

SDG Impact Finance Initiative – Second Call for Design Funding Proposals: Frequently Asked Questions (FAQ)

24 April 2023

1. Is the format of the final proposal available or will it be available only for the ones invited to bid after the concept note?

The final proposal template will be shared with the applicants shortlisted in the concept note stage.

2. I observed that last year's winners were all impact funds or similar models. My venture is a tech solution that serves as a strategic intelligence tool for grant makers to identify and engage possible grantees. Does that fit into Design Funding purpose? Should I apply? We are very early stage and currently developing a proof of concept. At the same time, we will apply in consortium with a very established NGO. I observed that winners last year were a bit later stage. Should I still apply?

We offer grant funding to impact investment solutions hence they tend to concentrate on funds or similar models but other possible solutions such as facility, project, guarantee/insurance, bonds etc. also fall within the domain of design funding. However, a technological solution does not fit within the scope of design funding. We accept applications at different stages of maturity: feasibility study (earliest), proof of concept, and expansion. See "[which grant should I apply for](#)" on our website for more.

3. Will applications submitted by a for profit consulting firm in partnership with a government funded innovation hub be eligible to apply?

Yes. We accept applications from organizations or consortia of organizations. Organizations must have proof of incorporation and audited financial statements from the most recent fiscal year. We do not accept applications from individuals.

4. Will this call fund research initiatives?

The call will not fund research initiatives for study or academic purposes.

5. Do we need to provide written confirmation of interest from identified co-funders? Is it enough to show applications to other funders?

We understand that during the application stage the applicant might not have firm commitments or secured funding, but it helps to see soft commitments, for instance, letters of intent, expression of intent, MoUs or other form of communication (e.g., email logs) that could validate interest.

6. When you're looking for teams to have "likelihood of successful fundraise" are you saying we need investors through due diligence? Soft commits? Or, we have a clear vision of investors that we are speaking with? How do you define this and score this one?

As an applicant you need to demonstrate a clear vision for onboarding possible investors. Applicants that can demonstrate an anchor investor or at least soft commitments from potential investors have a higher likelihood of successfully fundraising and hence score favorably on this criterion. The scoring for this criterion also depends not only on how likely the solution is expected to attract sufficient funding, but also the type of investors that the solution has attracted to date (private, public, philanthropic).

7. Does SDG 14 include the big lakes as well?

No, SDG 14 focuses on sustainable use of the oceans, seas, and marine resources for sustainable development. But big lakes would be considered under SDG 15 (Life on Land) which includes "*protection, sustainable management and/or restoration of terrestrial and inland freshwater ecosystems*".

- 8. Would you consider organic production/plantation renewal/agroforestry as part of SDG 15?**
Agriculture sector including organic production/plantation renewal/agroforestry are generally part of SDG 15 to the extent it ensures sustainable management of forests and land.
- 9. Can consortia of local partners apply even when none of them is a convergence member?**
Applicants do not need to be convergence members to apply for SDG Impact Finance Initiative funding.
- 10. Do you expect us in the concept note to answer question per question or to put a text block which answer all the questions together?**
The concept note template is meant to provide a guide to put forward your proposal. We expect the applicant to answer ALL the questions as they provide a basis for scoring and evaluating your proposal. But you may summarize your answers or combine questions if that makes more sense for you to put forward your best proposal.
- 11. For the 50% co-funding - can we use in kind support as a match? does the match needs to happen at the same time or can it precede the SDG grant?**
Yes, in kind support also qualifies as a match for the 50% co-funding criterion. The match does not need to be secured at the time of application, but we would want to see that at least 50% of the total budget for your project will be covered by a source other than the Initiative.
- 12. This grant is for teams solving these issues in these locations NOT for funds/investors groups CORRECT? This is not a grant for funders, correct? That is not at all clear in the directions.**
Any organizations or consortium of organizations is eligible to apply for funding. For example, eligible organizations could be advisory firms, financial institutions, NGOs, foundations, social enterprises and corporations etc. that are designing, launching, or scaling innovative impact investing solutions.
- 13. One of the responses above suggested none of the grants would be eligible to support research, but could you confirm the grants can be used for feasibility studies?**
The grant can be used to explore the feasibility of a new solution and validate:
 - Its ability to attract private investors through market testing
 - Its likelihood of delivering the anticipated development impact
 - Its initial design, capital structure and financial modelEarly stakeholder engagement and an initial design of the capital structure should have already been completed before applying.
- 14. Can organizations in Nigeria participate in this program?**
Yes. Organizations located in any part of the world can apply. However, Solutions must target activities that benefit [ODA-eligible countries](#) as defined by the [OECD Development Assistance Committee](#). The Initiative will not fund solutions targeting any countries subject to financial sanctions.
- 15. Could you also help us understand ‘Solutions must demonstrate a credible pathway to scale to a size of at least USD 25 million.’ Does this mean funding deployed, funds raised, enterprise valuations, anything else?**
The applicant must be able to reasonably demonstrate that the solution size would be at least USD 25 million. It could mean funds raised if the solution is a fund. The expectation is not that you have secured this amount of funding/investment but at least have leads/or a plan in place to scale up to 25 million.
- 16. Is there flexibility in changing the stages of our project as the application is being processed? If your team feels a project is more suited to be in either the feasibility study or the proof of concept, will you change the stage yourself or does the project automatically get rejected?**
Applications will not be automatically rejected. During evaluation if we see that a proposal is promising but is better suited for a different stage, we could communicate with the applicant that the project is more suited for a different stage, however, this would be on a case-by-case basis and depend on other factors as well.

17. Is the grant only to cover external cost or could internal costs of the team developing the concept be covered as well?

The grant funding can be used to cover costs (internal and external) to the extent they relate to the designing, launching, and scaling of solutions.

18. Are there more details on the different categories under “Proposed Impact Finance Solution”, particularly the categories “Facility”, “Project”?

The proposed impact finance solution could take many forms for instance a bond, hedging Facility, listed company, fund, guarantee/insurance, facility, results-based financing, private company, project finance structures amongst others. [See our grant portfolio for past examples.](#)

19. Can an organization make multiple applications/concept notes?

An organization may make multiple applications if the proposed solutions are different.

20. We are a local company in Mali seeking for impact investments to finance the dissemination of our technologies combined with financial offers. Are we eligible?

Eligibility depends on many criteria and would be difficult to assess based on your statement. But funding from the initiative are grants to be used to cover costs associated with designing and structuring solutions and are not meant to be investment in the company.

21. Do research activities in regenerative agriculture apply?

See answer to question number 4.

22. Do research initiatives apply in this call?

See answer to question number 4.

23. Where can we access past applicants who have had success on this impact finance model?

You can see our past grant portfolio here: <https://www.convergence.finance/design-funding#latest-grants>

24. If we have a tested model and want to apply it to other region, would it be a pre-feasibility study?

It will depend on if the vehicle has already launched or not, and what design activities you plan to pursue. Please see “[which grant should I apply for?](#)”. If we deem your concept note is better suited for a different stage than the one you applied for, we will inform you if your concept note is invited to submit a full proposal.

25. Any jurisdiction excluded to form the investment vehicle?

The solutions must clearly and directly benefit end beneficiaries in developing countries. The Initiative will not fund solutions targeting any countries subject to financial sanctions. We do not have specific legal jurisdictions that applicants must comply with for the formation of their vehicle.