

Innovations in Maternal Health – Call for Business Proposals

Call for Health & Business Innovations

The MOMs (Maternal Outcomes Matter) Initiative aims to deploy up to \$50M over the next several years in debt and grant capital to improve maternal health in regions of the world where there are high rates of women dying from complications of pregnancy and childbirth. The Initiative was created to stimulate, advance, and scale maternal health innovations that contribute to a healthy pregnancy and safe childbirth.

The MOMs Initiative is seeking brief pitches from businesses and entrepreneurs well-equipped to improve maternal health in sub-Saharan Africa and South Asia in a financially sustainable way. Applicants will need to showcase an established revenue-generating business model, along with **a minimum of USD \$1M of annual revenue and/or assets to be considered for Initiative funding**. Funding, if approved, may take the form of a blend of grant and debt capital, and/or the provision of technical assistance on a cost-sharing basis.

The Initiative will accept submissions until March 31, 2020. A select number of organizations that meet the investment criteria will be invited to join an initial screening call to provide more detailed information about their project. Applicants that are selected for further due diligence will be provided additional information along with a high-level timeline for final deliberations. A selection committee will review all submissions on a rolling basis and will notify applicants if they have been selected for an initial screening call. Applicants not invited for a screening call will also be notified on a rolling basis.

Background

The MOMs Initiative was launched in June 2019 by the Overseas Private Investment Corporation (OPIC) – now the U.S. International Development Finance Corporation - *Merck for Mothers*¹ (Merck's global initiative to address preventable maternal mortality), Credit Suisse, and USAID to stimulate, advance, and scale innovations that contribute to a healthy pregnancy and safe childbirth -- laying the foundation for life-long good health for women, children, and communities.

In many countries with poor health indicators, small and medium-sized enterprises (SMEs) and entrepreneurs are an untapped resource for innovation that can accelerate gains in health using financially sustainable business models. The Initiative intends to support local enterprises that are primed to have an even greater impact on maternal health outcomes because of their successful track record in the following areas which directly and indirectly contribute to maternal health: health infrastructure, health service delivery, training for health providers, digital solutions for more efficient and effective care, financial inclusion, sustainable energy, and supply chain strengthening.

Investment Criteria

The Initiative will consider providing grants, technical assistance, and/or financing to businesses that meet the following criteria for both maternal health impact and financial sustainability:

Maternal Health Impact Criteria

- Has established maternal health as an organizational priority as demonstrated by services rendered, products provided, or customers reached
- Demonstrated success in improving maternal health

¹ Merck for Mothers is an initiative of Merck & Co., Inc., Kenilworth, NJ USA. Merck for Mothers is known as MSD for Mothers outside of the United States and Canada.

- Strong likelihood of achieving greater measurable impact as a result of funding
- Operations in low- or middle-income countries with a high burden of maternal mortality and an enabling environment for business expansion

Financial Sustainability Criteria

- Must be a for-profit, non-profit, social enterprise, or company that is not more than 30% government owned
- Target geography is sub-Saharan Africa and/or South Asia
- Proposed projects must demonstrate long-term financial sustainability and a clear potential to scale
 - In operation for at least 2 years
 - At least \$1 million of revenue and/or assets
 - Positive net equity position
- Preference will be given to projects that are innovative in terms of their products/services, target clients, or business model
- Management team has proven its ability to execute a project that achieves both financial and social objectives and reflects gender diversity

Terms and Conditions²

- **Term:** Maximum of 10 years; target 6-7 years.
- **Funding Amounts Available:** Target range USD \$5 - \$10 million per project, with a minimum USD \$1 million per project; maximum commitment USD \$20 million
 - Investments below USD \$5 million are not preferable and will be made in cases in which the project shows outstanding potential for financial sustainability and social impact within the next year
- **Types of Funding:** Grants, technical assistance, and/or debt financing
- **Disbursement:** Social performance benchmarks may be incorporated as condition to disbursement in addition to standard disbursement conditions

Application Process

The MOMs Initiative is seeking pitches from companies with a demonstrated commitment and track record in improving maternal health in sub-Saharan Africa and/or South Asia. The Initiative will accept submissions until March 31, 2020 and will invite a select number of companies that meet the investment criteria for an initial screening call.

Companies should submit the following materials to be considered for investment:

1. 1-3 minute video “pitch” that describes why your company and proposed project is a strong fit for investment by *The MOMs Initiative*
2. Brief document or presentation (not to exceed 5 pages) that includes the following:
 - i. Problem you are solving and how
 - ii. Why you have the right team to solve this problem, and why now
 - iii. What differentiates your solution from current market alternatives
 - iv. Market analysis and sizing of potential
 - v. Revenue model, including documentation of at least \$1 million of revenue and/or assets and positive net equity position
 - vi. Plans for growth

² Funding by each of the Initiative participants will be subject to each participant's due diligence and internal approval policies and procedures, the availability of funding, environmental, social, and governance requirements, and definitive contractual documentation satisfactory to all parties.

vii. How the Initiative’s support will advance both maternal health and financial objectives

Materials should be submitted via email to CSTMFORMOTHERS@merck.com. It is the applicant’s responsibility to ensure that files are complete; the applicant bears full responsibility for data errors or omissions.

Questions regarding the application process should be submitted via email to CSTMFORMOTHERS@merck.com. A frequently asked questions (FAQ) document will be released in early February 2020 based on common inquires. Questions will not be responded to on an individual basis.

Review & Notification Process

A selection committee will review all submissions on a rolling basis and will notify applicants if they have been selected for an initial screening call. Applicants not invited for a screening call will also be notified on a rolling basis.

Issuance of this call for Innovations in Maternal Health does not constitute an investment or commitment on the part of the Initiative or its participants, nor does the Initiative or its participants commit to pay for costs incurred in the preparation and submission of applications. Further, the Initiative and its participants reserve the right to reject any or all applications received.

Summary of Key Dates

Call issued for expressions of innovation	January 22, 2020
Submissions due	March 31, 2020
Notification of screening call	Determined on a rolling basis, target to complete no later than September 30, 2020
Funds committed	Funds committed on a rolling basis, pending due diligence and approval by each Initiative participant and negotiation of satisfactory contractual documentation.