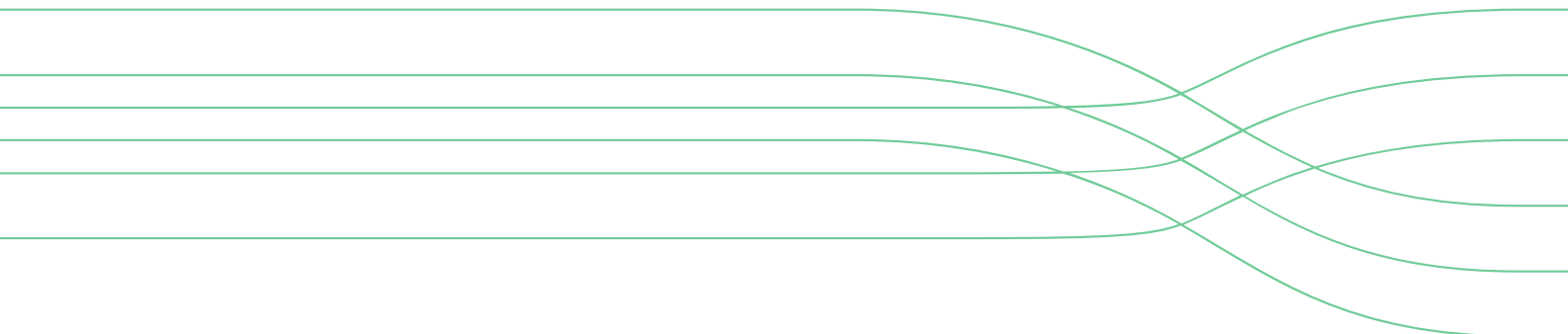


Innovation Partnership Grants

Guidelines for Applicants – Round 2

February 2020



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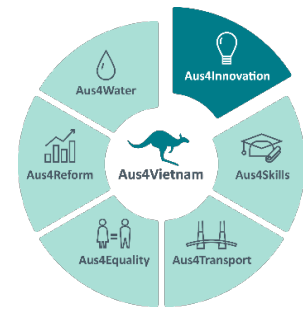


Ministry of Science and
Technology, Vietnam

Aus4Innovation

Innovation Partnership Grants

Guidelines for Applicants



1 Background

Innovation is a clearly articulated priority for the Governments of Australia and Vietnam as a means to accelerate inclusive economic growth in Vietnam. Innovation is a priority of each government alone, as well as a key pillar of the bilateral relationship between the two governments. This priority is reflected in the Australia Vietnam Innovation Partnership, which builds on the trusted partnership between the two countries with a shared aspiration to become leading innovation nations together.

Under this overarching innovation umbrella, a flagship partnership program between Vietnam and Australia – Aus4Innovation – has been developed to strengthen the Vietnamese innovation system and prepare for Vietnam’s economic and digital future.

Aus4Innovation is a four year, AUD 11 million program running from 2018 to 2022. It has four key inter-related work streams, including

- Foresighting the Digital Future for Vietnam,
- Science Commercialisation Partnerships,
- Innovation Partnership Grants, and
- Innovation Policy Exchange.

The program is guided by an appointed Steering Committee and implemented by the Commonwealth Scientific and Industrial Research Organization (CSIRO).

2 Grant objectives

The Innovation Partnership Grants are a critical feature of the program. The purpose of the grants program is to provide targeted funds to scale already tested activities that address emerging challenges or opportunities in any sector of Vietnam’s innovation system.

Tested activities are defined as technologies or activities with:

- an existing proof of concept,
- an articulated market segment or path to impact, and
- an existing relationship between an Australian and a Vietnamese entity.

The Grants are competitive and the final decision on grant funding is at the discretion of the Aus4Innovation Steering Committee, and members include:

- A senior representative from Ministry of Science and Technology
- A senior representative from the Australian Embassy, Hanoi

- A senior representative from the CSIRO
- Head of the Aus4Innovation Program Office; and
- A representative from Vietnam Private Sector.

The Grants will be delivered in two rounds. Round 1 was launched in March 2019 and selection process has been completed with final results announced in October (Visit: <https://research.csiro.au/aus4innovation/grants/> for further information).

Grant round two

The first round of grants focussed on developing partnerships between organisations in Australia and Vietnam with no limitation to the project topic. The three funded activities promote innovation in different sectors, and at different levels – introducing technology, growing a production system, and demonstrating an innovation model.

In Round 2, the program aims to fund a similar portfolio of initiatives that, once successfully scaled, will help the Vietnamese innovation ecosystem to become more productive, resilient, and cohesive.

The theme of Round 2 is “**Scaling existing Australia–Vietnam Innovation Partnerships**”

Grant topics are not constrained by theme, but those aligned with Vietnam’s development needs, Australia’s competitive strength, and other Aus4Innovation program work streams will be favourably considered. Possible topics include:

- Solutions to climate change and environment challenges
- Technology for sustainable urban development
- Advances in agriculture and food commercialisation and productivity

Aus4Innovation seeks initiatives with the potential to deliver ecosystem-level impact and will be guided, in part, by the principles and recommendations of the International Development Innovation Alliance on the role of donors in ecosystem building (for more information see <https://www.idiainnovation.org/ecosystem>)

In all cases, proposals should demonstrate potential for wide-scale application, delivering lasting socioeconomic impact. Funded projects must address clearly identified gaps, promote international good practice, and be contextualised for success in Vietnam.

Eligibility

- Applications will be accepted from an existing partnership that includes at least one Vietnamese and one Australian organisation.
- The Vietnam-Australia partnership may include additional partners.
- Eligible organisations may include any private, public sector, universities, research institutes, or civil society organisation operating in Australia and Vietnam.
- An indication of the nature and duration of the partnership is requested. Organisations that form a partnership for the purpose of applying for grants under this mechanism are considered not eligible.
- Organisations submitting an application must have no reason preventing them from operating in Vietnam.

- To avoid conflict of interest, CSIRO, the managing agency for this program, and its employees are ineligible to apply.
- Activities that have already received funding from other sources will also be considered ineligible when applying for this grant as a duplicate funding source.
- Women-led organizations, initiatives that could bring benefits to women and girls, either directly or in-directly are encouraged to apply.

Funding window

The second (2nd) round of funding under the Aus4Innovation Competitive Grant scheme will open for applications between 11 Feb – 17 Mar 2020.

Individual grants will be between AUD 100,000 and AUD 1 million and the total amount of funding in Round 2 is approximately AUD 2.4 million.

Grant will be awarded through the lead Australian partner in the existing partnership, who will be held accountable for the management of the funded activities to ensure effectiveness, value for money, and compliance.

It is expected that activities will be completed within 12 months from the time of the signing the Grant. In exceptional circumstances, Grants may be extended beyond this time duration, subject to the final decision by the Steering Committee, such as where the grant has not yet fully spent due to unexpected circumstances but promising results are imminent.

Any undisbursed funds will be returned to Aus4Innovation at the end of the activity.

A schedule for transferral of funds will be negotiated with each successful partnership. It is likely that tranches will be paid on commencement, on acceptance of a mid-term progress report and on conclusion, including acquittal of expenditure to date.

Use of grant funds

Funding for the grants comes from the Official Development Assistance (ODA) resource of the Australian Government's Department of Foreign Affairs and Trade (DFAT). ODA funds are administered "with the promotion of the economic development and welfare of developing countries as its main objective". Potential applicants are encouraged to learn more about ODA funds' objective and eligibility [here](#).

For Aus4Innovation, this means that grant activities must have an anticipated and measurable social or development impact. Articulation of the pathway to realising scale and sustainability of that impact is recommended in the EOI.

Training, student costs and scholarships for individuals will not be considered for grants. It is not intended to exclude curricula developing, or sector skills development, rather to distinguish this from individual training programs.

Conferences, events and workshops with the sole objective of ideation or knowledge sharing will not be considered.

Partners must pay any tax liability arising from the proposed activity. Taxes cannot be paid for with Aus4Innovation grant funding and must not be counted toward in-kind contributions of the partners.

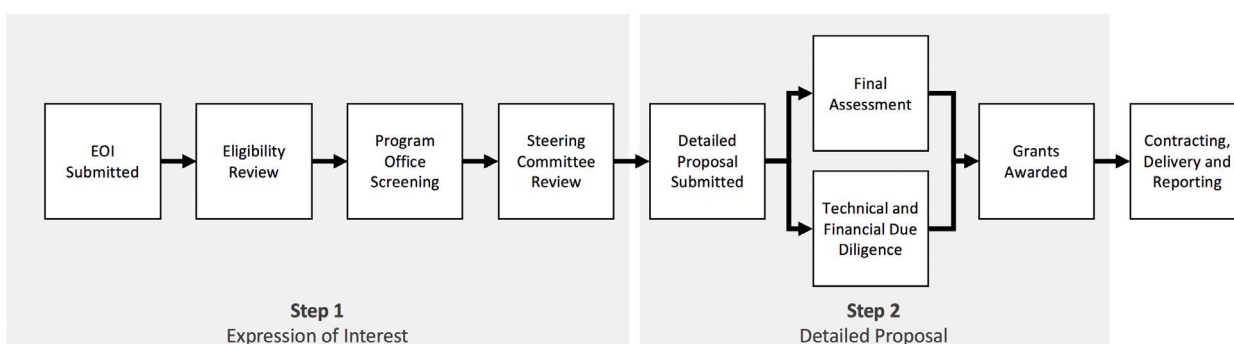
In circumstances where Australian lead partner is a private business, **DFAT's strategy to engage private sector in development work** will be the guiding document. Private businesses are also encouraged to refer to:

- OECD's relevant papers on strategic private sector engagement, such as the **"Towards strategic private sector engagement"**; or
- **UNDP's SDG Impact Practice Standards for Private Equity Fund**

for reference to articulate how its initiative can deliver societal development outcomes and contribute to growth.

Application process

There will be a two-step process for submission of applications.



- Step 1: An expression of interest is submitted by the partners, outlining the proposed activities and alignment with assessment criteria. EOIs will be assessed by the Aus4Innovation Program Office (research, technology, and development experts) and its Steering Committee.
- Step 2: Shortlisted applicants will be invited to develop a detailed proposal for further consideration.
 - During the detailed proposal process, additional support will be available from the Program Office to shape proposals that meet program objectives, maximise National sustainable development impact, and comply with the principles of ODA expenditure
 - In particular, applicants from private business will be required to engage with DFAT and the Program Office

A comprehensive application process can be found in Annex 1.

Application Platform

Submission and assessment of applications will be through the Aus4Innovation SmartyGrants portal <https://csiro.smartygrants.com.au>.

Application Languages

English will be used as the main language in most cases, including but not limited to the Grant Guideline, FAQs, or communications between the Aus4Innovation program office and applicants. Nevertheless, it is requested that submitted proposals will be in dual languages, including one version in English and one version in Vietnamese.

Grant process timeline

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

| | |
|--|---|
| Applications for EOI open | 11 February – 17 March (*) |
| Shortlisting | 18 March – 21 April |
| Request for detailed proposal from approved shortlist | 22 April |
| Detailed proposals due | 10 May |
| Interviews (as required for due diligence) | May – early June |
| Final selection | Mid-June |
| Grant agreement signed (subject to agreement and any negotiation) | Mid-June – July |
| Implementation | 12 months, from the Activity start date |

(Other than (), other planned timelines are indicative, depending on the actual number of applications received under this Round)*

Request for Clarification

During the application process, should applicants have any questions or need further clarification to help them complete the EOI form, they can email aus4innovation@csiro.au, noting that phone calls are not encouraged. The Aus4Innovation Program Office is responsible to respond to such enquiries via emails within five (5) working days.

Confidentiality

Applicants should be cognisant of their own need to retain security over actual or potential intellectual property rights.

Submitted application data will be kept in strict confidence by DFAT, CSIRO, and Aus4Innovation reviewers. Personnel are bound by confidentiality, or non-disclosure arrangements. Applications, however, will be reviewed at the Steering Committee, including the Ministry of Science and Technology, giving third party members and their personnel the opportunity to access data. Aus4Innovation, DFAT and CSIRO cannot take responsibility for the loss of any information outside their direct control. Applicants are reminded to consider the above, prior to disclosing potentially sensitive information, and to seek their own professional legal advice.

3 Grant Assessment Principles

Assessment of applications will use (i) partnerships, (ii) innovation, (iii) readiness, (iv) relevance to Vietnam, (v) ecosystem-wide impact potential, and (vi) social impact as guiding principles.

3.1 Partnerships

The intent of the grants program is to support established partnerships to advance or scale an existing innovative idea. The grants program is not intended to test activities, but rather to invest in the scaling of more mature ideas and partnerships.

As discussed in the eligibility section, the partnership will comprise (at least) a Vietnamese and an Australian entity. The partnership must predate the application, but it may previously have been created around a different activity to the one funded by the grant. Partnerships with women in lead or senior research/scientific roles are encouraged to apply.

Grants will not fund the creation of new partnerships between the two countries. New partners may be brought in to the activity to support the lead partners through funding, skills or expertise. Applicants will articulate their commitment to the partnership for the grant activity and beyond.

3.2 Innovation

By general definition, innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations (OECD, 2005).

In the specific context of this work stream of the program, innovation embraces new, innovative ideas with their derived activities and /or processes to help Vietnam enhance its innovation capacity and better prepare to take on opportunities, and respond to emerging technological, human capital and social challenges of the Industry 4.0. More importantly, those activities and processes can diffuse its impact across the innovation system and make it become stronger and more resilient.

A list of potential areas of intervention is discussed earlier in the Grant Round Two.

3.3 Readiness

The purpose of the grants program is to provide targeted funds to scale already tested activities to address emerging challenges or opportunities in any sector of Vietnam's innovation system.

Applicants are asked to demonstrate clearly and succinctly how to scale their ideas. To be eligible for grants, proposed activities will have an **existing proof of concept** and articulated market/system engagement, or **path to impact**, and demonstrate a realistic vision for **long-term sustainability**.

Based on observations from Round 1, the most competitive proposals were typically able to demonstrate the following ranges (See Annex 2 for more information):

- TRL 5 to 7 (where applicable)
- SRL 5
- IRL 6

3.4 Relevance to Vietnam

Applicants should demonstrate how their proposed innovative ideas, activities can contribute to Vietnam's need in enhancement of its innovation capacity, be it of local enterprises, research institutes, or universities etc, as well as its innovation ecosystem (see more in 3.5).

Applicants also need to demonstrate to what extent their proposal addresses issues of development priorities of Vietnam. Examples could be introducing new technologies to help Vietnam embrace the emerging economic and social development opportunities from the Industry 4.0, or to help a certain sector moving up on the value chain, to accelerate the upskilling or productivity of a key sectoral workforce, or to help a procedure become more effective thanks to the application of a new modality. This criteria will specifically be reviewed by the Ministry of Science and Technology (MoST). As Government of Vietnam policies prohibit duplicate funding of science, technology and innovation activities, MoST will cross check all applications against past funding programs. Applicants are reminded to clearly describe how their initiative is novel/unique, and may be requested to provide additional information to support this effort.

3.5 Ecosystem-wide impact potential

Round 2 of the Grant not only looks into direct impacts the proposed innovation ideas can bring to a specific sector or area, but also how it can generate greater innovation synergy effects to the ecosystem. Such impacts can be demonstrated in many different ways – for example having an innovative idea that fosters the collaboration among actors in the system and help them better connected; fills in an identified gap in the system; complements to the current system and makes it better operationalised; or diffuse innovative knowledge across sectors to bring about specific improvement to the system etc.

3.6 Social impact

Applicants need to prove how their ideas, activities, processes bring benefit to the end beneficiaries, including improvement of incomes, better access to goods and services, more opportunities for decent employment etc.

Applications need to convincingly demonstrate that the activity contributes to or furthers progress on DFAT's social policy priorities (listed below). Descriptions must specify the (sub) population, which stands to benefit from the innovation, and/or the expected contribution to Vietnam's social development. Alignment with DFAT's ODA eligibility criteria is essential. Cross-cutting social priorities include (but are not limited to):

- Gender equality and women's empowerment and Gender Equality Strategy 2016-2020, Australian Embassy, Vietnam
- Disability inclusive development
- Assisting indigenous people
- Adaptation and mitigation of climate challenges
- Sustainable Development Goals

3.7 Other policy requirements

The Australian Government operates under strict international policies for risk management. Applicants must be aware of and comply with the following policies:

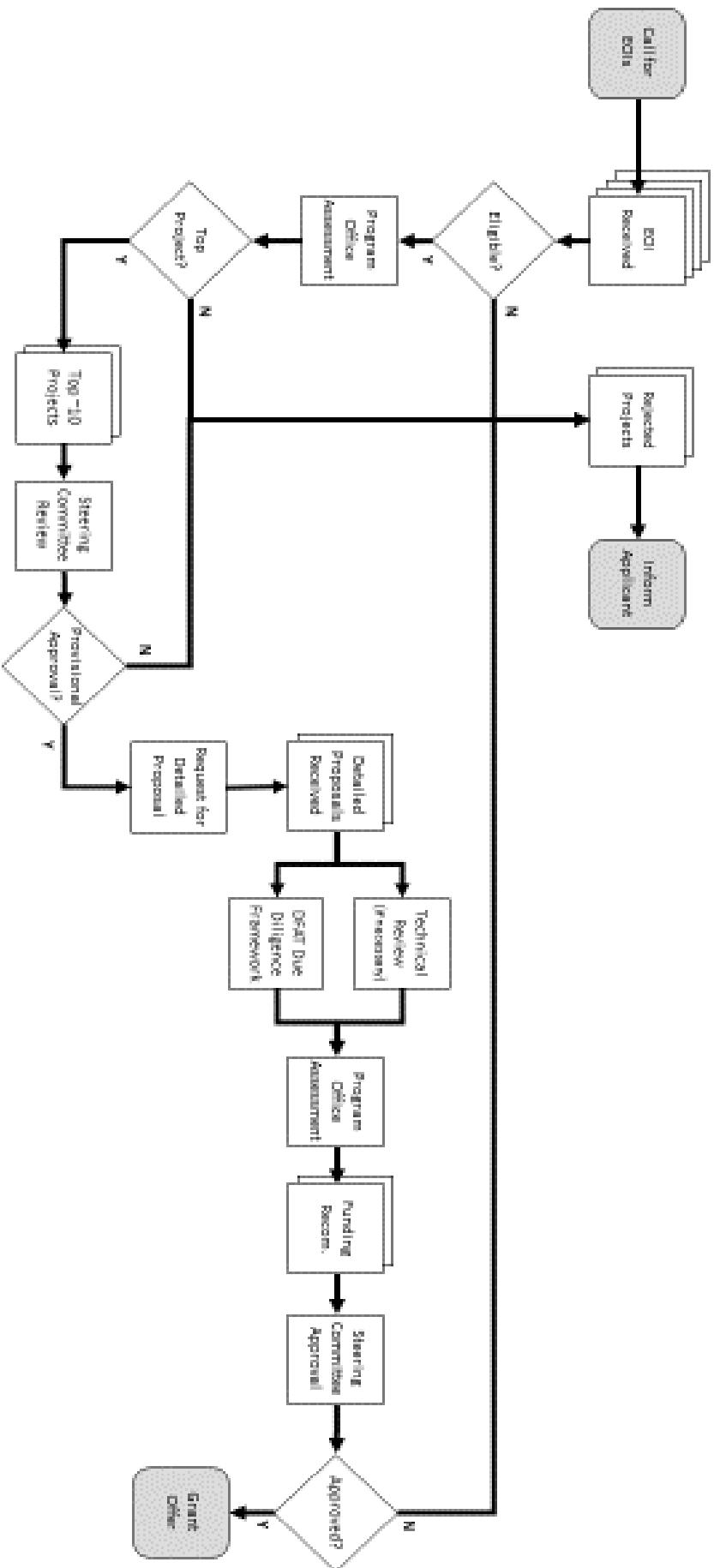
- Environmental and social safeguards
- Child protection policy
- Fraud control and anti-corruption
- Risk management for aid investments
- Ethical human research
- Animal welfare

3.8 Additional resources

Selected reference material includes:

- Ministry of Science and Technology
- Australia's Aid Program
- Australia's Foreign Policy White Paper
- Aus4Innovation Program
- Australia's development cooperation in Vietnam
- Aid Investment Plan 2015-2020
- Australian Government's innovationXchange
- CSIRO Australia
- Vietnam's Digital Future (Data61)

**Annex 1: AusAIInnovation
Competitive Grants Mechanism | Application Review Process**



Annex 2: Readiness Frameworks

The below Readiness level frameworks are recommended as a tools for applicants to rank their ideas.

Aus4Innovation Partnership Grants are intended to support programs that address emerging challenges in the Vietnamese innovation system, whether or not they are technological solutions.

Societal Readiness Level (SRL)¹

Technology Readiness Level (TRL)²

| Societal Readiness Level (SRL) ¹ | | Technology Readiness Level (TRL) ² | |
|---|---|---|---|
| SRL is a way of assessing the level of societal adoption of a particular social project, product, process, intervention, or other innovation as it becomes integrated into society. | | TRL is a measurement system used to assess the maturity level of a particular technology. Each technology project is evaluated against a common set of parameters | |
| SRL 1 | Problem identified and baseline societal readiness evaluated | TRL 1 | Basic principles observed and reported |
| SRL 2 | Proposed solutions, potential impact, and expected societal adoption pathway evaluated, with relevant stakeholders identified | TRL 2 | Technology concept and application formulated |
| SRL 3 | Problem validated through initial testing of proposed solution with relevant stakeholders | TRL 3 | Analytical and experimental validation to establish proof of concept |
| SRL 4 | Pilot test in relevant environment to substantiate proposed impact and societal readiness | TRL 4 | Component, or subsystem validation in a laboratory environment |
| SRL 5 | Proposed scalable solution validated by relevant stakeholders | TRL 5 | Component, or subsystem validation in a relevant or simulated environment |
| SRL 6 | Scalable solution demonstrated in relevant environment and in cooperation with relevant stakeholders to gain initial feedback on potential impact | TRL 6 | System integration and prototype demonstration in a relevant or simulated environment |
| SRL 7 | Refinement of project and/or solution and, if needed, retesting in relevant environment with relevant stakeholders | TRL 7 | Field demonstration of prototype system in operational conditions |
| SRL 8 | Proposed solution as well as a plan for societal adaptation complete and qualified | TRL 8 | Production version fully qualified through test and demonstration |
| SRL 9 | Actual project solution, sustainably implemented in relevant environment | TRL 9 | Actual production technology proven through mission operation |

¹ Adapted from Innovation Fund Denmark (https://innovationsfonden.dk/sites/default/files/2018-08/societal_readiness_levels_-_srl.pdf)

² Adapted from NASA TRL Framework (https://www.nasa.gov/directorates/heo/scan/engineering/technology/txt_accordion1.html)

Investment Readiness Level (IRL)³

IRL was developed as a tool to assess the maturity of new start-up businesses in the context of early stage fundraising. In a generalized sense, the IRL framework is a way of assessing the progress of an impact model, be that progress toward creating a profitable business plan, or creating social impact through a development activity.

| | | | |
|--------------|---|--------------|---|
| IRL 1 | Problem hypothesis that needs validation | IRL 6 | Validated funding model and IP strategy |
| IRL 2 | Detailed mapping of stakeholders | IRL 7 | Deploy and validate at scale |
| IRL 3 | Validated problem/solution fit | IRL 8 | Validated mass adoption model |
| IRL 4 | Low fidelity prototype test | IRL 9 | Validated implementation plan |
| IRL 5 | Validated application fit with stakeholders | | |

Applications for activities that have already achieved TRL between 5 to 7, SRL 5, and IRL 6 or above will be considered competitive, and those closer to scale, adoption and impact will be highly ranked in terms of readiness.

³ Discussion and background on IRL (<https://blogs.berkeley.edu/2014/07/01/how-investors-make-better-decisions-the-investment-readiness-level/>)

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