

Summary of DMDP information sessions

June 2017

Q&A sessions

Partners

Q: What are the requirements of the administrative partner?

A: The administrative partner must be a non-commercial partner. Multilateral organisations and public institutions (e.g. ministries, agencies, universities/university colleges) are not eligible as administrative partner.

Q: Can a knowledge or educational institution be the administrative partner?

A: As a starting point no, as these institutions are primarily publicly funded and hence will be considered as public institutions. If it is a private knowledge or learning institution, it will be considered a commercial partner and can therefore not take on the responsibility as administrative partner.

Q: Is it a condition that any of the partners in a partner consortium are Danish?

A: There are no restrictions on the origin of partners, except the requirement of a minimum of one local partner from the partner country.

Q: In the five pilot partner consortia, the commercial partners are some of the biggest Danish corporations, is there a requirement about size?

A: There are no standard requirements regarding the size of the commercial partner. However, when assessing concept notes, the robustness of each individual partner is carefully assessed along with the robustness of the partner consortium as a whole. Given the complexity of the DMDP, working in broad partnerships combining business and development, and the level of ambition in terms of commercial viability and scalability of the business venture, it may not be realistic for a small company to participate as key business partner. However, small companies may very well participate in a consortium along with a medium or larger company. Several of the five pilot partner consortia associate medium or smaller companies as partners. It must be kept in mind that DMDP is a challenge fund; therefore, partner consortia submit concept notes in competition and the most convincing partner projects are selected.

Q: Does a non-local commercial partner need to have production facilities in partner country, or can local partner be producer?

A: The aim of DMDP is to increase local production/productivity, in order to promote decent jobs and economic growth in the partner country (SDG 8). It is not a requirement that jobs are created within a foreign company. The hope is that commercial partners enter into partnerships because they see a genuine opportunity for creating commercial value.

Q: Can there be more than one commercial partner?

A: Yes.

Q: Does there have to be one key commercial partner?

A: There is no formal requirement to have one key commercial partner, several commercial partners may participate. It is however, advisable to have a clear separation of responsibilities and roles between partners. In terms of presenting a clear business case, it can be an advantage to have a 'key' commercial partner.

Q: Can the commercial partner and the local partner be the same?

A: Yes, but it should be ensured that a commercial partner has the robustness to participate and to promote a commercially viable business case with the potential to scale up.

Q: How engaged do local partners have to be in developing projects?

A: Local partners have to be involved and active in designing projects, to make sure projects meet local needs and contribute with the necessary knowledge of conditions in partner country. It is not a formal requirement that there is a signed memorandum of understanding at concept note stage. This is however a strict requirement when full project proposal is submitted.

Q: What are the requirements for the local partner?

A: For each partner, the project should be part of the partner's core business. Local partners can be both commercial and non-commercial. A subsidiary of the commercial partner is not considered a local partner.

Types of projects and markets

Q: Can projects focus on more than one country?

A: Projects should focus on one market. Normally the market is expected to be in one country. In exceptional cases, a market may cover two neighbouring countries. In the DMDP context, a market will not cover countries in two different regions.

Q: Do projects have to focus on a specific market, or can effects be indirect?

A: The outcome of a DMDP project should be directly measurable with a focus on SDG 8. This is also reflected in the five program level indicators.

Q: Are there specific thematic priorities?

A: No, there are no sector priorities, but projects should deliver on SDG 8.

Q: Is it possible to propose projects in markets that are already established, which are more focused on reaching scale and less about innovation?

A: Although innovation will often be part of a DMDP project it is not a requirement but there has to be additionality.

Q: Can products in the projects be meant for export?

A: If partner country benefits from production/post-production, products may be meant for export. Projects have to deliver on SDG 8 in the partner country.

Funds

Q: Do funds have to be spent in local context (in the partner country)?

A: It is expected that a majority of the activities and funds are spent in partner countries.

Q: Can the local partners be reflected in the budget?

A: If local partners are non-commercial, they can be reflected in the budget.

Q: Why do funds go to non-commercial partners and not commercial partners?

A: It is in conflict with EU state aid rules to give direct public support to businesses. Furthermore, as the point of departure of a partnership project is a business idea, the commercial partner should see an advantage in participating in the project as a business venture, not as an opportunity to get support.

Q: Can funds be spent on investment in equipment?

A: The funds are not aimed at equipment investment, but smaller amounts can be spent on limited equipment for demonstration purposes. There is no exact figure or percentage of the funds that can be spent on equipment.

Q: Why is there a minimum contribution of 5 million DKK by Danida?

A: The minimum Danida contribution is set in recognition of the investment required when engaging in broad partnership and to ensure ambitious projects.

Process

Q: Can any partner submit more than one application/be involved in multiple projects?

A: There is no limit to the number of applications any partner can submit. There are however, clear limitations as to how many partnership projects a partner can implement.

Q: How developed were projects when pilot partner consortiums submitted (question to partners present at information meeting)?

A: There was a clear business case, but no exact numbers. Knowledge about the market has developed through the process.

Q: How did pilot partner consortia engage with local partners (question to partners present at information meeting)?

A: Some already had existing local partners. It was important to have an ongoing dialogue, as continued interest was a good indicator for local partner's willingness to participate and relevance of project.

Assessment of applications

Q: How are concept notes assessed and by whom?

A: Assessment criteria are listed in Annex 1 in the DMDP Guidelines. Concept notes are assessed by a panel composed of the Department of Growth and Employment, relevant Danish Embassies, the Danish Trade Council and external consultants.

Q: How many details are required for the initial business case?

A: There is a concept note format on the website. This format limits the number of pages to be submitted, and thus also sets a limit to the level of detail. Concept note should present a convincing business case, including commercial viability after Danida support and potential for scale up. In the previous round, most concept note applications showed difficulties in arguing the potential for scale.

Q: Can the business case be directed at opportunities presented only for one specific commercial partner?

A: No, there is a requirement of non-exclusivity. The projects should not only present business opportunities for the commercial partner, but also serve to open up a market more generally. Further, all DMDP projects must document how the business venture supports the development objective of the partnerproject.

Q: Are commercial partners assessed in terms of equity?

A: Equity is one variable among others. Partner consortia are assessed in terms of robustness as a whole and also robustness of each individual partner.

Q: How is scale understood in this context?

A: Scale depends on the concrete project and the starting point of projects.

Q: How are projects assessed, if they focus on educational training?

A: Most (of the five pilot) projects include elements of competence development. But the aim of the projects are not competence development or educational training. In a project primarily aimed at delivering education/training, it could be rather difficult to argue how the project results directly contribute to delivering on SDG 8. This is said recognizing that competence development in most cases would indirectly contribute to delivering on SDG 8

Q: How should decent work and additional jobs be understood?

A: In the context of a DMDDP we make the distinction between decent jobs and additional/direct job. An example of decent jobs would be when a project support a production line and contributes to improving working conditions for workers without directly contributing to additional/direct jobs. A project that contributes to the establishment of a new production would logically contribute to additional/direct jobs and these jobs would logically also be decent jobs as partnerprojects must subscribe to Responsible Business Conduct.

Advice from the five pilot partner consortiums selected in 2016

During the information sessions, representatives from the five pilot projects were present and offered advice to parties interested in applying for DMDDP. Some of the advice, which potential applicants might find useful are:

- Participating in partnerships requires many resources. It is important to have thorough conversations between partners beforehand. Also important to ensure necessary backing from management level.
- Prioritize time for thorough discussions among partners to understand among other what success look like for each partner. Also important in terms of shared understanding of concepts such as e.g. decent jobs.
- Write concept note together, have 'writeshops' to ensure everyone is invested and have opportunity to influence application.
- Understand local structures in partner country. What limits/opportunities do they present for the success of the project.
- Are there partnerships or other initiatives already present in partner country that can be tapped into to create synergies and optimise results.

Disclaimer: The Danida Market Development Partnerships Guidelines take precedence over the above summary.