

Order of the Minister for Foreign Trade and Development Cooperation of 19 February 2021, Min-BuZa. 2021.6562-18, laying down administrative rules and a ceiling for grants awarded under the Ministry of Foreign Affairs Grant Regulations 2006 (Orange Corners Innovation Fund Grant Programme)

The Minister for Foreign Trade and Development Cooperation;

Having regard to articles 6 and 7 of the Ministry of Foreign Affairs Grants Decree;

Having regard to articles 5.1 and 7.2 of the Ministry of Foreign Affairs Grant Regulations 2006;

Orders as follows:

#### **Article 1**

The administrative rules appended as an annexe to this Order apply to grants awarded under articles 5.1 and 7.2 of the Ministry of Foreign Affairs Grant Regulations 2006 with a view to enhancing access to finance for young entrepreneurs who provide innovative, sustainable solutions to challenges in Africa and the Middle East in the framework of the Orange Corners Innovation Fund (OCIF) Grant Programme, from the date on which this Order enters into force up to and including 31 December 2025.

#### **Article 2**

1. Grant applications under the Orange Corners Innovation Fund Grant Programme may be submitted in several different rounds.
2. Applications for grants in the first round of the Orange Corners Innovation Fund Grant Programme should focus on the target locations Côte d'Ivoire, Iraq-Baghdad, Iraq-Erbil, Morocco, Mozambique and Nigeria, and must be submitted between 15 April 2021 and 12.00 noon CEST on 28 April 2021.
3. Applications for grants in the second round of the Orange Corners Innovation Fund Grant Programme should focus on the target locations Ghana, Senegal and Sudan, and must be submitted between 8 July 2021 and 12.00 noon CEST on 19 July 2021.
4. Grant applications under the Orange Corners Innovation Fund Grant Programme must be submitted using the application form made available by the Minister and must be accompanied by the documents stipulated in that form.<sup>1</sup>

#### **Article 3**

1. A grant ceiling of €12,600,000 applies to Orange Corners Innovation Fund grants awarded from the date on which this Order enters into force up to and including 31 December 2025. Of this amount, €1,400,000 is available for activities in each of the following target locations: Côte d'Ivoire, Ghana, Iraq-Baghdad, Iraq-Erbil, Morocco, Mozambique, Nigeria, Senegal and Sudan.
2. Any residual funds remaining after the first round will be made proportionately available for activities in the target locations for the second round.

#### **Article 4**

The available funds referred to in article 3, paragraph 1 will be allocated in accordance with an assessment based on the criteria set out in the annexe to this Order, on the understanding that, of the applications that meet the criteria, those that meet them best will be given priority.

#### **Article 5**

This Order enters into force on the day after the date of the Government Gazette in which it appears and lapses with effect from 1 January 2026, with the proviso that it continues to apply to grants awarded prior to that time.

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<sup>1</sup> [english.rvo.nl/ocif](https://english.rvo.nl/ocif)

This Order and its accompanying annexe, including the appendix, will be published in the Government Gazette.

B.M. Tazelaar  
Deputy Director-General for International Cooperation  
for the Minister for Foreign Trade and Development Cooperation

## Annexe

### 1. Background

In 2015, the member states of the United Nations formulated 17 Global Goals for sustainable development (SDGs),<sup>2</sup> which are meant to put an end to extreme poverty, inequality, injustice and climate change worldwide. Developing countries in particular face enormous challenges in achieving sustainable development. To speed up the attainment of the SDGs, new business models, products and services with a greater impact are needed. Technology and innovation have a major role to play in this process, as driving forces of systemic change.

To help accelerate sustainable economic development, the Netherlands encourages private sector innovation, especially by startups and small and medium-sized enterprises (SMEs) in the Netherlands and in developing countries. Innovation is a policy priority for the Minister for Foreign Trade and Development Cooperation (hereafter: the Minister).<sup>3</sup> It is the private sector above all that has the innovative capacity to devise practical solutions to challenges related to achievement of the SDGs, which thus present an opportunity for developing new revenue models at the same time.

Startups in Africa and the Middle East need support in terms of both knowledge and finance to develop and scale up innovations. Especially in the pre-commercial phase of the innovation process (ideation, research and development, and proof of concept), in which an idea is tested and a prototype developed, only limited funding is available. In this phase it is often impossible for entrepreneurs in developing countries to attract the capital they need on the market, due to the unattractive risk profile and the consequent high interest rates charged for loans from local banks. Companies must be supported so as to bridge this pioneer gap and enable them to grow.

The Orange Corners Innovation Fund (OCIF) Grant Programme has been launched to supplement the Orange Corners incubation and acceleration programmes,<sup>4</sup> which give young entrepreneurs access to training, networks and facilities to launch their business or scale it up.

OCIF focuses on supporting startups in the initial phase, particularly those enrolled in the Orange Corners incubation or acceleration programme. This will make it possible to provide support for their capacity and knowledge building where necessary as well. OCIF will tailor its support to the specific wishes and needs of startups in each of the target locations.

The funding made available through OCIF will be awarded as grants to fund managers, who will use them to establish a fund to provide startups with financial support and support for capacity and knowledge building.

### 2. Implementing organisation

The Minister has mandated the Netherlands Enterprise Agency, an agency of the Ministry of Economic Affairs and Climate Policy, to implement OCIF.

### 3. Glossary

The following definitions are used in this grant programme:

- *Applicant*: the legal person applying for a grant.
- *Target location*: one of the foreign countries or cities for which OCIF grant funding is available.
- *Fund manager*: the organisation that uses an OCIF grant to establish a fund that supports activities that serve OCIF's purpose and meet its criteria.
- *Ideation*: the phase in which a startup further refines its initial, rough business model.
- *Local company*: a company in the country where the activities for which a grant has been awarded will be carried out.

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<sup>2</sup> <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

<sup>3</sup> <https://www.government.nl/documents/policy-notes/2018/05/18/investing-in-global-prospects>

<sup>4</sup> <https://orangecorners.com>

- *Minister*: the Minister for Foreign Trade and Development Cooperation.
- *Non-governmental organisation (NGO)*: a not-for-profit organisation, registered as such, not connected to a public authority either de facto or under its constitution, which serves a public interest and possesses legal personality under civil law in the country where it has its registered office, and which either was not established by a public authority or has become fully autonomous from the public authority that established it.
- *Company*: a legal person other than an NGO that carries out economic activities, i.e. that offers goods or services in an economic market, regardless of the way it is financed.
- *Proof of concept*: evidence provided by an entrepreneur of the market potential of their product or service, in the form of market tests.
- *Pioneer gap*: a break in continuity in the early stages of a company's growth, when many investors do not consider the company's activities suitable for investment.
- *Startups*: unlisted companies that have existed for less than five years and are conducting innovative business activities. These include firms developing or delivering innovative products or services aimed at helping to achieve the SDGs in one of the locations targeted by OCIF.
- *Grant recipient*: a fund manager to which a grant has been awarded.
- *Theory of change*: a document that defines all the building blocks that, taken together, are required to reach a given long-term goal. It presents the underlying analysis, assumptions, preconditions and intended results – outputs, outcomes and impact – in a logical manner. The theory of change serves as a basis for defining interventions at each step of the process, and makes clear what role each of the stakeholders plays. The change process is based on assumptions. The theory of change indicates what outcome the chosen strategy leads to and how this contributes to achieving the objective of the programme in question.
- *Assessment framework*: the policy, processes and procedures used by the fund manager for its startup-related activities, including the system it uses to make an objective selection of the startups to be supported.

#### **4. Orange Corners Innovation Fund (OCIF) Grant Programme**

##### *4.1 Purpose*

In the framework of the OCIF Grant Programme, funds are available for activities by fund managers aimed at achieving the following objectives:

1. Providing incentives to entrepreneurs in the target locations to use innovative solutions to local challenges in order to achieve business success.
2. Offering economic prospects to entrepreneurs, particularly young entrepreneurs.
3. In the middle and long term, contributing to the development of the private sector and to a better business climate in the target locations.
4. Combating unemployment, particularly among young people, and promoting economic growth by providing incentives to and facilitating startups with innovative and disruptive ideas, by means of early-phase funding and capacity building.

OCIF grants are intended for activities in the target locations Côte d'Ivoire, Ghana, Iraq-Baghdad, Iraq-Erbil, Morocco, Mozambique, Nigeria, Senegal and Sudan.

##### *4.2 Target group*

OCIF's ultimate target group is startups with an innovative business plan that are taking part (or have taken part) in an Orange Corners incubation or acceleration programme (incubatees) in one of the target locations. All activities supported by OCIF should contribute to improving the local business climate.

##### *4.3 Parties that may be eligible for a grant*

Local companies and local NGOs may be eligible for an OCIF grant, provided they have legal personality and are legally authorised by the appropriate financial authority in the target location to make interest-bearing loans.

The applicant must have experience with managing an investment fund. It should meet all the necessary administrative and regulatory requirements, and have experience with impact management and impact assessment.

The applicant must be capable of proper financial management and its expertise must ensure effective and efficient implementation of the activities for which grant funding is sought.

The applicant must demonstrate that it has an integrity policy and procedures for implementing that policy. This integrity policy and these procedures should prevent as much as possible any sexual misconduct and other serious forms of inappropriate behaviour towards employees and other individuals during the implementation of the proposed activities by the applicant and any other parties they involve in the activities, and in the event of such incidents, to investigate and take appropriate measures to put an end as promptly as possible to the misconduct or inappropriate behaviour and mitigate the consequences. These procedures must be structured in a way that guarantees prompt reporting of any such incidents to the Netherlands Enterprise Agency.

With regard to the selection of the OCIF grant recipient in Morocco, the Moroccan authorities (specifically the Moroccan Ministry of Foreign Affairs) will be informed of the organisation's name, OCIF's objectives and the duration of the project for which the grant is awarded.

#### *4.4 Recommendation*

Before a grant application can be submitted, the applicant must request a recommendation based on a screening tool<sup>5</sup> submitted for this purpose. The recommendation is issued by a Netherlands Enterprise Agency adviser and is non-binding; it is up to the potential applicant to decide whether or not to submit an application.

Please note: As a request for a recommendation takes about two weeks to process, requests submitted less than two weeks before the application deadline for a round will be rejected. This also means that no grant application may be submitted after that time.

#### *4.5 Eligible activities*

OCIF is intended for all necessary activities that are directly related to the proper implementation and management of a fund by a fund manager (fund activities) - Track I and Track II activities - in accordance with an assessment framework elaborated by the fund manager. Appendix 1 to this grant policy framework forms the basis of the assessment framework.

Track I activities support participants in an Orange Corners incubation or acceleration programme (incubatees) in starting up and building a company. Funding can, for instance, be provided for registering a company, developing new products and services, engaging consultants and other means necessary to building innovative, sustainable companies. In the course of Track I support may also be provided to help a company prepare for selection for Track II. Track I has the same duration as the incubation or acceleration programme in the target location (an average of six months).

Track II activities involve additional support to the most promising companies, which are selected during one or more selection days. These companies can access more capital, disbursed in several tranches, conditional on meeting key performance indicators (KPIs). KPIs are variables used to analyse company performance. The capital can consist of a loan (which may or may not be interest-bearing) and/or a grant, depending on the local situation. Non-financial support (technical assistance) may also be provided to entrepreneurs, for example in the form of an expert on capacity building. Track II has a duration of 12 to 18 months.

Examples of fund activities include:

- Guiding and preparing entrepreneurs in Track I for the selection process for Track II.
- Capacity building for entrepreneurs in Track II.
- Strengthening partnerships with financial institutions.

Activities which already receive grant funding or a contribution directly from the Ministry of Foreign Affairs budget or from another government body budget are not eligible for a grant.

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<sup>5</sup> [english.rvo.nl/ocif](https://english.rvo.nl/ocif)

#### 4.6 Duration of activities

The activities for which a grant is requested must have a minimum duration of two years and must be completed by 31 December 2025 at the latest. The activities must start within three months of the grant award.

#### 4.7 Size of the grant

For each application the minimum grant amount is €1,000,000 and the maximum is €1,400,000.

### 5 Eligible costs

In calculating the costs eligible for a grant, the following principles apply:

- only costs are eligible that the applicant cannot reasonably be expected to fund from their own resources or other sources, and that are necessary for the implementation of fund activities;
- only costs are eligible that are incurred after the application is submitted;
- no more than 15% of the total eligible costs may consist of fund management costs incurred entirely in coordinating the implementation of fund activities;
- internal costs (for hours spent) are eligible without mark-up;
- costs of materials and depreciation costs on investments related to the implementation of fund activities are eligible;
- costs of third-party services for which an external party is contracted and which are invoiced in arrears are eligible;
- costs will be compared with local standards and assessed for reasonableness.

The following costs are in any case not eligible for a grant:

- costs associated with developing, preparing or submitting the application;
- VAT;
- costs due to inflation and exchange rate fluctuations which are greater than 5% of the total eligible costs;
- costs of product development;
- costs of registering and maintaining intellectual property rights.

### 6. Application

#### 6.1 Requirements

Before an applicant can apply for an OCIF grant, the Netherlands Enterprise Agency must issue a recommendation as described in section 4.4.

Applications must be submitted using the form supplied for this purpose, which can be downloaded from the Netherlands Enterprise Agency website. The form must be accompanied by the documents specified in it, in the format prescribed by the Netherlands Enterprise Agency.

The application must in any event include:

- the reference number of the recommendation issued by the Netherlands Enterprise Agency;
- a fund plan including an assessment framework, which is in line with section 4 (except for section 4.4) and Appendix 1. The fund plan must not exceed 25 A4 pages (single spacing, Verdana 9 font);
- proof of legal authorisation to make interest-bearing loans in the target location;
- a budget, drawn up using the form available on the Netherlands Enterprise Agency website, including a liquidity forecast;
- annual accounts for year t-2 audited by an external auditor, and for year t-1, if no audited annual accounts are available yet, non-audited annual accounts;
- a theory of change, including a monitoring and assessment plan, in accordance with the guidelines on the Netherlands Enterprise Agency website;
- an RBC strategy<sup>6</sup> identifying RBC risks and measures to mitigate the main RBC risks, including those affecting the target group. If a number of specific RBC issues are still uncertain at the time the application is made, these should at least be addressed by a study that must be

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<sup>6</sup> RBC: responsible business conduct.

included in the fund plan.

The applicant must also declare that they are aware of and will comply with the OECD Guidelines,<sup>7</sup> and that they are aware of the exclusion list of the FMO, the Dutch development bank, and will not engage in any activities on that list.<sup>8</sup> In addition, the applicant must declare that they are aware of and endorse the IFC Performance Standards. The applicant must immediately notify the Netherlands Enterprise Agency of any facts or circumstances that indicate breaches of these guidelines.

#### *6.2 Remedy period*

With regard to the application procedure, particular attention is drawn to article 7, paragraph 3 of the Ministry of Foreign Affairs Grants Decree. If an incomplete application is submitted, the Minister may request a supplement in accordance with section 4:5 of the General Administrative Law Act. In this case, the date and time of receipt of the application will be the date and time on which the supplement was received; a supplement may not be submitted after the deadline for the submission of applications. Moreover, incomplete or insufficiently substantiated applications (in whole or in part) may be rejected on the grounds of failure to adequately satisfy the requirements and criteria.

When filling in the form, it is not sufficient to refer for the sake of brevity to other parts of the application, websites or annexes, unless the application form states that this is wholly or partly acceptable. Incomplete applications may be rejected.

### **7. Assessment of applications and allocation of resources**

The provisions of the General Administrative Law Act, the Ministry of Foreign Affairs Grants Decree and the Ministry of Foreign Affairs Grant Regulations 2006 are fully applicable to the assessment of applications and the award of grants under the OCIF grant programme. Applications will be assessed in accordance with the above legislation and pursuant to the requirements set out in this grant programme.

To be eligible for a grant, applications must satisfy the requirements above, especially those set out in sections 4 to 6. Only applications that meet these requirements will be substantively assessed on the basis of the criteria set out below. Applications must achieve a minimum score (at least 60 points) in order to be eligible for a grant. For each target location, the applicant that best meets the criteria will be given priority in the award of grants, followed by the applicant that is ranked second, and so on until the grant ceiling is exhausted.

The following criteria apply (the maximum number of points that can be awarded for each set of criteria is indicated in brackets):

#### Policy contribution and impact (20 points)

- a. The extent to which the activities help enhance the disruptive potential of the innovations and thus their impact in achieving the SDGs.
- b. The extent to which the activities align with the local policy priorities regarding private sector development of the Embassy of the Kingdom of the Netherlands accredited to the target location in question.
- c. The extent to which the activities will have positive results for the local target group, meet its needs, and enhance its knowledge and its access to finance.
- d. The extent to which the activities have added value compared with other, existing activities aimed at providing the local target group with access to finance.

#### Intervention strategy/action plan (25 points)

- a. The extent to which the intervention designed as part of the activities is based on sound and accurate contextual, stakeholder and problem analyses.

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<sup>7</sup> [www.oecd.org/corporate/mne](http://www.oecd.org/corporate/mne)

<sup>8</sup> [www.fmo.nl/exclusion-list](http://www.fmo.nl/exclusion-list)

- b. The extent to which the theory of change is directly linked to local issues and makes a logical connection between objectives, results and activities, and the likelihood that the intervention will result in the achievement of the project objectives.
- c. The extent to which the sustainability of capacity building can be ensured.
- d. The extent to which there is a sound plan for monitoring, measuring the effects of and learning from the activities.
- e. The extent to which there is a clear timetable of activities, and the extent to which clear, realistic and quantifiable results with verifiable milestones have been defined.
- f. The extent to which satisfactory risk management is in place, consisting of a satisfactory risk analysis and satisfactory measures for mitigation.
- g. The extent to which there is a clear action plan for coordination of and internal and external communication about the activities.
- h. The extent to which efforts are made to align with the activities of the local financial sector and the extent to which there is a sound plan for knowledge exchange with that sector.
- i. The extent to which a clear, sustainable, long-term business plan and vision are in place.

Elaboration of the relationship with the Orange Corners incubation and acceleration programmes (15 points)

- a. The extent to which efforts are made to align with the Orange Corners incubation and acceleration programmes.
- b. The extent to which additional technical assistance is provided to companies participating in the Orange Corners incubation and acceleration programmes.

Investment management (15 points)

- a. The extent to which the applicant has the following competences/experience:
  - fund management;
  - investing in startups;
  - impact management and measurement;
  - maintaining a relevant network;
  - understanding of the local situation;
  - demonstrable affinity with innovation and with investment in innovative companies;
  - a solid reputation as a fund manager;
  - the motivation needed to put together a proposal that has a major impact and a long-term outlook.

Financial (15 points)

- a. The extent to which the costs included in the budget are reasonable;
- b. The extent to which the impact of the activities, in qualitative and quantitative terms, outweigh the costs incurred.

RBC (10 points)

In addition to compliance with the OECD Guidelines, the applicant must demonstrate:

- a. The extent to which the activities will contribute to RBC and make a positive contribution to the environment, good working conditions and land and human rights;
- b. The extent to which the main RBC risks are identified and measures are formulated to mitigate these risks.

In aid of its assessment, the Netherlands Enterprise Agency may undertake action to verify any assumptions or statements made in the application. To this end, it may obtain the information needed to properly assess the quality of the application.

The Netherlands Enterprise Agency may also consult external experts during the substantive assessment procedure. The Embassies of the Kingdom of the Netherlands are always asked for their opinion with regard to the assessment of the 'policy contribution and impact' criterion, in particular the extent to which applications are aligned with the mission's policy and with the local situation.



## **8. Grounds for rejection**

In addition to the grounds for rejection set out in section 4:35 of the General Administrative Law Act, a grant application will be rejected if it does not satisfy the provisions of the OCIF Grant Programme or if the budget available is insufficient.

## **9. Supervision**

The Netherlands Enterprise Agency will carry out random checks to assess the proper use of grant funds, checking regularity and efficiency under the terms of the grant decision.

The Netherlands Enterprise Agency is required to report to the Ministry of Foreign Affairs using the International Aid Transparency Initiative.<sup>9</sup>

## **10. Obligations**

The grant decision will set out the obligations tied to the grant, including in any event an obligation to notify the Netherlands Enterprise Agency if the grant recipient cannot (or cannot fully) comply with the conditions of the grant and/or cannot (or cannot fully) carry out the activities for which the grant has been awarded. The grant decision will also include an obligation for the grant recipient and the primary supplier to not use child and/or forced labour<sup>10</sup> to implement the activities for which the grant application has been made or in any other activities. The applicant must also immediately notify the Netherlands Enterprise Agency of any facts or circumstances that would suggest these organisations are using child and/or forced labour.

The grant recipient must also arrange for annual audits to be carried out by an independent external auditor.

The grant decision may also require the applicant to ensure that the organisations or persons being worked with do not appear on EU or UN international sanctions lists,<sup>11</sup> as these are excluded from funding. In appropriate cases, this obligation will be formulated to ensure that the grant recipient must apply it to agreements with third parties.

## **11. Administrative burden**

A test based on a standard cost model has been carried out in the interests of accountability for the administrative burden that the applicant will face, from drafting and submitting the application to the management phase, the determining of the definitive grant amount, and any objection and review procedures. The calculation shows that the administrative burden expressed as a percentage of the total available grant budget is 2.2%.

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<sup>9</sup> <https://aiddata.rvo.nl>

<sup>10</sup> Any form of labour that the International Labour Organization seeks to prevent with the Forced Labour Convention, 1930 (no. 29), the Abolition of Forced Labour Convention, 1957 (No. 105) or the Minimum Age Convention, 1973 (No. 138).

<sup>11</sup> <https://www.government.nl/topics/international-sanctions/policy-international-sanctions>

## Appendix 1. Principles of fund activities

Fund activities should adhere to the following principles to ensure that entrepreneurs in each target location enjoy the same degree of support:

### Investing in solutions to society's problems

Local challenges present companies with opportunities to develop new business and revenue models while helping to achieve the SDGs in innovative ways. Startups selected by the fund manager must make a contribution to achieving the SDGs by means of their innovative product(s) and/or service(s).

### Distribution of activities

In all target locations, funds will be used to support a combination of Track I and Track II activities through direct finance, guidance and technical assistance, and activities to be implemented by the fund manager. The distribution of funding over activities will be as follows: at least 60% for directly financed activities (Track I and Track II), 10% or more for guidance and technical assistance, and up to 15% for activities to be implemented by the fund manager.

Direct finance will be divided between Track I activities (up to 50%) and Track II activities (50% or more).

### Scope of funding

The scope of funding for each target location for Track I and Track II activities, respectively, is as follows:

#### *Track I*

Target location	Amount per incubatee	Grant component	Monthly allowance	Financial resources
Ghana	≤ €5,000	100%	≤40%	≥60%
Iraq-Baghdad	≤ €5,000	100%	≤40%	≥60%
Iraq-Erbil	≤ €5,000	100%	≤40%	≥60%
Côte d'Ivoire	≤ €5,000	100%	≤40%	≥60%
Morocco	≤ €5,000	100%	≤40%	≥60%
Mozambique	≤ €5,000	100%	≤40%	≥60%
Nigeria	≤ €5,000	100%	≤40%	≥60%
Senegal	≤ €5,000	100%	≤40%	≥60%
Sudan	≤ €5,000	100%	≤40%	≥60%

#### *Track II*

Target location	Amount per entrepreneur	Loan component	Grant component	Interest rate
Ghana	≤ €50,000	≥50% ≤70%	≥30% ≤50%	≤5%
Iraq-Baghdad	≤ €50,000	≥30% ≤50%	≥50% ≤70%	≤8%
Iraq-Erbil	≤ €50,000	≥30% ≤50%	≥50% ≤70%	≤8%
Côte d'Ivoire	≤ €50,000	≥10% ≤50%	≥50% ≤90%	≤15%
Morocco	≤ €50,000	≥10% ≤30%	≥70% ≤90%	≤8%
Mozambique	≤ €50,000	≥10% ≤40%	≥60% ≤90%	≤8%
Nigeria	≤ €50,000	≥10% ≤50%	≥50% ≤90%	≤8%
Senegal	≤ €50,000	≥10% ≤40%	≥60% ≤90%	≤8%
Sudan	≤ €50,000	≥10% ≤30%	≥70% ≤90%	≤15%