



**BUSINESS  
PARTNERSHIPS  
PLATFORM**

# **BPP INDIA WINDOW – 2018**

## **APPLICANT GUIDELINES**

Consult these guidelines when completing a **BPP India Window – 2018** application.

See [dfat.gov.au/bpp](http://dfat.gov.au/bpp) for more details.



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## Introduction

The concept of *shared value* forms the foundation of the Australian Government's vision for engaging with the private sector in development – that businesses which seek to deliver social impact as part of their business will be those which achieve better and more sustainable, commercial returns. To support this vision, the **Business Partnerships Platform (BPP)** was introduced to support partnerships between the Department of Foreign Affairs and Trade (DFAT) and private sector entities which similarly aspire to bring a shared value approach to their core business operations<sup>1</sup>.

The BPP's **Goal** is to: “*create scalable shared value partnerships that advance Australia's economic and social development objectives*”. These partnerships are being created in the following ways:

- Reconceiving products and markets.
- Redefining productivity in the value chain.
- Enabling local cluster development.

The Australian Government aid program works to solve complex development challenges in frontier and emerging markets in our region, contributing to sustainable economic growth and poverty reduction across priority sectors.

Shared value partnerships require businesses and non-government organisations (NGOs)/not for profit entities (NFPs) to invest capital and take risks in pursuit of the above. The BPP will assist Australian and overseas entities to invest in new shared value approaches through access to DFAT's significant expertise in:

- Convening, brokering, networks and influence in partner countries.
- Deep knowledge of development as well as the business, political and regulatory environment in partner countries.
- Support in creating a more attractive business operating environment through our broader policy reform and governance programs.
- Catalytic funding to encourage and support businesses and NGOs/NFPs looking to increase commercial and social returns in line with our strategic priorities.

The BPP has run two previous multi-country rounds in 2016 and 2017. For further information on successful Round 1 and 2 initiatives visit the [BPP website](#).

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<sup>1</sup> <http://dfat.gov.au/aid/who-we-work-with/private-sector-partnerships/Pages/private-sector-partnerships.aspx>  
[http://foreignminister.gov.au/releases/Pages/2015/jb\\_mr\\_150831.aspx](http://foreignminister.gov.au/releases/Pages/2015/jb_mr_150831.aspx)

## The BPP in India

India is one of Australia's most important international partnerships, with Australia and India enjoying strong political, economic and community ties. In order to help unlock economic opportunities for Australia and India, the Business Partnerships Platform India Window will help identify and support scalable shared value partnerships that can contribute to India's economic growth and address development challenges.

The BPP India Window complements the Australian Government's India Economic Strategy. More information on this strategy can be found on the [DFAT website](#).

The India window will seek applications in the following sectors:

- Agribusiness;
- Energy and resources (including water); and
- Health.



*BPP Round 2 partnership between DFAT, Essilor and MART enables affordable vision care services for low income customers in rural and peri-urban areas in Bangladesh by training 400 youths as Eye Mitra Opticians.*

## Who can apply?

### General Eligibility

1. Applications to the **India Window 2018** are open to **Australian, Indian and other organisations** either undertaking, or looking to undertake, activities of a commercial nature **in India**. These may be businesses, NGOs/NFPs, or other types of organisations or consortia.
2. Applicants must contribute **at least 50 per cent** of proposed implementation costs (including both cash and in-kind contributions).
3. Applicants may request funds from DFAT of between **AUD250,000 and AUD500,000** only (for each application).
4. Applicants must specify an implementation period (and contract period) of one to two years.
5. Organisations submitting applications must not have any reason preventing them from operating in India.
6. Applications are to be made by established organisations that meet (or are able to meet) the requirements of DFAT's due diligence process, including:
  - Registration with a business or other recognised registration/accreditation body
  - Established financial history
  - Not listed on World Bank, Asian Development Bank or Attorney General sanctions lists
  - Other background criminal and reputational checks.
7. Organisations should note that individuals with conflicting commitments, or who are current or recent DFAT employees, should not be included in the application. This includes individuals who may be engaged by the applicant if selected through the assessment process described in this guideline. DFAT may reject any application which does not disclose the fact that a proposed team member has an existing and continuing commitment to another DFAT-funded project or activity. A 'recent DFAT employee' means a person who was previously employed by DFAT, whose employment ceased within the last nine months and who was substantially involved in the design, preparation, appraisal, review and/or daily management of the program to which this grant program relates.
8. Applicants must demonstrate their proposal aligns to the **four key selection criteria** (partnership, social impact, gender equality and commercial viability). Further information on these criteria is provided later in this document.
9. Applications must align to at least one of the three BPP India Window 2018 priority sectors: agribusiness, energy and resources (including water) and health.

## Partnerships

The majority of successful Round 1 and Round 2 proposals were multi-sector consortia involving NGOs/NFPs, and/or additional business partners. Joint applications are **not mandatory**. However, applicants are encouraged to consider this approach as it brings a more diverse technical, knowledge and risk management proposition.

Applicants are to detail all proposed partners participating in the partnership, including:

- **Lead Partner** – the partner who will take key ownership of the initiative and will be the main point of contact between the partnership and the fund manager. The lead partner will enter into the contractual agreement with the BPP Fund Manager and may be subject to additional due diligence. Should two or more organisations apply together, one partner must be nominated as the lead partner.
- **Other Partners** – others who are visibly and materially involved in achieving the partnership outcomes. Other partners often have significant roles implementing the initiative.
- **Investors** – other non-implementers who are investing in the initiative, either in cash or in kind.

Applicants are encouraged to submit a Memorandum of Understanding (or similar) between partners at the time of application.

Organisations may be involved in more than one application.

DFAT reserves the right to reassess any proposal if, following submission, the membership of a successful multiple partner proposal changes, including withdrawing partnership member(s).



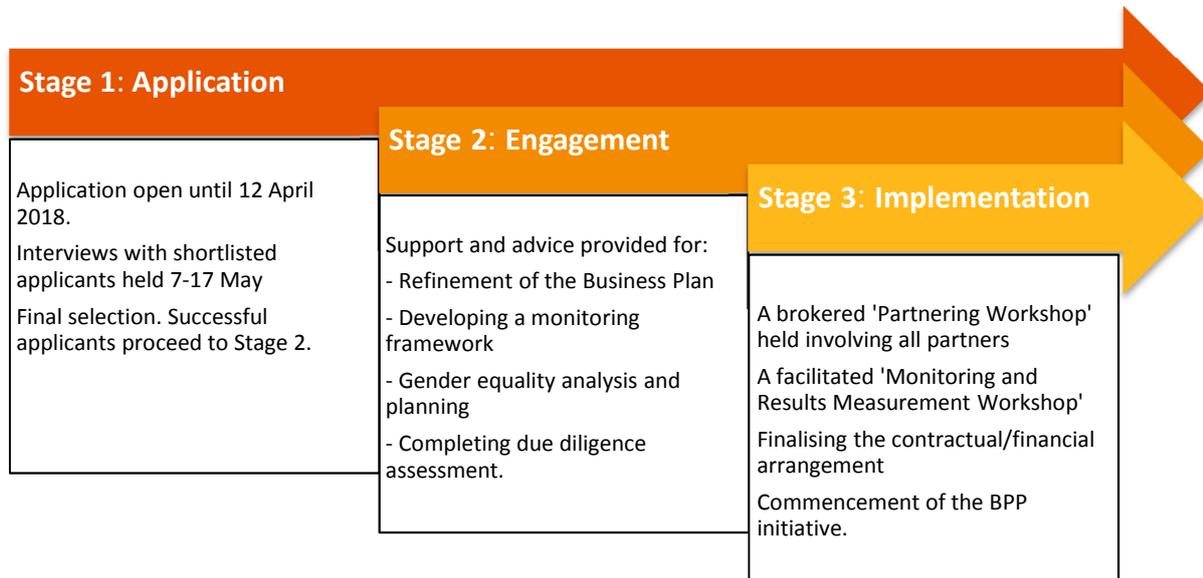
*The BPP Round 2 partnership between DFAT, MEDA and East West Seed Company pilots the development of a new regional market for an international seed supplier in Kayin, Myanmar, primarily using a 'female lead farmer' model.*

## Timeline

The planned timeline for applications, selection and implementation is provided below. Please note that some dates may be subject to change.

<b>Applications open</b>	26 February 2018 – 12 April 2018
<b>Shortlisting</b>	12 April 2018 – 7 May 2018
<b>Interviews</b>	7 May 2018 – 17 May 2018
<b>Final selection</b>	17 May 2018 – 14 June 2018
<b>Notification of outcomes</b>	14 June 2018 – 21 June 2018
<b>Business plan refinement</b>	14 June 2018 – 05 July 2018
<b>Workshops</b>	05 July 2018 – 02 August 2018
<b>Contracting</b>	10 July 2018 – 10 October 2018
<b>Implementation</b>	1 September 2018 – 30 November 2020

## The Application Process



### Stage 1: Application

Submission of an application through SmartyGrants:<sup>2</sup>

1. Create a profile on [SmartyGrants](#).

Note: The BPP India SmartyGrants portal will become live on the 26<sup>th</sup> of February 2018.

2. Follow the steps for completing the application
3. Submit your application and upload the accompanying business plan, budget and work-plan templates

Applications must include:

- Completed application form
- Business Plan attachment
- Work plan attachment (using template provided)
- Budget attachment (using template provided)

Contact the BPP Fund Manager with any questions or problems completing your application ([applications@thebpp.com.au](mailto:applications@thebpp.com.au)).

<sup>2</sup> For more information on SmartyGrants see: <http://www.smartygrants.com.au/>

The BPP India window will focus on the following sectors:

- Agribusiness
- Energy and Resources (including water)
- Health

Applications for sectors other than those listed above will not be considered.

### Business Plan

Applicants must submit a Business Plan at the time of application. Business Plans must be no more than 10 pages<sup>3</sup> (excluding appendices) and must address the following headings:

**1.** Executive Summary (*max 1 page*)

**2.** Background and Purpose (*max 2 pages*)

- a. Concept outline: a brief overview of the concept and the development challenge it sets out to address
- b. Objectives: the objectives of the BPP initiative, outlining;
  - i. **Business objectives:** Explain the business objectives of the project and include headline forecasts for growth.
  - ii. **Development/Social objectives:** Include descriptions and projected numbers of those anticipated to be impacted, and assumptions. Ensure that impact on women is highlighted and a credible means of capturing this is described.
  - iii. **Partnership objectives:** Demonstrate aligned objectives and incentives. Be clear about how the role of each partner is expected to be internalised and paid for in the long term (i.e. without donor support)

**3.** Market Analysis (*max 2 pages*)

- a. Overview of the industry, market or sector and the specific market segment occupied by the proposal participant(s).
- b. Competition: what is the competition in the sector/market/industry? Also, include competing companies as well as any other donor funded projects, or government programmes that may compete (i.e. through subsidies).

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<sup>3</sup> The Business Plan word limit must be adhered to. Applicants who progress to Stage 2: Engagement will have the opportunity to refine their business plan.

- c. Overview and projections of the demand for products or services the proposal is intending to develop.

**4. Product or Service Development (max 2 pages)**

- a. Market research conducted and summary results: including any beneficiary-level interaction, consultation and research (i.e. the demand side).
- b. Research and development: An overview of the process of developing the product/service offered.
- c. Production requirements, process and intellectual property: Any proprietary features and protected intellectual property.

**5. Financial Summary (max 1 page)**

- a. Cost benefit analysis including break-even analysis: At what point will the proposed activity break even? Include any recurring costs that may be a component, or service/roles, being performed by an NGO/NFP expected to be required on an ongoing basis, or internalised.

**6. Risk Factors (max 2 pages)**

- a. *Describe key risks and mitigation/management strategies. This may include:*
  - i. Cost overruns
  - ii. Seasonality & natural hazards
  - iii. Problems with labour, suppliers, distributors or partners
  - iv. Not meeting projections
  - v. Unforeseen market trends and competition; unforeseen economic, social or political developments
  - vi. Financial mismanagement, fraud

**7. Appendices<sup>4</sup>**

*Essential:*

- Financial projections (three years)
- Break-even statement

If you have any queries regarding the application process, please contact the BPP Fund Manager team through [applications@thebpp.com.au](mailto:applications@thebpp.com.au)

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<sup>4</sup> Only appendices listed may be submitted.



*DFAT's BPP partnership with Elevate establishes sustainable social enterprises that help smallholder farmers improve their working conditions, livelihoods and job opportunities in Indonesia.*

### Confidentiality

All application data will be kept in the strictest confidence. All DFAT officers and BPP Fund Manager personnel that review applications are bound by confidentiality/non-disclosure arrangements. Shortlisted applicants will be provided letters confirming non-disclosure.

### Shortlisting, Selection and Notification

After the submission date closes, applications will be assessed and shortlisted by DFAT and the BPP Fund Manager.

Shortlisted applicants will be invited to attend an interview between 7-17 May 2018. It is essential that **applicants be available at some point during this period** to participate in an interview, either in person or via video/conference call.

After interviews, a final selection will be made by DFAT.

Unsuccessful applicants will be notified of the outcome in writing after the selection process is complete. Feedback can be provided upon request.

## Stage 2: Engagement

### Formal notification

Successful applicants will be notified by phone (followed by an official written notification). Feedback and recommendations from the selection process will be provided to assist with Business Plan refinement.

DFAT expects to select 4 to 5 partnerships for the BPP India Window 2018.

### Business Plan Refinement

Successful BPP initiatives are required to refine their Business Plan based on feedback provided to them by DFAT. This will require applicants to review their:

- Business Plan
- Budget
- Work plan

Applicants will have an opportunity to access technical advice from a BPP Business Adviser to assist with the incorporation of DFAT feedback and overall refinement of the Business Plan.

### Due Diligence

Due diligence will be conducted on all partners for BPP initiatives that are successful in progressing to this stage. DFAT conducts due diligence on potential partners as a risk management tool that helps DFAT to assess delivery partner strengths and weaknesses prior to entering into an agreement or funding arrangement. Due diligence assessments<sup>5</sup> are designed to highlight and mitigate potential fiduciary and reputational risk that may arise from the partnership. Partners will need to provide appropriate documentation to assist with due diligence assessments.

## Stage 3: Implementation

### Commencement Workshops

The BPP Fund Manager will organise two, one-day workshops, ideally on consecutive days. These two workshops are likely to take place in India, at a time and location convenient to the partners (within the timeline restrictions):

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<sup>5</sup> <http://dfat.gov.au/aid/topics/safeguards-risk-management/Pages/default.aspx>

### 1. Partnering workshop

To be facilitated by a Partnership Broker who is accredited by the Partnership Brokers Association. DFAT will be represented by staff from DFAT India and/or DFAT Canberra. A representative from the BPP Fund Manager will also attend.

### 2. Monitoring and Results Measurement (MRM) workshop

To be facilitated by the BPP MRM Adviser. The partners will work together to develop a monitoring framework, including a plan for collecting and reporting data.

## Collaborative Financing Agreement (CFA) development

A Collaborative Financing Agreement (contract) will be negotiated and signed between the **lead partner** and the BPP Fund Manager. The purpose of the Collaborative Financing Agreement (contract) is to define the conditions of the funding, to monitor the initiative's progress to completion, and establish the terms, conditions and requirements for acquittal of the funds. All funding must be used for the specific purpose identified in the budget and work plan.

## Support, monitoring, and partnership health checks

The BPP Fund Manager is available to provide support to BPP partners during the implementation period. This includes support from our:

- Private Sector Development Adviser
- Gender Adviser
- Monitoring and Results Measurement Adviser
- Communications Adviser
- Partnership Brokers.

In-country monitoring visits are typically conducted by the BPP Fund Manager around the mid-point of implementation.

Partnership 'healthcheck' meetings are often facilitated by a Partnership Broker around the mid-point of implementation.

## Reports and payments

Progress reports are to be submitted by partners quarterly, with financial reports to be submitted six-monthly. A final report must be submitted at the end of the initiative.

Most payments are linked to completion of activities and submission of these reports.

The plan that is developed at the MRM workshop for collecting and reporting data will form the basis for reporting on progress of these partnerships.

## Core BPP Elements

The core elements of the BPP are as follows:

- Partnership
- Social Impact
- Gender Equality and Women's Empowerment
- Commercial Viability

All applications to the BPP must demonstrate their alignment to these core elements, which form the basis for the selection criteria.

### Partnership

The BPP aims to improve the effectiveness of the aid program by drawing on the wealth of knowledge, ideas, capabilities and resources that the private sector has to offer. The BPP will achieve this through creating scalable shared value partnerships that advance economic and social conditions in developing countries.

The BPP places DFAT in an enhanced role as partner – not purely as funder or contract administrator, though it also remains both of those things. DFAT, with its significant development expertise, adds value by creating the space to bring private sector actors into the development sphere, and opens up access to DFAT's networks and its deep knowledge of the business, political and regulatory environments, and development landscape.

Ensuring new partnerships are able to form quickly and effectively will be critical to the success of the BPP. DFAT does not view the BPP partnerships as an end in themselves – by adopting a partnership approach, DFAT aims to build long term relationships with all of its new partners. Hence DFAT intends that partnerships emerging from the BPP may endure beyond the financial arrangements of the BPP timeframe.

In order for partnerships to have the best possible chance of success, BPP partnerships should be grounded in the five key principles of diversity, equity, openness, mutual benefit and courage<sup>6</sup>.

Flexibility is important to the BPP, and the application process is designed to accommodate a variety of partnership models and harness the diverse knowledge, skills and resources that come from working across sectors and with non-traditional partners.

The formal structures and obligations under each partnership will be defined by what each member of the partnership (including DFAT) is contributing and receiving. For the particular BPP proposal, partners need to demonstrate mutual sharing of objectives, priorities and capabilities along with a clear vision for how DFAT's involvement and financial investment in the partnership can deliver greater results than could otherwise be achieved (this is often referred to as 'additionality'). Based on previous BPP partnerships, a successful BPP initiative is one which:

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<sup>6</sup> Based on the Partnership Brokers Association principles of effective partnerships: <http://partnershipbrokers.org/>.

- Enables BPP partners to develop a shared value initiative.
- Embeds this initiative in the core business of the partner/s.
- Demonstrates strong likelihood of achieving sustainable and measurable development impact.
- Is, or is highly likely to, be sustained and scaled (attracting additional investment).
- Results in a deeper and sustained partnership (including with DFAT).

Based on previous BPP partnerships, a successful BPP partnership addresses the following questions in their application and business plan:

- Is the partnership founded upon diversity, equity, openness, mutual benefit and courage?
- Are the partners and respective roles clearly identified: lead, implementing, investors, and others?
- Is a role envisaged for DFAT in the partnership other than as an investor?
- Do the partners have, and adhere to, strategies for responsible business?
- Is there a viable, sustainable model for continuing the partnership beyond the timeframe of the BPP?
- Is the model economically supported and are there sufficient incentives to maintain it?
- Is there a cohesive partnership, aligned around the principles of good partnership (relationships, roles & structures)?

## Social Impact

In keeping with the shared value approach, BPP initiatives are intended to create positive social impact whilst being commercially viable and sustainable. There are typically three key ways that firms can create shared value opportunities:

1. By reconceiving products and/or markets;
2. By redefining productivity in the value chain; and
3. By enabling local cluster development.

In explaining social impact your application should be as specific as possible about the different impacts for women and men.

### Reconceiving products or/and markets

By changing products and reconsidering how they operate in markets, firms can better serve existing markets, access new markets and lower costs. Social impact can then be derived through broadening access for low income consumers to goods and services which positively improve their lives. This may be achieved by making existing products more affordable to lower income consumers, and/or improving the quality and value of products and services.

**Criteria:** To what extent does the proposed initiative demonstrate innovation in reconceiving products/markets?

- Is a low-income market segment clearly identified?
- Does the initiative demonstrate impact on female and/or male low-income consumers at scale?
- Is the situation of female consumers and/or producers likely to be impacted positively and are key social and economic risks avoided?
- Can this impact be quantified and measured?

### Redefining productivity in the value chain

Through altering the way firms source materials and produce goods and services, they can improve the quality, quantity, cost, and reliability of production whilst simultaneously driving economic and social development and improved natural resource management within communities.

**Criteria:** To what extent does the proposed initiative demonstrate innovation in redefining productivity in the associated value chain?

- Are the 'poor' identified within the supply chain? To what extent is the particular situation of poor women identified?
- Does the BPP initiative demonstrate measurable impact on supply chain actors (women and men) at scale, within a 3-5 year timeframe?
- Will the initiative increase net income, reduce costs, employment opportunities, and/or welfare of female and/or male employees in the supply chain? How well are potential negative impacts for women and/or men, such as displacement from current employment or livelihoods, identified and mitigated?

### Enabling local cluster development

Shared value principles recognise that companies do not operate in a vacuum. Competitiveness is driven by access to reliable local suppliers, functioning physical infrastructure such as roads and telecommunications, access to staff, and broader business enabling environment factors such as an effective legal system. Companies can support their improved profitability through the development of this operating environment, which may in turn have broader benefits to the communities they will be engaged with.

**Criteria:** To what extent does the proposed initiative demonstrate the potential to enable the development of the wider industry cluster?

- Will the initiative include new local institutions, suppliers, downstream actors, communities, associations, or local government?
- Have measurable success factors been identified?
- Does the initiative demonstrate measurable impact on poor women and/or men?

## Gender Equality and Women's Empowerment<sup>7</sup>

Promoting women's rights and women's empowerment is 'smart economics'. When women are fully involved in economic development and their equal rights are promoted, countries become more equitable and prosperous. Australia promotes gender equality and women's empowerment through its aid program, as well as through its foreign policy and economic diplomacy.

Consistent with DFAT's Gender Equality and Women's Empowerment Strategy (February 2016)<sup>8</sup>, BPP initiatives are encouraged to impact gender equality positively by promoting women's economic empowerment; enhancing women's voice in decision-making, leadership and peace-building and/or ending violence against women and girls.

To answer this criteria include analysis of the gender dynamics i.e. the specific experiences of women and men, and how these will be impacted by the initiative. Start by identifying how the initiative will impact women as consumers, producers/business owners and/or employees. Then analyse the current situation and how the initiative is expected to impact on women's income and employment, as well as decision-making about that income, time use and sharing unpaid workload, skills development, occupational health and safety, safety from violence, and decision-making authority as a manager or business owner.

- For examples and more information refer to the BPP Gender Literature Review and BPP Gender Guidance. Email [applications@thebpp.com.au](mailto:applications@thebpp.com.au) for copies of the BPP Gender Literature Review and BPP Gender Guidance.

**Criteria:** In demonstrating positive impact on gender equality and women's empowerment how does the initiative:

1. Demonstrate that gender dynamics, and the specific concerns and interests of women to be affected by the initiative have been assessed and taken into account in the initiative design?
2. Seek to promote women's empowerment? Does this go beyond an increase in women's or household income and workforce participation?
3. Monitor and address potential negative impacts for women, such as increasing women's workload and their exposure to gender-based violence?

## Commercial Viability

Commercial viability is a key consideration for any shared value initiative as it is a core indicator of sustainability. The BPP considers the commercial viability of the initiative, as well as the value for money (VFM) it presents to DFAT.

### Commercial viability of the BPP initiative

The competitiveness of a firm and the health of the communities around it are closely intertwined, and a growing number of firms are creating shared value by reconceiving the intersection between society and corporate performance. They are using profits that involve social purpose to enable society to advance more rapidly while allowing their firms to grow. The BPP fully recognises that firms have to expend resources to pilot and adopt shared value practices. Commercial viability is an indicator of the sustainability of the initiative and also of the degree to

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<sup>7</sup> <http://dfat.gov.au/aid/topics/investment-priorities/gender-equality-empowering-women-girls/Pages/gender-equality-empowering-women-girls.aspx>

<sup>8</sup> <http://dfat.gov.au/news/news/Pages/gender-equality-and-womens-empowerment-strategy.aspx>

which the initiative – and shared value principles – is likely to become a core component of the business model of the partners involved (rather than a stand-alone initiative). It also indicates the likelihood that partners will not only maintain, but also have the potential to adapt and scale-up the activities. BPP partners therefore need to articulate clearly how their inclusion of shared value practices will lead to improved sustainable growth, viability, competitive advantage and profitability.

**Criteria:** to what extent does the initiative demonstrate commercial viability?

- Does the initiative demonstrate a clear and viable pathway towards commercial viability in a realistic timeframe (3-5 years), with clear incentives for all partners including any intended continued roles for NGOs/NFPs (i.e., not donor funded, but funded through revenues)?
- Has a market assessment been conducted and are the market, trends and forecasts identified and described?
- Is the initiative expected to strengthen the commercial (lead) partner/s position and/or competitiveness (through break-even analysis and other financial metrics) in a realistic timeframe (3-5 years)?

### Value for Money

Achieving value for money is a critical consideration for the achievement of DFAT’s strategic objectives<sup>9</sup>. It is a requirement under the Public Governance, Performance and Accountability Act (2013) and the Commonwealth Procurement Rules. Building on these requirements, DFAT has developed eight *Value for Money Principles* to guide its decision making and maximise the impact of its investments. We expect all our partners to be aware of these principles as follows:

Economy	Efficiency	Effectiveness	Ethics
<ul style="list-style-type: none"> <li>• Cost consciousness</li> <li>• Encouraging competition</li> </ul>	<ul style="list-style-type: none"> <li>• Evidence based decision making</li> <li>• Proportionality</li> </ul>	<ul style="list-style-type: none"> <li>• Performance and Risk Management</li> <li>• Results Focus</li> <li>• Experimentation and innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Accountability and transparency</li> </ul>

Achieving Value for Money for the BPP means:

### Leverage

Attracting additional investment from partners through real and measurable contributions (at least 50 per cent of initiative costs); and

### Additionality

Using DFAT resources to generate measurable development impact through BPP partnerships which would not have otherwise occurred.

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<sup>9</sup> For more information on VFM Principles see: <http://dfat.gov.au/aid/who-we-work-with/value-for-money-principles/Pages/value-for-money-principles.aspx>

**Criteria:** To what extent does the partnership demonstrate value for money for DFAT?

- Is there significant (minimum of 1:1) leverage through contributions from the BPP partner/s against DFAT’s contribution?
- Does the proposal articulate the need for DFAT funding to catalyse business investment, e.g. Budget, Collaborative Financial Agreement and Work plan Guidelines.

Budget and work plan templates are part of the application form on SmartyGrants. At a minimum, 50 per cent of costs should be met by the partner/s. The budget estimates should be as accurate as possible for each of the activities set out in the work plan, and it should be clear about partner/s’ respective areas of investment. There are several parameters that BPP partners need to be aware of:

- Payments will be linked to output-based or outcome-based milestones related to agreed activities and results.
- Milestones and their means of verification will be included in each Collaborative Financial Agreement.
- Payment will be made upon receipt and acceptance of financial and activity reports.

The partner(s) is to lead and fund the supported shared value activities as part of their core business. Accordingly, DFAT does not intend to subsidise transaction costs with target groups, i.e. consumers, suppliers, or use its funds towards activities that partners would have done anyway (additionality). Sustainability of activities beyond BPP funding is a core principle, therefore, partners’ current day to day operational and core recurrent expenses central to continuing the shared value activity beyond the BPP timeframe, will not be funded.

The BPP will co-invest in items and activities that help the partner to do something they would not have done as a part of their core business. The following table outlines examples of items that DFAT may contribute towards, and those that DFAT is unable to fund.

Generally Acceptable	Possible Funding	Unable to Fund
<ul style="list-style-type: none"> <li>• Attributable technical specialist support</li> <li>• Related staff salaries (relating to development &amp; start up)</li> <li>• Related vehicle expenses</li> <li>• Related training costs</li> </ul>	<ul style="list-style-type: none"> <li>• Physical assets, e.g., machinery or infrastructure</li> <li>• Recurring operational and working capital costs of partner, including personnel</li> <li>• Audits</li> <li>• Related equipment and supplies (printer, laptop, camera, motorbike)</li> <li>• Telephone and IT for BPP use only</li> <li>• Office supplies and equipment</li> <li>• Office rental, maintenance, electricity, water and printing</li> </ul>	<ul style="list-style-type: none"> <li>• Management fees</li> <li>• Free/discounted samples</li> <li>• Inputs manufactured by the partner (e.g. for use on demo plots)</li> <li>• Fundraising</li> <li>• Advocacy (unless specific to the BPP objective then should be attributable)</li> <li>• Marketing and communications (unless specific to the BPP initiative then should be attributable)</li> <li>• Retroactive expenses: i.e. costs incurred prior to the effective funding start date of the contract</li> <li>• Taxes and import duties applied by governments and public authorities</li> </ul>

**Note: the above is a guide only. Items for funding will be subject to final contract negotiations.**



**Note: The BPP is unable to provide funding for taxation purposes. Any taxation requirements are the responsibility of the lead partner and cannot be paid for with grant funding from the BPP or the approved partner contribution. Should any new or changed taxation requirements be applied to the initiative during the BPP funding period, the lead partner is responsible for payment and BPP or partner contribution funds cannot be used. It is recommended applicants seek legal and/or financial advice, including on eligibility for tax exemptions, before applying to the BPP – India Window.**

**Partner In-kind Contributions**

BPP will recognise in-kind contributions at ‘fair market value’, defined as the agreed-upon price, normally expected to pay in the given environment. Partners are expected to include with their budget a plan outlining partner contributions in the form of cash and/or in-kind support. In the plan, partners will identify only confirmed partner contributions.

Generally Acceptable	Unlikely to be Acceptable
<ul style="list-style-type: none"> <li>• Volunteer hours</li> <li>• Equipment, materials and supplies</li> <li>• Legal assistance</li> <li>• Overhead/administration costs (maximum 5%)</li> <li>• Salaries</li> <li>• Professional and technical services</li> <li>• Travel and subsistence costs</li> <li>• Technology</li> <li>• M&amp;E including dissemination of data/information</li> <li>• Office and work-space</li> </ul>	<ul style="list-style-type: none"> <li>• Costs (or other) non-related to the BPP initiative</li> <li>• Costs (or other) currently funded by the partner or other donors</li> <li>• Any non-preapproved/agreed costs</li> <li>• Other DFAT funding</li> </ul>

*Note: the above is a guide only. Funding will be subject to final contract negotiations*

## Other factors to consider when applying

### Managing Risk

DFAT undertakes a range of risk management measures as well as the application of safeguards for all of its aid investments. Proposed BPP initiatives, and associated partners, will need to comply with these policies in order to be eligible for the BPP. For more information visit the [DFAT website](#).

BPP initiatives specifically related to *reproductive health and family planning* will need to comply with the [Family Planning and the Aid Program: Guiding Principles](#).

### Disability inclusive Development

Disability inclusive development is a priority for the Australian Government. Applicants are encouraged to demonstrate how their proposal promotes an improved quality of life for people with disabilities in partner countries. Further information on disability inclusion can be found on the [DFAT website](#).



*BPP Round 1 partner Digicel is providing access to affordable and reliable solar energy solutions to off-grid households and small businesses in PNG.*



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[www.dfat.gov.au/bpp](http://www.dfat.gov.au/bpp)