E-COMMERCE AID FOR TRADE FUND

Information and FAQs – Round 1

WHAT IS THE E-COMMERCE AID FOR TRADE FUND?

The E-commerce Aid for Trade Fund is a $4.5 million program to help developing countries in the Indo-Pacific maximise the benefits of digital trade by increasing their e-commerce capabilities.

Digital trade is an increasingly important way for the Indo-Pacific region to connect and do business with the rest of the world. The rise of disruptive technologies, the rapid digitalisation of trade, and the growth of e-commerce all offer significant opportunities for economic development and prosperity for our region. However, this potential can only be realised through the development of an effective digital trade-enabling environment.

This Fund seeks to provide organisations and governments across the Indo-Pacific with support to address barriers to e-commerce, build greater e-commerce capabilities and leverage digital trade opportunities. By helping developing countries get the most out of digital trade, the Fund builds on the Australian Government's ongoing commitment to help boost the economic development of the Indo-Pacific.

DFAT's Innovation Resource Facility (IRF), managed by DT Global Holdings Pty Ltd (DT Global), is supporting the implementation of the Fund.

WHAT SORT OF PROJECTS AND ORGANISATIONS WILL BE ELIGIBLE?

Eligible projects

As an aid for trade initiative, the Fund will prioritise projects that build productive capacity, support effective trade policy and regulation, or develop economic infrastructure in the e-commerce sector. Eligible activities include (but are not limited to):

a. technical support to help strengthen the local enabling environment and regulatory framework;
b. capacity building to support governments and/or the private sector to leverage digital trade opportunities;
c. tailored training sessions, seminars, or workshops to help develop practical solutions to identified capability needs; and
d. micro-infrastructure to support marginalised groups increase their engagement in digital trade.

Eligible countries

The Fund's first round is aimed at developing countries in the ASEAN region. Eligible countries for Round 1 are Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand and Vietnam. Applications that propose working in multiple eligible countries will also be considered.

Eligible organisations

Grants are open to both public and private sector organisations. Applicant organisations may be governments, businesses, chambers of commerce and other representative bodies, consortiums, cooperatives, investors, multilateral organisations, NFPs, NGOs, social enterprises or universities.

Applicant organisations do not need to originate from any specific country (including Australia). However, they must be able to operate effectively in the country or countries where the proposed initiative would be implemented.

More than one organisation may be involved in a single, joint application.

Eligible applications

Each application must specify a single organisation as a Lead Partner who will take ownership of the initiative and be the main point of contact with DFAT if the proposal is successful. The Lead Partner will enter into a Grant Agreement with DT Global, on behalf of DFAT. The Lead Partner will receive and administer the DFAT grant.

Applicants must provide details of all organisations participating in the proposed initiative. This includes:

a. other partners - organisations who are visibly and materially involved in delivering the initiative; and
b. investors – other non-implementing organisations that have already committed funds to invest in the initiative.

For consortium applications, applicants are encouraged to attach to their application a Memorandum of Understanding or similar document that exists between partners. DFAT reserves the right to reassess the application, if, following submission, the membership of a successful consortium changes, including withdrawing partner organisations.

Note: it is strongly recommended that applicants include a letter of support from a relevant government agency or private sector representative organisation to reinforce the value of their proposal.

Due diligence requirements

Applications must be made by established organisations that meet (or are able to meet) the requirements of DFAT's due diligence process, including:

a. registration with a business or other recognised registration/accreditation body;
b. established financial history;
c. not listed on World Bank, Asian Development Bank or Australian Government sanctions lists; and
d. other background criminal and reputational checks, including demonstrable capability to deliver the proposed initiative.

Please see DFAT's Due Diligence Framework for further information.

All grant recipients must also abide by DFAT's Preventing Sexual Exploitation, Abuse and Harassment (PSEAH) Policy.

Further questions

Prospective applicants uncertain about whether their proposal meets the eligibility criteria above are welcome to contact irf@dt-global.com to request a brief, preliminary consultation. Applicants are encouraged to submit their questions before commencing work on their Concept Note (see below).

WHAT SUPPORT CAN THE FUND PROVIDE?

Funding

Grants of up to AUD500,000 are available per project. Although not required, co-contributions from applicants will be favourably considered but must be accounted for and acquitted separately to DFAT grant funds. Funding is only available for specific e-commerce projects; grants will not be issued for core funding or pooled funding.

As the Fund is an aid program, only Official Development Assistance (ODA) eligible costs can be covered by grant funding. Please refer to the OECD's ODA guidelines for further information.

Applicant co-contributions

Co-contributions pledged by the applicants may be either cash or a combination of cash and eligible in-kind contributions.

Co-contributions from applicant organisations must be specific to the proposed initiative and must not be part of a broader contribution to an activity the organisation(s) are already undertaking.

Period of funding

Proposed initiatives may be funded for up to one year, subject to continued satisfactory progress of the initiative. Applicants must specify an implementation period (and contract period) of up to one year in their application.

The implementation period nominated by the applicant for Round 1 must be between *1 December 2019* and no later than *31 March 2021*.

Taxation

Please note the Fund is unable to provide funding for international taxation purposes. Any taxation requirements are the responsibility of the Lead Partner and cannot be paid for with grant funding from the Fund or the approved partner contribution. Should any new or changed taxation requirements be applied to the initiative during the funding period, the Lead Partner is responsible for payment and the Fund 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 Fund.

For eligible organisations registered in Australia for tax purposes, including NGOs and NFPs, Australian GST is payable by the Fund/DFAT *in addition* to the grant funding awarded.

How will the funding work?

Grants will be paid in tranches, with each tranche size decided on a case-by-case basis. Payment of tranches will be subject to the grant recipient submitting a valid invoice and providing an acquittal statement of the previous tranche, if applicable. Tranche payments may also be tied to the achievement of specific milestones, depending on the activity and Grant Agreement negotiated with each recipient.

Grant funding will be issued under a Grant Agreement with DT Global, the managing contractor of the IRF. The IRF will provide day-to-day project management support for the Fund's projects.

WHAT ARE THE SELECTION CRITERIA?

Applicants must demonstrate their proposal addresses the five selection criteria outlined below. While applications that meet all five criteria will be prioritised, applications that strongly meet most – but not all – criteria may be considered.

Viability

How feasible and sustainable is the initiative? Questions to consider are:

a. does the initiative align with relevant country/ASEAN regional digital trade priorities, including but not limited to Rapid eTrade Readiness Assessments and Diagnostic Trade Integration Studies?
b. is the initiative expected to strengthen the e-commerce capacity of relevant communities in a realistic timeframe (1-3 years)?
c. is the initiative demonstrably demand-driven, fit-for-purpose and does it avoid duplication?
d. will the initiative be trustworthy and secure?
e. does the initiative include an effective monitoring and evaluation framework?

Value for money

Does the initiative demonstrate economy, efficiency, effectiveness and ethics? Questions to consider are:

a. does the initiative demonstrate cost consciousness and encourage competition? (economy)
b. does the initiative demonstrate evidence-based decision-making and proportionality? (efficiency)
c. does the initiative demonstrate performance and risk management, a results focus, experimentation and innovation? (effectiveness)
d. does the initiative demonstrate strong accountability and transparency? (ethics)

(Please see DFAT's Value for Money principles for further information).

Private sector engagement

Does the initiative meet the needs of the private sector? Questions to consider are:

a. is the private sector involved, or has it been consulted, in the development of the proposal to ensure the initiative meets the needs of the local business community?
b. how will the initiative engage with the private sector during the implementation of the initiative?

Inclusive access and adoption

Will the initiative positively impact a wide variety of groups? Questions to consider are:

a. does the initiative identify risks for vulnerable, marginalised or disadvantaged groups and seek to mitigate against them?
b. does the initiative proactively identify opportunities and propose effective strategies to narrow access gaps and address disadvantage?
c. does the initiative demonstrate capacity to support SMEs and low-income markets?

Gender equality

Does the initiative appropriately address gender equality concerns? Questions to consider are:

a. does the initiative account for relevant gender inequalities, including but not limited to the digital gender divide? How will these be addressed?
b. does the initiative support women's empowerment, including but not limited to participation in digital technology industries as employees, leaders or entrepreneurs? How?
c. does the initiative monitor and address potential vulnerabilities and/or benefits for women, such as the risk of increasing women's workload, online safety or reducing gender-based violence?

HOW WILL THE APPLICATION AND SELECTION PROCESSES WORK?

Application period

Round 1 will be open from *31 July – 1 September 2019*.

Concept note (CN) submission and selection

Interested applicants are asked to complete a CN via the DFAT SmartyGrants website, which outlines the basic details of the proposed initiative. The form is brief (requiring around three pages of text) and should take the applicant only a few hours to complete.

Once an application is received, the IRF will conduct a due diligence assessment and evaluate each CN against the selection criteria and for completeness. The IRF may also assist in strengthening a CN, as appropriate.

After the application period closes, CNs will be shortlisted by the IRF and DFAT in accordance with the selection criteria, fund objectives and other requirements. All applicants will be informed of the outcome of their submission by *30 September 2019*.

Proposal submission and selection

Applicants who successfully pass the CN stage will be invited to submit a full proposal (approximately five pages of text) along with a detailed budget and work plan between *October – November 2019*. The IRF can provide support to applicants during this stage to ensure proposals are appropriately developed.

Please note the IRF will also conduct a detailed due diligence assessment of applicant organisations at this time.

DFAT and the IRF will again evaluate each proposal against the selection criteria, fund objectives and other requirements, and work iteratively with applicants if further clarification is needed. A final funding decision for each proposal will be made by *30 November 2019*.

Successful applicants will enter into a Grant Agreement with DT Global, on behalf of DFAT.

Feedback

Please note feedback for unsuccessful CNs or proposals may be provided upon request.

Note: All application data will be kept in the strictest confidence. All DFAT officers and IRF personnel who review applications are bound by confidentiality/non-disclosure arrangements.

WHAT WILL GRANT RECIPIENTS NEED TO DO THROUGHOUT THE LIFE OF THE GRANT?

Successful applicants will have a number of critical obligations outlined within their Grant Agreement. These will include:

a. effectively implementing the initiative;
b. delivering the initiative within the agreed timeframe;
c. promptly advising if there are any problems with or delays in the initiative's implementation;
d. maintaining detailed financial records, including copies of all receipts and invoices;
e. providing regular financial expenditure reports and acquittals of funding tranches;
f. undertaking basic monitoring and evaluation of progress and outcomes;
g. reporting progress (please note frequency and content will be negotiated with each recipient, depending on the size and nature of the grant); and
h. developing 'knowledge products' such as case studies and human interest stories that communicate key achievements, impact and lessons learned.