

Annex I

**Impact Cluster Project Plan**

1. Summary
2. Problem analysis
3. Policy contribution and impact
4. Partnership
5. Action plan
6. Financial
7. Responsible Business Conduct (RBC)

# Summary

## Briefly describe the project (in 300 words max).

***Note****: The subsidy programme aims to contribute to sustainable market development in low and middle-income countries through international knowledge, skills and technology.*

*The target group includes local businesses and local startups. The impact cluster's activities should create direct or indirect sustainable long-term jobs. Activities should also improve business cases by improving knowledge, expertise or technology. The impact clusters will use the participating businesses' long-term strategic ambitions to achieve this.*

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## Provide a description of the Theory of Change in the schematic (coloured) template below.

***Note:*** *Impact Clusters aims to contribute to more and better work opportunities and sustainable economic development in line with Sustainable Development Goal 8 (SDG8). The Theory of Change (ToC) outlines how we expect activities to result in the intended long-term impact.*

*Activities, outputs and outcomes may vary depending on the specific Impact Cluster project and context. By completing the form below, you specify how your project will contribute to achieving the desired long-term impact.*

*Use this project-specific overview to explain how the impact cluster aims to solve the main problems and challenges for developing the local private sector. Describe how the cluster will use (new) knowledge, technology or methods to do this, and the activities' expected results and impact.*

***Explanation of the ToC form***

*Use the coloured text boxes to describe the levels of the Theory of Change. Use the SMART criteria as much as possible. The levels are:*

* *Impact*
* *Outcome*
* *Intermediate outcome*
* *Outputs*
* *Activities*

*Also, specify the underlying Theory of Change assumptions.*

*On our* [*subsidy webpage*](https://english.rvo.nl/subsidies-financing/impact-clusters-ic)*, you will find a few examples of the Impact Cluster's programme Theory of Change. When uploading the project plan, you can attach your visual separately.*

**Theory of Change description – as part of A.2**

**Impact Clusters project title**

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**Impact -** long-term societal impact

*For example:*

* *Reduced post-harvest losses in the agricultural sector will lead to better income and improved food security in [region x], [country x].*
* *Improved xxx sector in xxx, will lead to improved income and more jobs.*

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**Outcome**

*For example:*

* *Post-harvest losses of 500 farmers are reduced by 15%.*
* *1,000 farmers apply techniques to produce high quality products.*

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**Intermediate Outcome**

For example:

* *2,000 farmers have access to new technologies.*
* *2,000 farmers know how to apply new techniques.*

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**Output –** Describe SMART measurable outputs of activities.

*For example:*

* *100 farmers trained on x.*
* *Communication campaign launched.*
* *25 demonstration plots are developed.*

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**Activities –** Describe separate activities, make it specific!

*For example:*

* Carry out training on ..
* Organise seminar on ..
* Set up demo plots.

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**Assumptions**

*Specify assumptions underlying this Theory of Change.*

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**Extra comments**

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[On our website](https://english.rvo.nl/subsidies-financing/impact-clusters-ic), you will find a few examples of the Impact Cluster's Theory of Change.

# Problem analysis

## Describe the local private sector situation you want to improve through the project's focus activities. Be specific about what the beneficiaries gain.

* *What are the obstacles or missed opportunities the local private sector faces?*
* *How have these obstacles or missed opportunities been identified?*
* *How can the activities help remove these obstacles?*
* *To what extent is the proposed project additional to current or past projects or activities that have already taken place?*
* *Who are the most important stakeholders in the sector?
If the activities take place in several countries, please explain why.*

***Note****: Activities should aim to improve an underdeveloped sector in the project country. Projects in multiple countries are only possible if they are more efficient and effective than projects within national borders.*

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## Describe the project's target group. Explain the target group's needs for the impact cluster's knowledge, expertise or technology.

***Note****: The Impact Clusters programme supports private-sector development in low and middle-income countries. Target groups include local SMEs, farmers and local organisations, such as knowledge institutes and public authorities within a sector or subsector.*

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# Policy contribution and impact

## How do the cluster's activities align with the sectors of the market development policy priorities of the Embassy of the Kingdom of the Netherlands in the relevant country?

***Note****: This project should contribute to and be necessary for achieving the market development objectives of the embassy responsible for the country concerned. The project should align with the local sector priorities listed on our webpage: Impact Clusters subsidy programme .*

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## Describe the expected impact the project aims to achieve. For example, specific private sector or value chain strengthened, jobs for women, youth, and so on.

***Note****: The project must impact multiple actors across the value chain and cannot focus on a single company.*

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# Partnership

## Describe for each project partner:

* *Core activities: Describe the main functions and responsibilities.*
* *Track record: Outline the experience in the specific sector relevant to the project, ensuring they have been active for at least one year.*
* *Contributions: Detail the knowledge, technology or method they will bring to the project?*

*Capacity: Assess the expertise, organisational resources and financial stability to determine their ability to successfully carry out the project.*

***Note****: All project partners must have a relevant track record for at least 1 year. All partners must have sufficient additional value for the project implementation.*

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## Describe each partner's long-term interest.

* *For the non-commercial partners, please explain the long-term strategy for their involvement in the specific (sub)sector in the project country****.***
* *For the commercial partners, please provide long-term market opportunities (export/investment of import) for each commercial partner, in the sector in the project country.*

*For each commercial partner, give an overview of the economic logic behind the project by answering the following questions:*

* ***Revenue streams*** *Who is responsible for the payments of which items? For example: end users, cooperatives, NGOs, governments.
Specify what is being paid for: A product, installation, license, service, or training.*
* ***Payment model*** *How will payments be made? Does it concern a one-time purchase, leasing arrangement, subscription, pay-per-use, or another model?*
* ***Affordability for the target group*** *Can the target group afford the solution using their own resources? Or is external financing needed, for example, microfinance, NGO contributions, guarantees?*
* ***Required investment and funding source*** *What investment is needed upfront to start or scale, for example, inventory, demo units, staff, systems? Who will cover this? The company itself, project partners, subsidies, or external financiers?*
* ***Assumptions and risks*** *What are the fundamental assumptions, for example, about customer willingness to pay, financing access, or partner engagement?
What are the risks if these assumptions do not hold? How will these be tested or reduced?*

***If you wish to visualise this answer, feel free to add a visualisation separately.***

***Note****: Each commercial partner needs to show they have a solid business plan and long-term strategy that goes beyond the project's duration. It is important for partners not only to focus on the project's current value but also on future market opportunities.*

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# Action plan

## What new technology and/or knowledge will be introduced in the sector?

* *Describe what makes the knowledge or technology new to the project country/region.*

*What are the unique selling points of the technologies demonstrated in the project?*

***Note****: The goal of Impact Clusters is to contribute to market development by introducing new technology, knowledge or a new approach to the project country.*

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## Please, answer the following questions:

* *What will be the main activities of the project?*
* *Where and how will the training and demonstration take place? Are there any operations already in place?*
* *Are licences in place for these operations?*
* *If a new training/demonstration centre is set up, who will be the owner?*
* *Do you expect licenses to be necessary before activities start?*
* *How is project management and coordination organised?*
* *How are milestones and results of the project communicated, and with whom?*
* *If applicable, what supporting studies are carried out, why and how?*

*Describe the main activities in detail in Annex 2 Activities & Results overview (Excel).*

***Note****: The main activities consist of demonstration of and training in new knowledge and/or technologies, for example, via a new or existing Centre of Excellence, demo facility or greenhouse.*

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## Describe how you will ensure the project is rooted in the local context, during and after the project period.

* *Who will be the local owner of the (future) demonstration facility?*
* *Who will be mainly responsible for local project management?*

*How do you ensure that the project's results continue after it ends?*

***Note****: To increase the project's success, it is essential that the project is locally embedded and implemented. Not only for the duration of the project, but also to ensure its results continue after the project ends.*

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## ****Describe the (future) business model for all demonstration or training facilities created by the project.****

***This is only relevant in case of demonstration or training facilities. If you wish to visualise this answer, feel free to add a visualisation separately.***

***Note****: Include revenue sources, operational costs, ownership during and after the project, future management and financial sustainability after the project ends.*

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## Monitoring and Evaluation: Describe how you will monitor the project's progress.

*Add project-specific indicators to the table in Annex III Indicators. You can find this Annex as a download on our website.*

***Note****: The cluster must submit an inception report and an annual activity and financial report to monitor the project's progress and make timely adjustments. The report must include a preliminary assessment of the objectives, activities, initial results, RBC progress, and an evaluation of the assumptions in the Theory of Change and indicators.*

*Describe and, where possible, explain, the activities' results with quantitative data. Based on the insights in these reports, the intended activities and Theory of Change may need adjusting during the project.*

*Where necessary and possible, carry out a baseline measurement (baseline situation). This measurement may include references to existing information or in-depth research on the sector's baseline situation. Examples may include productivity data of entrepreneurs in the sector, specific training needs, and so on. These in-depth studies are an integral part of the project activities in Annex II Activities and Results overview.*

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## Do you foresee any commercial or political risks during project implementation or afterwards?

*If so, identify and explain the nature of those risks.
What measures will you take to avoid or reduce these risks?*

***Note****: Adequate risk management consisting of an adequate risk analysis and adequate reduction measures is in place, for example, on importing hardware and stakeholder management.*

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# Financial

## Explain the budget in further detail in Annex IV Project Budget Calculation and Realisation Tool.

*If relevant, please answer the following questions:*

* *How have hardware costs (including facilities) been calculated?*
* *Which third-party costs are submitted and why?*
* *Does the own contribution of cluster members consist of own resources, or are there contributions/subsidies by third parties?*
* *Do you expect project-related revenues?*

***Note****: The project budget is reasonable and feasible.*

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# Responsible Business Conduct (RBC)

## Indicate the social and environmental risks that are most applicable to your project using the [CSR Risk Check](https://www.mvorisicochecker.nl/en) tool and other relevant sources such as [RVO Gender Guide](https://www.rvo.nl/sites/default/files/2021/09/Gender-Guide-2021.pdf), Transparency International, OECD, UN, new articles and reports (from NGOs).

*What actions will you take to avoid or reduce these risks?*

***Note***

*Companies in the impact cluster must have or develop and implement an RBC policy by the end of the inception phase. We also expect impact cluster projects to fulfil an exemplary role in RBC in their sector, with positive and no adverse impact from project activities.*

*The risk analysis should focus on the RBC risks of the project activities and measures to reduce these.*

*Identify the risks for each of the 4 identified themes below. Also, include the level of likelihood and impact of the risks.*

*Describe what actions will be taken to reduce the risks.*

*Identify which partner is responsible for that specific action.*

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| **Theme 1: Risks related to the political and economic situation in the country of implementation.** Examples are corruption, inflation, less room for civil society or political unrest. |

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| **Explanation of the identified risks**  | **Likelihood** Low, Medium, High | **Level of Impact** Low, Medium, High | **Risk-reducing activities** | **Responsible partner** |

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| **Theme 2: Risks related to labour circumstance and labour rights occurring in the sector that the impact cluster project focuses on.** Examples are the absence of wages, discrimination and unhealthy/unsafe working conditions. |

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| **Explanation of the identified risks**  | **Likelihood** Low, Medium, High | **Level of Impact** Low, Medium, High | **Risk-reducing activities** | **Responsible partner** |

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| **Theme 3: Environmental risks where the impact cluster project will be implemented.** Examples are water scarcity[[1]](#footnote-2), deforestation or pollution/emissions. |

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| **Explanation of the identified risks**  | **Likelihood** Low, Medium, High | **Level of Impact** Low, Medium, High | **Risk-reducing activities** | **Responsible partner** |

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| **Theme 4: Gender-related risks.** Examples are discrimination, unsafe working conditions and exclusion. |

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| **Explanation of the identified risks**  | **Likelihood** Low, Medium, High | **Level of Impact** Low, Medium, High | **Risk-reducing activities** | **Responsible partner** |

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| **Theme 5: Risks related to animal welfare 2.** Examples are heat stress, misuse of antibiotics, diseases, unhealthy living conditions or unsafe transportation. |

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| **Explanation of the identified risks**  | **Likelihood** Low, Medium, High | **Level of Impact** Low, Medium, High | **Risk-reducing activities** | **Responsible partner** |

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| **Other RBC risks (if applicable)** |

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| **Explanation of the identified risks**  | **Likelihood** Low, Medium, High | **Level of Impact** Low, Medium, High | **Risk-reducing activities** | **Responsible partner** |

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2 Only where applicable to the project. All projects involving live animals must include this theme (theme 5).

1. In general, Impact Clusters can only support business cases and or activities using sustainable and renewable water resources. Meaning that:

Activities leading to new investments in water-scarce regions, using non-renewable water will not be supported.

Existing activities using (ground)water in an unsustainable way are not supported, unless (Dutch) knowledge or technology to reduce the water footprint (more efficient, renewable or circular) are introduced. [↑](#footnote-ref-2)