

FDW III 2nd Round Lessons Learnt Seminar

Question and Answer Sessions & Panel Advice FDW Synergies

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Introduction

This document summaries the question and answer sessions and panel advice FDW synergies session during the 3rd October 2017 FDW III 2nd round lessons learnt seminar. This was held on the 3rd of October 2017 in NH hotel Den Haag.

The structure of this document follows the following format;

Q: Provides a summary of the question asked by a participant.

A: Provides the answer to the questions from RVO and the Ministry of Foreign Affairs (MoFA).

Disclaimer

These questions and answers are only intended to provide general information on the FDW facility. No rights can be derived from this document. In the event of any discrepancy between this information and the policies and provisions laid down in the publication of the FDW Facility in the Government Gazette ('Staatscourant Nr. 55384, 29 September 2017'), or the administrative decision ('beschikking'), the Government Gazette prevails.

Introduction Policy Rules Q&A

- **Q1:** Vouchers deadline (8 Dec) same as Concept Note (CN) deadline. Very short window. If CN submitted 8 December, no time to incorporate the recommendations of the CN in the voucher application.
 - **A1:** Correct, so submit as soon as possible. Vouchers are only available with a positive advice on the CN.
- **Q2:** What is the funding amount and own contribution?
 - **A2:** A maximum of 3 million subsidy per project. Minimum own contribution is 40% for WASH and Water Efficiency and 30% Safe Deltas. Minimum subsidy amount €500,000.
- **Q3:** 60% will be financed. Is that the same for all themes?
 - **A3:** Correct, except for safe Deltas which has is 70%. You can always request for less subsidy which will be positively assessed.
- **Q4:** Budget allocation: a lot spent on WASH projects. Will new WASH proposals in the new round be treated more critically?
 - **A4:** WASH is not excluded. Good proposals are assessed equally, but we look forward to receiving proposals on the other themes as well.
- **Q5:** So far there has been an in-balance in the budget allocation between the FDW themes. Will projects on WASH have less chance?
 - **A5:** No, WASH projects are still welcomed. A lot of merit in partners/PPP from different angles/perspectives.
- **Q6:** I am from a Not- for-profit organisation/Intergovernmental organisation. Do we qualify as a public partner?
 - **A6:** You can be part of the partnership, but do not qualify as a public partner from the target country.

Concept Notes - Q&A

- **Q1:** Co-financing: how definite does it have to be at the CN stage?
 - **A1:** Does not need to be perfect, no agreements needed at CN. However, as time moves on (i.e. proposal) this will be required.
- **Q2:** Business partners; what type of contribution can they give?
 - **A2:** Varying from 10 (Safe Deltas) to 20% (WASH and Water Efficiency) in cash/kind from the private partners. Cash contributions are generally seen as a stronger commitment to the project and PPP.
- **Q3:** Are credits from a bank to beneficiaries of a project considered as co-financing?
 - **A3:** These credits are not eligible for subsidy or seen as project costs and are therefore not seen as private contribution. Revolving fund cannot be used as contribution. It can be part of the project though.
- **Q4:** Is it possible to make adjustments in the second phase, for example bring in new partners?
 - **A4:** first phase = CN, second phase = full proposal. Yes it is allowed to change the partnership or make other changes during both stages. When for example additional activities are identified, new partners are needed or proposed partners need to be changed for other reasons.
- **Q5:** How about the PPP organisation. Is a fixed partnership with a legal agreement required at the CN phase?

- **A5:** At CN stage this is not required. During project implementation (inception phase – R1) this agreement needs to be signed.
- **Q6:** How decisive is the role of the NGO?
 - **A6:** It should be clear that you can't address the problem/s without the proposed partners (government, private & NGO). That's the whole idea behind the PPP. They all have their specific roles/responsibilities/risk taking. **MoFA:** NGO's can play a critical role e.g. in creating a market or bringing together different stakeholders/ beneficiaries.
- **Q7:** Finding partners: does RVO do matchmaking sessions?
 - **A7:** RVO can play a role in terms reaching out to its network and partners. You can also use the network of the Embassy. We don't however have separate matchmaking events tied to FDW. RVO can share some ideas, however at the same time RVO has to be careful as we have to assess your proposals. You can also consult the NWP. When RVO assesses your CN, RVO will also evaluate the partnership and if required advice on additional partnership requirements during CN.
- **Q8:** We have the partnership already aligned. How much more time do I need to invest to write a full proposal?
 - **A8:** It very much depends on where you are in the development process. If you start from scratch you probably need half a year.
- **Q9:** How does public partner involvement work?
 - **A9:** This depends very much on the context and project results. Examples from participants and RVO included.
- **Q10:** How does RVO score the project proposals?
 - **A10:** First of all, based on the policy rules. Furthermore, special attention is paid to: Quality intervention strategy, contribution to Policy objectives, sustainability (including Revenue model), upscaling and partnership (need for PPP and quality).
- **Q11:** What procurement guidelines should be followed?
 - **A11:** Follow the local rules and regulations in relation to OECD. Some examples include;
 - Working together with public authority in the form of health extension, they demonstrate our product and create demand. Relationship with the government is that they both support each other.
 - In water resource management government has a key role.

Partnership - Q&A

- **Q1:** Private partner: the company being the supplier also directly benefits from the fact of being a supplier. How can you avoid such a situation?
 - **A1:** It is not a problem. If a private company is a partner in the consortium they will benefit from the project; an example is the Dorcas project where the private company, who is a partner in the PPP, is also the supplier of water meters. At the same time, the private operator has a contract with the government and also has to purchase the services from the govt.
- **Q2:** How many proposals/partnerships can a company be part of?
 - **A2:** Two proposals. This also applies for the NGO and government counterpart. As a subcontractor there are no restrictions.
- **Q3:** Can a network/platform be considered as a partner?

- A3: If it is a legal entity then yes.
- Q4: Can beneficiaries be a partner and can the project invest in beneficiaries?
 - A4: Depends on how they are registered (organised in a legal entity) and their legal statuses.
- Q5: Is there a list of eligible countries?
 - A5: Yes there is a list as well as priority countries for which extra points are awarded in the policy document.
- Q6: How likely is it that the same local partners with interlinked topic in the same country/region would be granted?
 - A6: We look at them as separate projects. If there is dependence between them, we have to know this.

Partner own contribution Q&A;

- Q7: Can we use knowledge/infrastructure already invested as own contribution, or future investments? For example we will contribute in terms of past research. How to capitalize on this?
 - A7: Costs made before and after the project period is not eligible. Costs should be borne during the project period not before and not after.
 - If this is a cost for a new project activity that is eligible for subsidy and that it is paid for by one of the consortium partners for which an invoice is written? Then yes. Co-funding by other donors is possible as long as it is not from the MoFA. Regarding the government: Even though in kind contribution (labour) from the government is not eligible, it is important to mention these contributions in the narrative.
- Q8: Municipalities can bring in land. Is this considered in kind or a cash contribution (when monetised)?
 - A8: Labour and land do not count as own contribution. Only cash can be considered as public contribution. It is however a positive indicator on the commitment of the public partner and should be reflected in the narrative.
- Q9: What about materials as own contribution?
 - A9: Depends on the specific situation so contact RVO before including this as own contribution.
- Q10: Deduction of costs; is that a contribution?
 - A10: Deduction cannot be seen as own contribution. Check with RVO if uncertainty exists on own contribution.

Sustainability & Scalability - Q&A

- Q1: Does technological readiness have to be demonstrated?
 - A1: Technologies cannot be commercial viable during project period plus 2 years afterwards. Technologies should however already be piloted/tested to show potential for sustainability/up scalability.
- Q2: What about start-ups in infrastructure that do not have the financial means for O&M for the coming 9 years?
 - A2: HW should be purchased but also be sustainable in terms of O&M.
- Q3: What is FIETS?
 - A3: Please refer to policy document. The abbreviation; Financial, Institutional, Economic, Technological and Social sustainability

- **Q4:** In order to be sustainable, investment in other sectors other than water are necessary, e.g. in agricultural development, energy, communications. Can these investments be part of the project investments?
 - **A4:** Investing in several sectors is allowed. There should always be a balance between the investments related to the indicators of FDW. It also depends on the content and objectives of the project. This issue is better discussed based on a submitted CN.
- **Q5:** Does the Sustainability Clause from BZ of 15 years also apply to FDW?
 - **A5:** A subsidy can only be granted if the business case is not commercially viable for the project period plus two years (maximum 9 years, see policy rules). The project is asked to draft a Sustainability Compact but there is no fixed number of years. The Sustainability Clause is the FDW form of a Sustainability Compact.

Revenue Model (RM) – Q&A

- **Q1:** What is the experience with the RM's of 2012/2014 FDW project? Were they on the low/high side and what does RVO do with this?
 - **A1:** RVO has no overview available yet. What we see is a less or more positive situations. RVO is not going to penalize/give extra funds respectively.
- **Q2:** If ability of the beneficiaries to pay is low, what sort of models can then be used?
 - **A2:** For instance a cross-subsidy or progressive tariffs could be considered.
- **Q3:** RVO suggests to use the partners own revenue model and then fit this into the RVO RM annexe. Re-entering data is difficult as it is not possible to link the sheets.
 - **A3:** There is a revised version of Annex 4 on the internet with minor changes. If you do encounter problems, please contact RVO. When you have completed RM annex, consult with RVO. Do it timely so RVO can still provide feedback. There is also a sheet on assumptions, please check this.

Summary Panel Advice FDW Synergies

Role of NWP

- NWP can help you find partners.
- We are a neutral broker.
- Can also help to find information on these countries and markets as we have knowledge/intelligence regarding them.
- It hosts the secretariat of country platforms.
- There is also an NGO platform where roughly 20 NGO's are united.
- There is also the YEP program through which you can find a young Dutch expert.
- Let us know if you think you have a strong project idea and we can help in finding more info.

Role of PPP-Lab

- Action research, exchange and learning initiative about the relevance & effectiveness of PPP's.

- Started with focus on FDOV and FDW but now has a broader take on PPP's and other PPP instruments.
- They have developed insight booklets, 12 publications on the website.
- Also a Learning Agenda on the key challenges in PPP's: Business models & Finance, upscaling & System change and Working effectively with Public Partners.
- Developed tools for designing/ improving PPP's; such as PPP-Canvas model, capability scans, etc.
- Organises quarterly PPP-Cafes for exchanging experiences, content sharing. Next one is 5th Oct.
- Not a consultancy service though can organise workshops relevant to a broad audience. Also a yearly, full day event, next one 30 Nov 2017.

Role of Embassies

- At the Embassies we receive both RVO and project partners.
- We discuss the synergies between own programmes and your projects.
- Embassies are there for advice. They look more at the local context whereas RVO looks at the policy rules.
- The advices can differ between the two, sometimes embassy positive and RVO negative or vice versa.
- Useful to discuss your project with the embassy and take them on a field trip, share your challenges.
- They have great networks; use the embassy to bounce your idea/ problems.