



Responsible Business Fund (RBF)

Prepared by
RBF Team

What is (Responsible business Fund)RBF?

RBF is a part of the Danish Development Assistance to Myanmar.

RBF is an **MMK 12.5 billion** for (3 years) 'Challenge Fund' to “increase the competitiveness and responsible behavior of Myanmar enterprises” by providing partial grants to SMEs for the implementation of innovative projects in the following 7 Eligible Areas with 3 Windows.



WHY SMALL AND MEDIUM ENTERPRISES? (SMEs)

70% of population income is from SMEs.

SMEs contribute 30-53% of GDP in ASEAN member states.

The country develops only when SMEs develop.

Approximately, 120,000 SMEs in Myanmar

50-95% of employment are coming from SMEs.

SME here means employing either 600 or less permanent staff or has less than 1 billion kyat in paid-up capital

What are SME challenges nowadays?

Main Obstacles to be developed by SMEs

- Lack of skilled workers
- High labor turnover
- Political instability
- Prices of raw materials
- Under performance banking structure
- Lack of supervisory and management skills

Objective of RBF

To increase the productivity and thus competitiveness of SMEs
and
to increase their compliance with basic principles of responsible business
behavior

Window 1 (Areas 1, 2, 3)

Grant support (Up to 65% of the Project cost - up to MMK 80 million for Window 1 Areas 1,2,3)
for each selected businesses

1 Energy Efficiency



E.g.:(Biomass Boilers for food processing, Heating, Ventilation & Air conditioning, Onsite Solar Thermal/PV, LED lighting, Etc.)

2 Water Efficiency



E.g. ;(water-efficient appliances like washing machines and dishwashers. Fixtures which allow us to use less water to get a job done effectively are also known as being water efficient, for example water-efficient showerheads, taps and toilets, Etc.) Water treatment, waste water treatment, Ion Exchanger Resin, chemical and instrument

3 Waste treatment & Recycling



E.g. ;(Biomass waste to energy, Bio solids, Cremators, Dump (or open dump), Incineration, Landfilling, Recycling, Resource recovery plant, Source reduction, Waste prevention, Waste-to-energy plant, Etc.)

Window 2 (Areas 4, 5)

Grant support (Up to 80% of the Project cost - up to **MMK 40 million** for Window 2 Areas 4,5)
for each selected businesses

4 Occupational Safety & Health (OSH)



E.g.; (Ventilation, Led Lighting, OSH Training, Fire Safety, improved sanitary areas)

5 Food Safety



E.g.; (solar drying for fruits, seafood, Hygiene awareness and creation training, improvement of Handling and storage, Etc.)

Window 3 (Areas 6,7)

Grant support (Up to 80% of the Project cost - up to **MMK 40 million** for Window 3 Areas 6,7)
for each selected businesses

6 Managerial & Supervisory Skills



E.g. (Capacity building training in the different sector and different industry, Management training which can impact on the company growing and sustainability, Etc.)

7 Practical & Technical Skills



E.g. (Hands on Technical training for different sector and different industry, Etc.)

Who can Apply for the RBF?



Company or Enterprises who apply for Responsible business fund should

- ▶ proposed project falls within one or more of the above mentioned 7 areas.
- ▶ proposed technology/capacity building solutions have not been already implemented by competing businesses in your locality/district.
- ▶ registered in Myanmar and an **SME** employing **either 600 or less permanent staff or** has less than **1 billion Kyat in paid-up capital**.
- ▶ been operational for a minimum of **two years** and can show **externally audited accounts for the most recent year**
- ▶ Your company is not operating in **excluded sectors (hard liquor, gambling, tobacco, weapons, internationally recognized exclusion list)**

What RBF can support ?



- ▶ Training provided by national and international experts or organizations
- ▶ Technical Assistance provided by national and international experts or organizations
- ▶ Equipment/Machinery/Auxiliary Systems and incidental investment costs that are directly related to the investment/intervention in 7 RBF focus areas; (In cases, wherein the equipment/machinery also offers a production capacity expansion benefit to the SME, then an imputed value for this should be deducted on which RBF support will not be available);
- ▶ Out-of-pocket expenses such as travel etc., that are directly related to the investment/intervention in 7 RBF focus areas;

What RBF can't support ?

- ▶ Any operational cost of SME;
- ▶ All employee costs of SME, including the ones managing the RBF supported project;
- ▶ Investment that can be used for purposes other than the RBF supported project (e.g. vehicles, etc);
- ▶ Civil construction costs




Evaluation criteria for the RBF

No.	Criteria	Method of Rating Higher preference for:	Weightage
1	Demonstration potential within Myanmar / Region / State / District / Township	Projects that have a national level demonstration value	45%
2	Commercial viability measured in terms of pay-back period	Projects that face larger risks and longer pay-back periods	30%
3	Service Provider / Equipment Supplier's track-record	Service Providers/Equipment Suppliers that have a proven track-record of delivering on the proposed technology/initiative	15%
4	Non financial / quantifiable benefits to Employees, Local Community and Environment	Projects with higher potential to create benefits that extend beyond the costs/profits of the SME	10%
			100%



Interested in RBF?

- ▶ Only **TWO STAGES** to get your grant




Concept Note Stage




Full Proposal Stage

Process towards RBF Grants (Concept note stage)




Contact us to have more understanding and clarification of RBF




Submit Concept Note to enter the RBF During the call for proposals

1st to 31st May 2018



Screening by RBF

1st to 22nd June 2018



Selected Businesses will receive the approval letter from RBF

25th June 2018 onwards

Process towards RBF Grants (Full proposal stage)



Working together with your preferred service provider to prepare full project proposal

26th June to 26th July 2018



Evaluation and approval by the Board of RBF

27th July to 8th September 2018



Grant agreement ,
Implementation &
Reporting

10th September 2018
onwards



Role of Service provider

- ▶ Developing the project idea to apply for Grant support in seven thematic areas of RBF.
- ▶ Conduct needs assessment to document the current condition and the desired results that can be produced by investing in one or more of the 7 RBF focus areas.
- ▶ To carry out financial feasibility of the project idea which includes investment/ expenses estimation, revenues calculation, pay-back period estimation etc.
- ▶ To identify other quality service providers if necessary, to implement the project idea and communicate with RBF and SME.
- ▶ To develop quality application together with SMEs which includes detail implementation plan of the project idea within timeframe, desired outcomes etc.
- ▶ If the project wins, the Service Provider needs to ensure that all the implementation works, expenses and outcomes are in line with application form.

RBF's expectations from supported SMEs

- ▶ To start implementation of the project within one month from the date of grant approval'
- ▶ The implementation is expected to be completed within 12 months from the starting date.
- ▶ RBF assistance is not targeting Production Capacity Expansion by SMEs. In cases where the equipment /machinery offers benefits in 7 RBF focus areas apart from the production capacity expansion, then RBF will have to deduct a reasonable % of the investment value to lower the grant %.
- ▶ To provide Data to RBF on timely manner and project completion report.
- ▶ Demonstrate good business practices to Communities and (allowing visit for relevant stake holder)
- ▶ To share learning experiences to other businesses during and after project is completed.
- ▶ Allow 'final inspection' on completion of project to verify and document the 'lessons learnt'.
- ▶ In window 3 - the training shouldn't exceeding 4 weeks over a period of 6 months.
 - the proposed enterprises must have a minimum of 20 staff and has an established management structure.

Financial expectation from RBF grant winners

- ▶ Ability to rise the equity and loan for the proposed project
- ▶ Advance payment to equipment supplier & service provider
- ▶ Capacity to pay for the associated for the civil structure
- ▶ RBF pays the grant directly to the service provider/equipment supplier after the successful implementation of the project



Technical Preparation for implementing RBF project?





Thank
you



Please contact us for more clarification

Our Office at

Responsible Business Fund (RBF) Myanmar

Building(194), Room(101), 1st floor, Thu Kha Condo

Thu kha St,(8)ward, Hlaing Tsp, Yangon

Contact: 09424323868

E-mail: info@rbfmyanmar.com



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|--|---|
| Amarnath Reddy, Fund Manager | - E-mail: reddy@rbfmyanmar.com ; Phone: 09978970640 |
| Wint Khine, M&E Expert | - E-mail: wkhine@rbfmyanmar.com ; Phone: 09252306079 |
| Thar Lin Htet, Grant Manager | - Email: lin@rbfmyanmar.com ; Phone: 09258113737 |
| Eimon Aung, Grant Manager | - Email: eimon@rbfmyanmar.com ; Phone: 09979327744 |
| Aung Phyoo Chit, Grant Officer | - Email: aung@rbfmyanmar.com ; Phone: 09402642579 |
| Ni Ni Tun, Financial Controller | - Email: nini@rbfmyanmar.com ; Phone: 09977792279 |