



INCLUSIVE ECONOMIC ENGAGEMENT ACTIVITY (IEEA)

ANNUAL PROGRAM STATEMENT #1

APS NO.:APS-2023-01

Issued by:	Inclusive Economic Engagement Activity (IEEA) - funded by USAID and implemented by CDF.
Issued date:	March 31, 2023
Closing date:	September 8, 2023, at 16:00 CET. Early applications are strongly encouraged.
Subject:	Invitation to women owned and minority owned MSMEs to submit Expression of Interest (EOIs) for funding for goods and services aimed at increasing their overall resilience.
Purpose:	This solicitation is seeking EOIs and applications from eligible MSMEs that present creative technical approaches and methodologies for supporting the Activity's objective for empowering and reviving women- and minority-owned micro, small, and medium enterprises (MSME) impacted by the Covid-19 pandemic.
Eligibility:	Eligible applicants include the legally registered women owned MSMEs and legally registered minority owned MSMEs in Kosovo.
Funding:	Awards will be up to USD 10,000.
Information:	The IEEA team will organize initial online APS information session. The onlinesession will be organized on 18 April 2023 starting from 10:00 am.
Weblinks:	Link for the online session will be published on the: CDF webpage at https://kcdf.org/ and CDF Facebook page at https://www.facebook.com/CommunityDevelopmentFund In addition, APS information sessions will be organized in 7 regions of Kosovo. A specific timetable for information session(s) will be published on: the CDF webpage at: https://kcdf.org/ and CDF Facebook page at https://www.facebook.com/CommunityDevelopmentFund



PROJECT BACKGROUND

The Inclusive Economic Engagement Activity (hereinafter referred to as “IEEA” or “Activity”) is a five-year activity with the aim to empower women and minorities through increased economic opportunities throughout Kosovo. This activity aims to provide quick and urgent assistance to women and minorities who have historically been excluded from economic prosperity in Kosovo and are now disproportionately affected by the negative economic impact of COVID-19, and to help them become more resilient and to withstand future shocks or stresses.

KEY SECTORS

The Inclusive Economic Engagement Activity will focus on all sectors where women and minority owned MSMEs are operating.

FOCUS AREAS

Inclusive Economic Engagement Activity (IEEA) focuses its work in the following five focus areas:

- Access to Finance: MSMEs owned by women and minorities often face challenges in accessing capital. Grants and assistance programs can focus on providing financial support to these businesses to help them grow and expand.
- Business development: Providing training and support to MSMEs owned by women and minorities can help these businesses develop stronger skills in areas such as marketing, sales, and operations.
- Technology and innovation: MSMEs owned by women and minorities can benefit from access to new technologies and innovative solutions that can help them compete in the marketplace.
- Access to markets: Assistance programs can help women- and minority-owned MSMEs access new markets and customers, which can help them grow their businesses and increase their revenues.
- Networking and mentorship: MSMEs owned by women and minorities can benefit from networking and mentorship opportunities that connect them with other business owners and industry experts who can offer guidance and support.

PURPOSE OF THE FUNDING

Through this funding opportunity, IEEA invites prospective eligible applicants to submit proposals for funding concrete solutions or ideas that aim to empowering and reviving women owned and minority owned micro, small, and medium enterprises (MSMEs) negatively impacted by COVID – 19 pandemics.



GENERAL CONSTRAINTS

The IEEA recently conducted a Mapping Assessment of Women and Minority-owned MSMEs in Kosovo, which identified several challenges these businesses face in the aftermath of the COVID-19 pandemic. These constraints are hampering their growth and sustainability.

Some of the key constraints that were identified include:

- a) Limited access to finance
- b) Lack of business development capacities
- c) Labor shortage and skills gaps
- d) Lack of equipment
- e) Lack of digitalization/e-commerce
- f) Limited value chain integration and market access
- g) Lack of networking opportunities and limitations to scaling up business operations
- h) Non-formal business practices

Applicants for funding under this opportunity must clearly demonstrate how their proposals address at least one of the identified constraints.

KEY DESIRABLE OUTCOMES

Applications submitted under this solicitation are required to demonstrate how their funding requests and proposed activities contribute to at least one of the below mentioned outcome indicators. While applications are evaluated from multiple angles, applications that clearly demonstrate an impact in at least one but preferably more outcome indicators listed below will have a greater chance of receiving funding:

- Improve quality of products and/or services
- Improve efficiency due to new equipment
- Increase net value of sales;
- Increase of number of jobs, including for women and minorities;
- Increase digitalization of companies.
- Improve access to market

PRIORITY AREAS FOR FUNDING

Through this funding call, the IEEA welcomes applications that clearly advance the resilience of women owned and/or minority owned MSMEs. Considering that the Activity encompasses very specific target group, it will not have a pre-defined priority area for funding but will respond to specific needs of targeted businesses.



GRANT SIZE

Subject to the availability of funds, any awards resulting from this funding opportunity are expected to be in the range of: Up to USD **10,000** for women and minority owned MSMEs.

NOTE:

The cost sharing is encouraged but not mandatory and will not provide any advantage during the evaluation process, furthermore the cost sharing is considered optional and will not impact the evaluation process.

ELIGIBLE AND NON-ELIGIBLE FUNDING

The list of costs that IEEA will consider eligible and/or not eligible to cover in a successful funding application is described in the table below:

Partner type	Eligible for Funding	Not Eligible for Funding
MSMEs	Under the Grant format, goods and services are procured directly by the Project in close collaboration with the grantee or the grant activity. All procurement undertaken on the grantees' behalf by IEEA will be done in compliance with CDF and USAID's procurement regulations.	<ul style="list-style-type: none"> • Travel and accommodation for members • Construction costs • Used Equipment • Overhead

ELIGIBILITY OF APPLICANTS

All awards issued under the IEEA funds will be subject to the eligibility requirements set forth below. Eligible applicants must be:

- Women owned MSMEs that are legally registered in Kosovo
- Minority owned MSMEs that are legally registered in Kosovo
- Women and minority owned MSMEs that are legally registered in Kosovo

Eligible applicants must also:

- Demonstrate an ability to contribute to the objectives of the IEEA and perform the award in accordance with USAID and CDF policies and practices.
- Display sound financial, administrative, and technical management in the form of a system of controls that safeguards assets and protects against fraud and waste.
- Support the achievement of the awards objectives.
- Have a satisfactory performance record and record of business integrity and ethicality.



Ineligible applicants include:

- Political parties or institutions.
- MSMEs that advocate, promote, or espouse anti-democratic policies or illegal activities.
- MSMEs that intend to use funding for religious objectives.
- Entities that have misused USAID funds in the past.
- MSMEs with key individuals that appear on any of the following:
 - the Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons (<https://sanctionssearch.ofac.treas.gov/>)

Prior to the award of a grant under this APS, successful applicants will also be subject to a *Pre-Award Responsibility Determination*, which will be conducted by CDF/IEEA representatives. In making this determination, during the assessment visit, the representatives of CDF/IEEA will confirm whether the applicant possesses: the official business registration certificate and is fulfilling tax obligations, and will check the number of employees, available inventory, facilities (owned or rented), environmental impact and past performance record to successfully implement the grant activities. Only MSMEs that are determined to be meeting the requirements will be eligible for award. No activities that have a negative environmental impact that is not mitigated will be considered. The IEEA will award grants that address specific problems and offer practical solutions.

APPLICATION PROCESS

This funding opportunity will involve a multi-tiered application competition system and evaluation process which includes Phase 1 – Submission of Expression of Interest and Phase 2 – Submission of Full Grant Application.

Phase 1: Submission of Expression of Interest (Concept Note)

During the first phase, applicants are required to submit an Expression of Interest (EOI)/Concept Note, summarizing the problem statement it aims to address, the relevance of the proposed activities to Inclusive Economic Engagement goals, description of main proposed activities and tasks, the expected results (describing how the results contribute to the project's outcome indicators), including a management plan, past relevance experience of the applicant, and an initial proposed budget. The EOI (Concept Note) should clearly and concisely explain the proposed grant activity's purpose, relevance, activities, and expected results in support of Inclusive Economic Engagement Activity objectives as set forth in this solicitation. All EOIs must be submitted in the EOI format included in [Annex 1](#) of this solicitation and must not exceed 5 pages.

EOIs may be submitted to IEEA at any time before the closing date and time as specified in this solicitation. **However, early applications are strongly encouraged.**

Applications can be submitted in three languages (English, Albanian, and Serbian). Applicants should submit written EOIs to IEEA's Grants Department electronically, **via email** to grants@kcdf.org or **in hard copy** at the CDF/IEEA premises in the following address: **str. Sejdi Kryeziu 32, Prishtina, Kosovo**. All correspondence submitted via email and/or in hard copy must include the APS number referring to Inclusive Economic Engagement Activity: **APS-2023-01 IEEA**.



The closing date for the submission of EOIs is **September 8, 2023**, CoB **16:00 hours** local Kosovo time (Central European Time) on that date. EOIs submitted after this date and time will not be considered under this APS.

The IEEA will convene a Grants Selection Committee (GSC) that will evaluate EOIs submitted in response to this funding opportunity on a *rolling basis*. EOIs will be evaluated based on the criteria specified below (see Section 12 below). Should an applicant’s EOI be accepted by the GSC, the applicant will be invited to submit a Full Grant Application as detailed below.

Phase 2: Submission of Full Grant Application

Upon evaluation of EOIs, IEEA will invite applicants that submitted successful EOIs to submit a full grant application based on the concept and technical approach proposed in the EOI. All applications must be submitted in the Full Grant Application Format included in [Annex 2](#) of this solicitation. The Full Grant Application Format requires applicants to expand in detail on the proposed grant activity, objectives and expected results, including a description of target beneficiaries and stakeholders, and a detailed grant budget. The Full Grant Application must not exceed 15 pages.

EVALUATION AND SELECTION

The IEEA will convene a Grants Selection Committee (GSC) that will review both EOIs and Full Grant Applications (FGAs) submitted in response to this funding opportunity on a rolling basis. The GSC will evaluate EOIs and FGAs based on the following criteria:

Factor	Points	Project Objectives
Business sustainability and growth potential	40	Ensure that the business has a clear and feasible plan to achieve its goals, generate revenue, and is able to maintain operations in the long-term. Consider the potential to expand its operations, reach new markets, and achieve greater profitability over time.
Innovation and uniqueness	10	Encourage businesses to offer unique products, services or processes that differentiate them from competitors and add value to their customers.
Social and environmental impact	20	Promote businesses that have a positive impact on the environment or society, such as reducing carbon emissions, promoting sustainability, or creating employment opportunities for underrepresented groups.
Management team and capabilities	30	Evaluate the experience, skills, and capacity of the management team, with a focus on women and minority ethnicities-led businesses, to successfully execute the proposed project and grow the business.



Upon completion of the first phase of evaluation, all applicants will be informed about their application status. Successful applicants who exceeded the minimum threshold of **60 points** will receive a written notification that their Expression of Interest (EOI) has been accepted.

Upon successful completion of EOI phase, the successful applicants will be invited to submit a full grant application with a specified deadline. The GSC will evaluate the full grant application based on the criteria listed above. As per the information provided, it is a requirement for the applicants to attain a minimum score of **70 points** from the review of full applications by GSC.

Note:

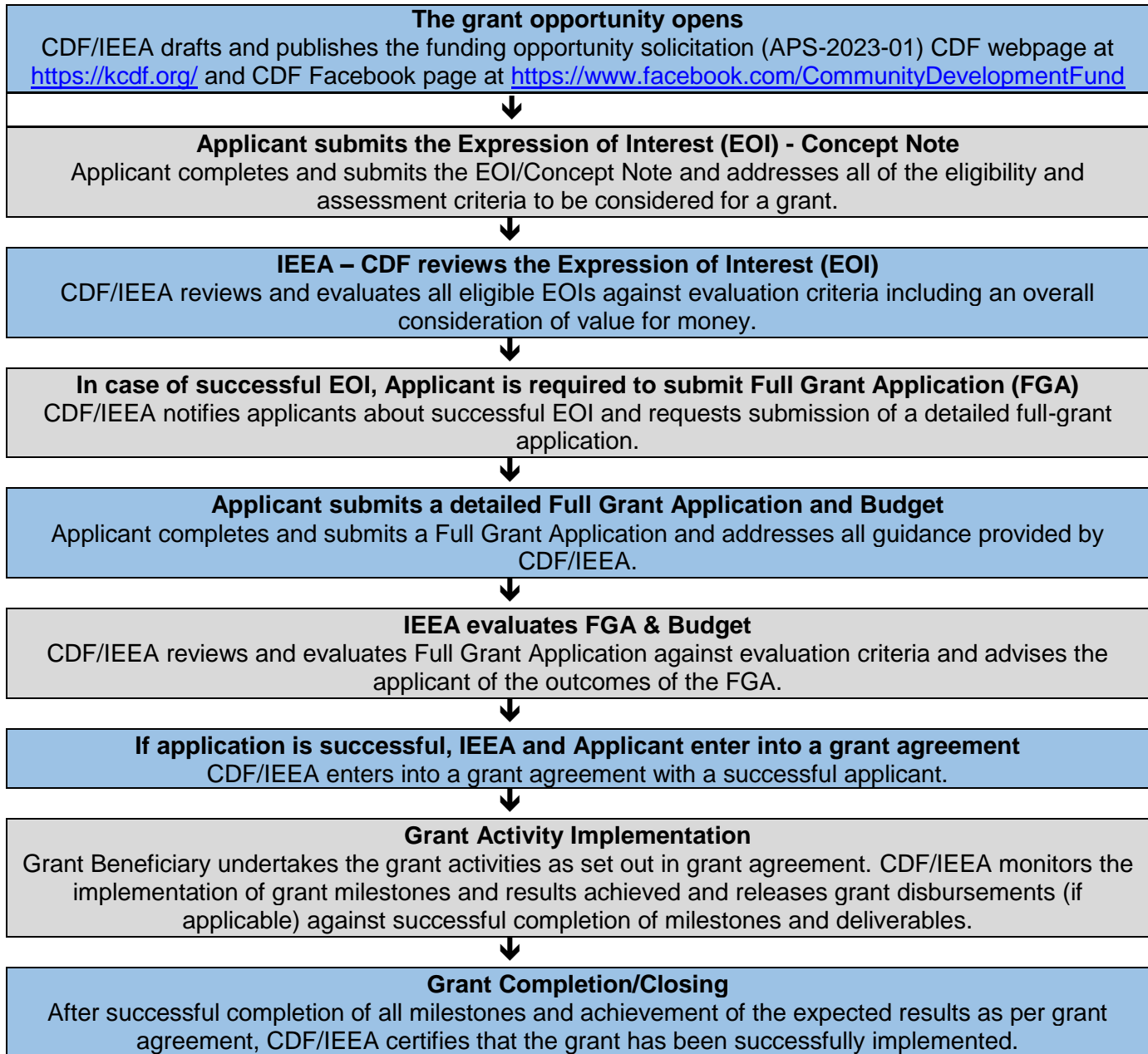
The IEEA reserves the right to fund any or none of the applications submitted. Issuance of this APS does not constitute an award commitment on the part of the Activity, nor does it commit the Activity to pay for costs incurred in the preparation and submission of an EOI or the full grant application. Further, the Activity reserves the right to reject any or all applications received if such action is considered not in line with USAID/CDF regulations. **Applications are submitted at the risk of the applicant; should circumstances prevent making an award, all preparation and submission costs are at the applicant's expense.**

MITIGATION OF MARKET DISTORTION

The IEEA will ensure clear, transparent and competitive procedures for grants funded from the project with key considerations to include expected results and market distortion. Grant proposals will be assessed and approved with the goal of avoiding market distortion or favoring one producer, business group or interest over another. In improving the competitiveness of a particular sector, sub sector, or enterprise cluster, grants shall foster a level playing field for competing and complementary firms in the same value chain. The purpose of the IEEA Resilient Grant Scheme is not to be used as direct funding or providing subsidies to producer organizations, but to advance the competitiveness within IEEA target value chains. The fund will not be used to provide unfair subsidies that compete with existing financial institutions. The fund will be structured and managed to ensure that it does not distort the local market.



GRANT APPLICATION, EVALUATION, AND IMPLEMENTATION





ANNEXES

- A. Expression of Interest Format**
- B. Full Grant Application Format**