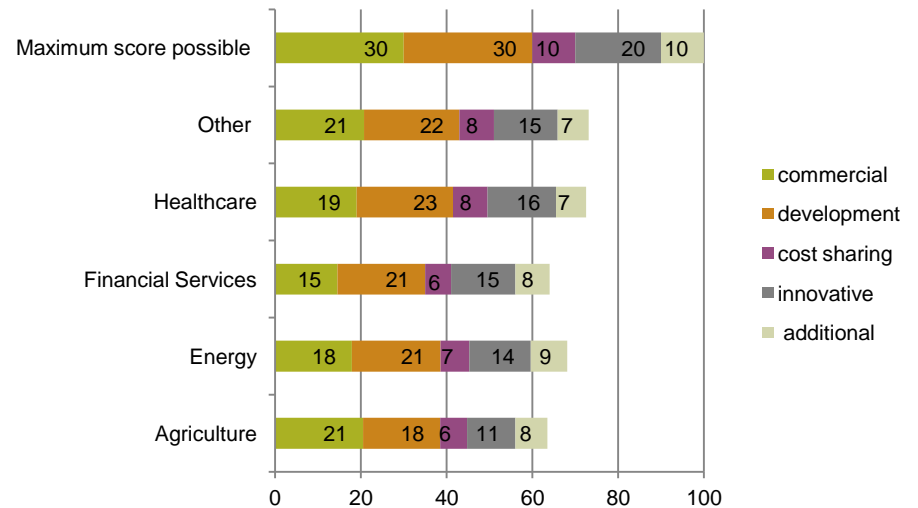
Some variation in scores can be seen between sectoral groupings of accepted projects. Average scores for the agriculture, energy and financial services sectors were all fairly similar. Average scores for healthcare were somewhat higher, but the highest scores were seen in the 'other' sector, which includes meteorology, water, waste, sanitation.

There is no strong pattern to the variability between sectors, although overall all agriculture sector projects scored lower than others on both development impact and innovation.

Average total score\*: sector



Scoring\*- sector



\* The scores are only shown for those that were accepted in a sector not for all that applied

## 9. 2 Grantee scoring – other patterns

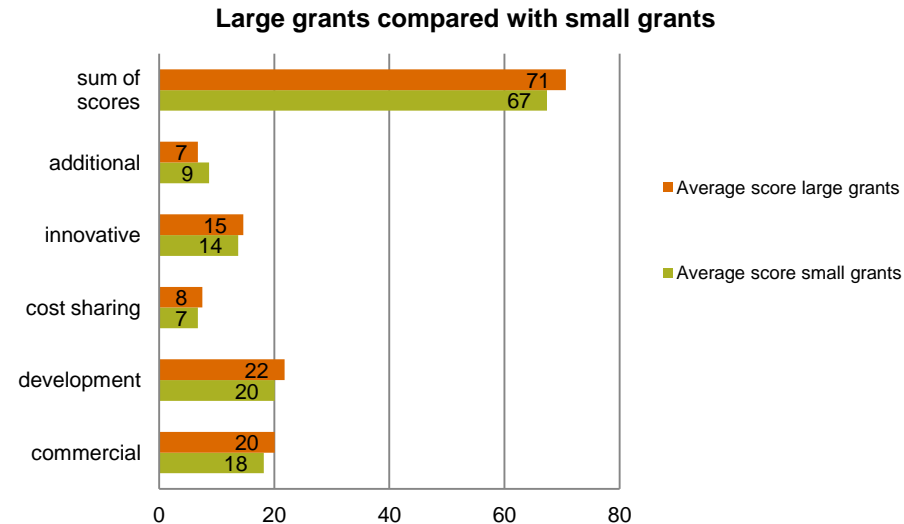
Comparing scores of successful grantees across countries, there is no clear pattern. The top half and bottom half both contain a mixture of developed and developing country-based applicants.

Comparing scores for ‘companies’ and NGOs amongst grantees, companies scored slightly higher (by six percentage points). This was not because they scored substantially higher on commercial performance: on average they scored just one point higher in all five categories.

Comparing start-ups and established businesses, start-ups scored slightly higher on innovation and development impact. So even though they scored slightly lower on commercial viability, their total scores were above average.

Comparing large and small grants (see chart), large grants are scoring slightly higher in every category except additionality where small grants scored better (9 compared to 7). The difference in total scoring between small and large grants is 4.

The total variation between the highest-scoring successful applicant and the lowest-scoring successful applicant was 20 point (out of 100).



**Average scoring for grantees, divided into stage of IB development**

| Score                          | Score categories |             |              |            |            | Total score |
|--------------------------------|------------------|-------------|--------------|------------|------------|-------------|
|                                | commercial       | development | cost sharing | innovative | additional |             |
| <b>Maximum score possible</b>  | 30               | 30          | 10           | 20         | 10         | 100         |
| <b>Start-up business</b>       | 18               | 21          | 7            | 15         | 8          | 70          |
| <b>Not a start-up business</b> | 20               | 20          | 7            | 13         | 7          | 67          |

# 10. Summing up- Round 1

- IAP received 157 applications in total, and selected 12 projects for small grants and 10 for large grants.
- While the sample of 22 is small, and is only the first batch of IAP grantees, patterns can be seen that will be useful to track in future as they evolve.
- In this small first group:
  - There is a sectoral spread, but clear clusters in energy (reaching base of pyramid consumers) and agriculture (engaging base of pyramid farmers).
  - The majority of projects focus on Africa, with company headquarters divided between north and south.
  - The vast majority of grantees are small domestic companies
  - Most projects are at concept development or pilot stage.
- Average large grant allocations were €118,000 which is lower than many companies requested.
- Company match funding exceeds IAP grant funding
- Projects scored lower on commercial viability than other criteria. Additionality scores were generally high.
- Agriculture projects were the largest cluster of applicants but did not score so well so had a lower success rate.
- There was wide variation in success rates by geography, with applications from Asia faring well relative to Africa and Europe. However sample sizes are too small to draw patterns so far.

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While every effort has been made to ensure accuracy based on currently available data, there may be errors for which we apologise, and we recognise interpretation of messages always contains some subjectivity. For any questions, please contact Linda Leifsdotter at [linda.leifsdotter@se.pwc.com](mailto:linda.leifsdotter@se.pwc.com)

### Further information & Contact details

#### **Innovations Against Poverty**

Innovations Against Poverty is managed for the Swedish International Development Cooperation Agency (Sida) by PwC in Sweden, in alliance with Njord Consulting AB, Orgut Consulting AB and PricewaterhouseCoopers LLP.

[info@innovationsagainstopoverty.org](mailto:info@innovationsagainstopoverty.org)

For more information, and the latest updates on Inclusive Business, please visit our shared Practitioner Hub at:  
<http://businessinnovationfacility.org/>

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