Innovation Development Fund (IDF) –

Piloting Promising Solutions

Guidelines

Government of the Punjab
Finance Department
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1: Introduction:

Government of the Punjab has decided to launch ‘Innovation Development Fund (IDF)’ to support and pilot initiatives that address the development needs of the Province. The Fund aims to engender indigenous solutions to problems that have thwarted socio-economic progress in Punjab. Therefore, Government of the Punjab has earmarked Rs. 500 million in Annual Development Program 2012-13 with the aim to support new development solutions, systematically test them, and help scale those that are proven successful to become ‘success stories’.

2: Purpose of the Guidelines

These Guidelines have been developed to facilitate the applicants to be able to access the needed financial support under IDF during FY 2012-13. While these Guidelines provide a brief introduction to the IDF, these also elaborate the process of application and assessment of project proposals to help the interested candidates to apply for the grant under IDF.

3. Scope and Objective of the IDF:

The IDF would help unlock the creativity and resources that exist within the Province of Punjab and find practical solutions that address development needs of the area. The IDF seeks to support innovative ideas and gives power to local public entities / offices to make things happen in their local areas through providing missing financial support.

The prime objective of the IDF remains to fund the most potential, cost effective and innovative development initiatives and practices to address the compelling development issues in the province of Punjab to improve the societal wellbeing in the Province.

4. Fundamental Principles of Innovation Development Fund:

To be eligible for support from the IDF, proposals / projects / themes need to:
• Be aligned with the provincial development priorities
• Be a potentially scalable solution / project
• Be well designed and planned
• Have the appropriate people and partnerships in place

5. **Priority Areas for Innovation Development Fund Initiatives:**

The Fund will disburse up to a maximum of Rs.10 million to a range of innovative projects during Financial Year 2012-13. Proposals should be for projects that offer innovative yet cost-effective solutions to address development challenges facing the province and also complement the provincial development agenda.

A diverse range of innovative projects may be funded, including but not limited to:

• Technology innovation in public and private sector
• Development of financial products such as livestock/crops insurance services
• Energy conservation and green energy solutions (energy generation through household waste, solar cookers/geysers/milk chillers, etc)
• Use of mobile/cellular technology for efficiency enhancement
• Piloting public private partnership in new/remote areas, such as use of energy of telecom towers for agriculture/health/livestock facilities/services
• Integrated services for disadvantaged job seekers including projects that improve information sharing between services that assist such job seekers
• Public health services including maternal and neonatal health insurance, water and sanitation, solid waste management etc.
• Improvement / innovation in industrial processes
• Productivity enhancement in agriculture sector
• Development of mineral resources
• Efficiency in water resource management / conservation
• Other development areas advertised / notified by the Government from time to time.
5.1 **Additional Criteria:** While developing proposals, applicants additionally may also consider if the project:

- Is innovative
- Capitalizes on existing infrastructure such as building etc.
- Has a community focus, which takes into account community aspirations, culture and expectations
- Generate income and job opportunities
- Preferably involves collaboration or partnerships with other stakeholders such as providers of services (scavengers / waste management organizations etc.)
- Include a best practice dissemination and evaluation plan to share the results of the project with relevant stakeholders.
- **Include at least 10% contribution of funds from the applicant to supplement the amount sought in their project proposal**
- Has the potential to be applied on a longer term scale after the conclusion of the project

6. **Application and Assessment Process:**

Government is committed to ensuring that the process for funding projects under the Innovation Development Fund is fair and in accordance with published guidelines, as may be notified by the Government from time to time.

As the Innovation Development Fund is a competitive grants programme, each proposal will be assessed on its merits, and in comparison to other project proposals submitted at the same time or previously. These guidelines set out the basis on which project proposals will be assessed.

6.1 **Innovation Development Fund Board**

IDF Board is responsible for the overall oversight and guidance of the Fund. IDF Board comprises of the following.

1. Mr. Khuram Dastgir Khan, MNA  
   Convener
2. Chief Secretary  
   Co-convener
3. Mr. Baleeg-ur-Rehman, MNA  
   Member
4. Rana M. Afzal Khan, MPA  
   Member
5. Mr. Shehryar Riaz, MPA  Member
6. Chairman P&D Board  Member
7. Secretary Finance  Member/Secretary
8. Secretary Industries  Member
9. Secretary Energy  Member
10. Secretary Higher Education  Member
11. Chairman PITB  Member
12. Three Professors each from
   i. UET  Member
   ii. LUMS
   iii. NUST
   iv. LSE
13. A representative each of Chambers of Commerce and Industries:
    1. Lahore  Member
    2. Rawalpindi
    3. Multan
    4. Gujranwala

In addition to overall guidance of the IDF, the Board is specifically responsible for the following:

   a. Develop / approve Guidelines to facilitate applicants to access funds under IDF.
   b. Formulate / approve a robust criterion for the assessment of project proposals.
   c. Approve projects seeking financing from the IDF.

6.2 Executive Committee
The Executive Committee of IDF is mainly responsible for the following:

   a. Act as a clearing house for the project proposals / initiatives seeking financing from IDF.
b. Determine funding mechanism for eligible projects proposals on case to case basis.

The Executive Committee would include the permanent and co-opted members as follows:

1. Mr. Pervaiz Malik, MNA Convener
2. Secretary Finance Co-convener
3. Secretary P&D Member
4. Secretary Industries Member
5. Three Professors each from
   i. LUMS Member
   ii. UET
   iii. LSE
6. A representative each of Chambers of Commerce and Industries:
   i. Rawalpindi Member
   ii. Multan,
   iii. Faisalabad,
   iv. Sialkot

6.3 Co-opted Members:
Both IDF Board and Executive Committee are empowered to co-opt such number of members from public or private sector as necessary to evaluate the project proposals and subsequently monitor the implementation of the project in case the project is new to public sector and needs some special expertise.

7. Eligibility Criteria

All the private and public sector entities including Provincial Departments, Local Governments (DGs, TMAs etc.), autonomous / semi-autonomous bodies, authorities, corporations, companies, etc. are eligible to apply for grant under IDF. Public sector universities would also be eligible to apply for the funds under IDF.
8. **Criteria for Assessment of Proposals**

Applicants must address all of the assessment criteria detailed below. All applications would be evaluated on the basis of following criteria. There are a series of service specific sub-criteria under each of the assessment criteria. Information that should be provided in response to each of these sub-criteria is also detailed below.

8.1 **Criterion 1 – Business Case: (Weight = 35%)**

Provide a business case for your project which demonstrates how you will address the development challenge facing your sector / region while remaining within the provincial development priorities. Your response should also demonstrate your understanding of the objective of the Innovation Development Fund and its development outcomes.

1.1 **Provide a summary of the project**

Your response should include the following:

- A summary of the project, including the objectives of the project, details of how the project will be innovative, what the project will achieve and how it will be determined to be a success
- Specify which group or groups of the community will be targeted and assisted, and
- Indicate where the project will be undertaken (i.e. location) and why this location was chosen.

1.2 **Describe how the project will fit within the provincial development agenda.**

1.3 **Provide details of how your project will meet the objectives of the Innovation Development Fund.**

8.2 **Criterion 2 – Synergies & Linkages: (Weight = 15%)**

Describe your capacity to work, collaborate and partner with relevant key stakeholders, including service providers and others who service the area where the project is based and the target group / area.
2.1 Provide details of any community or industry involvement.

- details of any stakeholders that you have consulted with when developing the proposal
- a description of the strategies that you will put in place to work in partnership with other organizations, including, for example, community organizations, and government agencies, and

2.2 Detail any demonstrated commitment from your organization or other partners in the project. Your response should include the following:

- Indicate nature of the support and include any relevant referees, and
- Provide details of any direct or indirect contributions you or other sources will make to the project.

8.3 **Criterion 3 – Project Management: (Weight = 25%)**

Describe how your proposed project will achieve outcomes that are cost effective and have value for money, including how this will be measured. Also detail your management practices to deliver successful project results.

3.1 Develop a Project Plan which outlines the following:

- The proposed timeline
- All activities and milestones by which the progress of the project can be measured
- Result based Performance indicators and progress measures, and
- All expected outcomes.
- You may also provide any additional information including any proposed progress reports.

3.2 Provide details of any planned purchase of assets using IDF funds. Also identify any other equipment that is required for the project and how that will be acquired.

3.3 Detail your management practices. Your response should include the following:
• details of your organization’s governance arrangements in relation to overseeing the proposed project (e.g. details of any management or steering committees)
• details of how your project will be implemented in a cost effective manner that will provide value for money
• details of any risks associated with the project and how your organization will manage those risks including through quality assurance planning, and
• details of your organization’s staff that have relevant expertise which will assist in delivering the proposed project.

8.4 Criterion 4 – Sustainability: (Weight = 25%)

Describe how you will evaluate the success of the project and your sustainability strategy for the project, including how successful elements of the project will continue after the funding period elapses. Also describe how any successful results of the project can be used to model best practice behavior.

4.1 You must provide a strategy to evaluate the success of the project. Also your response should include the following:

• Details of how you will evaluate the project, including how you will monitor and respond to progress along the way and how you will define and measure success (e.g. lessons learned from the project or number of outcomes achieved as a result of the project), and
• Details of any data that will be collected to undertake the evaluation.

4.2 You must provide a sustainability strategy for the project. Your response should include the following:

• Details of how successful elements of the project could continue after the funding period has elapsed
• An explanation in your strategy for ensuring that relationships between key partners, continue after the end of the project, and
• Describe how the project can be funded after project funding ceases.

4.3 You must provide a best practice/lessons learned strategy from the project. Your response should include the following:

• An outline of how the project and its results would be:
  o documented /
  o shared with key stakeholders including other IDF sponsored initiatives for future projects or
  o replicated in other locations and
• Details of your strategy to showcase any successful results of the project more widely

4.4 Proposals must include activities that seek to capture and report on the outcomes of innovation.

• Proposals should be able to inform a broader range of development actors and enable public sector to address development challenges in specific regions or sectors.

The assessment criteria may change from time to time. However, any change in the assessment criteria will be publicized adequately to provide a level playing ground to all the applicants.