Call for Grant Proposal

SEG 01-2020-Grant-UNDP-AFT-“Grants Proposals”

Dear Sir/Madam

We invite you to submit a project proposal to provide innovative and inclusive financing and investments to women-led SMEs in Osh, Djalal-Abad, Naryn and Issyk-Kul oblasts of the Kyrgyz Republic from 2020 to 2021.

The Call for Grant proposal is announced within the framework of the UNDP project “Aid for Trade”. The project focuses on supporting Central Asian countries in promoting inclusive and sustainable growth patterns in rural areas and within green productive sectors. The project works on the macro (policy), meso (institutions) and micro (SMEs & producers) levels ensuring that intervention levels are mutually supportive to ensure a focused impact level. The project focus on two main components:

• Supporting an enabling environment for job-rich sustainable growth;
• Supporting market opportunities for all through more efficient and competitive producers and processors.

Two cross-cutting themes will be gender equality and environmental sustainability.

On the micro level, the project focuses on identifying and developing high-added value green niche products in rural areas that have a high trade potential. The main aim will be income and employment generation.

The project focuses on women entrepreneurs empowerment and tackling barriers specific to women entrepreneurs such as affordable access to finance making it more difficult for women entrepreneurs to start and maintain productive enterprises that ensure a sustainable income, as well as upward mobility. The project implements direct targeted interventions for women entrepreneurs, which focuses on three different level:

1. Positive role models of women entrepreneurs;

In order to support a positive image of women entrepreneurs and enhance capacities, the project supported a mentorship programme for women and youth entrepreneurship

During the implementation of the mentorship programme, the project identified a financing gap for women-led SMEs (average gap is about 20,000 USD\(^1\)), average size per revenue is 25% and rejection rate is 22%. Thus, there is a strong demand for better access to finance for SMEs in Kyrgyzstan, especially women-led companies.

A grant totalling USD 150,000 will be allocated to provide financial and investment support to women-led SMEs in Osh, Djalal-Abad, Naryn and Issyk-Kul oblasts of the Kyrgyz Republic through:

\(^1\) Calculations based on IFC Enterprise Financial Gap Database. Average credit value gap for MSMEs (micro, small and medium enterprises) in Kyrgyzstan equals 4,953 USD, out of which micro enterprise gap is 3,134 USD and SMEs 20,782 USD.
1) Development of a sustainable and inclusive financial products for women entrepreneurs through hybrid financing\(^2\) in target regions\(^3\) of the project;

2) Provision of affordable, innovative and inclusive financing and investments products for women entrepreneurs based on criteria developed for this grant proposal, namely better access to technologies for women entrepreneurs, jobs creation and income generation for population in rural areas;

3) Provision of continued business mentoring and advisory support to women-led SMEs to ensure effective use of funds and sustainability of their business model;

Monitoring the results/impact of the different products with a special focus on decent jobs, livelihoods and trade turnover.

UNDP requests to provide in the methodology flexibility in terms of timeframe and regional coverage of implementation considering assumptions and risks of COVID-19\(^4\) in each target region. Any changes of coverage and timeline should be discussed and agreed with UNDP.

This call aims to improve access to affordable inclusive finance for women-led SMEs through hybrid finance mechanisms, as well as providing support to NGO in improving innovative financial services, according to the attached Terms of Reference (TOR).

2. The following documents have to be submitted:
   i. Instructions to Offerors (Annex I)
   ii. Term of Reference (ToR) (Annex II)
   iii. Application Form (Annex III)

3. Your offer comprising of the application form, should be submitted by e-mail to procurement.seg.kg@undp.org (with indication in the topic of email Reference Number of the Call for Grant Proposal, the Date of Submission, and the Name of the Offer) addressed to Ms. Louise Chamberlain, Resident Representative UNDP Kyrgyzstan

   no later than 12:00pm of local time, April 30, 2020. All offers should be duly signed and stamped. Offers that are not duly signed and stamped, as well as late offers will be disqualified automatically.

   The UNDP will open the Proposals in the presence of a Grant Selection Committee formed by the Head of UNDP.

4. If you request additional information, we would endeavor to provide information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal. Additional information could be obtained upon submitting the query via e-mail procurement.seg.kg@undp.org

   Thank you.

   Louise Chamberlain
   Resident Representative UNDP
   Kyrgyzstan

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\(2\) Mezzanine financing is a hybrid of debt and equity financing that gives the lender the right to convert to an equity interest in the company in case of default. Mezzanine financing can be provided with little or no collateral on the part of the borrower.

\(3\) Osh, Djalal-Abad, Naryn and Issyk-Kul oblasts are target regions of Aid for Trade project (phase IV).

\(4\) Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus which was confirmed by WHO as pandemic.
Annex I

Instruction to Offerors

A. Introduction

1. General

UNDP implements a regional “Aid for Trade” project in Central Asian countries, which is funded by the Government of Finland. The project supports Central Asian countries in promoting inclusive and sustainable growth patterns in rural areas and within green productive sectors.

2. Cost of Proposal

The Offeror shall bear all costs associated with the preparation and submission of the Proposal, the UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

B. Solicitation Documents

3. Contents of solicitation documents

Proposals must offer services for the total requirement. Proposals offering only part of the requirement will be rejected. The Offeror is expected to examine all corresponding instructions, forms, terms and specifications contained in the Solicitation Documents. Failure to comply with these documents will be at the Offeror’s risk and may affect the evaluation of the Proposal.

4. Clarification of solicitation documents

A prospective Offeror requiring any clarification of the Solicitation Documents may notify UNDP in writing at the organization’s mailing address indicated in the Call. The UNDP will respond in writing to any request for clarification of the Solicitation Documents that it receives earlier than two weeks prior to the deadline for the submission of Proposals.

5. Amendments of solicitation documents

At any time prior to the deadline for submission of Proposals, the UNDP, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Offeror, modify the Solicitation Documents by amendment.

All prospective Offerors that have received the Solicitation Documents will be notified in writing (through the same source of mass-media where the Call was placed for advertisement and through the UNDP’s web-site: https://www.kg.undp.org/content/kyrgyzstan/en/home/procurement.html) of all amendments to the Solicitation Documents.

In order to afford prospective Offerors reasonable time in which to take the amendments into account in preparing their offers, the UNDP may, at its discretion, extend the deadline for the submission of Proposals.

C. Preparation of Proposals

6. Language of the proposal

The Proposals prepared by the Offeror and all correspondence relating to the Proposal exchanged by the Offeror and UNDP shall be written in Russian language or in English. In this case and with the purpose of interpretation of Proposal, the Russian will be predominant.
Documents comprising the proposal
The proposal should consist of following components:
1. Application form (available on our website at https://www.kg.undp.org/content/kyrgyzstan/en/home/procurement.html);
2. Project Proposal;
3. Copy of the constituent documentation package;
4. Balance, PAR
5. CVs of the director and other key personal

Proposal currencies
All figures shall be quoted in USD or KGS.

Payment
UNDP shall effect payments to the Local Contractor in national currency of the Kyrgyz Republic according to the official exchange rate of UNDP on the day of payment. Payment will be made to the bank account indicated in the contract signed with the winner organization of tender.

Submission of Proposal

The Offeror should send the Proposal by email procurement.seg.kg@undp.org addressed to:
Ms. Louise Chamberlain
Resident Representative, UNDP Kyrgyzstan
With the note – SEG 01-2020-Grant-UNDP-AFT-“Grants Proposals”
and,
Date of Submission and Name of the Offeror.

Deadline for submission of proposals
Proposals must be received by UNDP at the e-mail address procurement.seg.kg@undp.org to the deadline 12.00pm local time, April 30, 2020.

The UNDP may, at its own discretion extend this deadline for the submission of Proposals by amending the solicitation documents in accordance with clause Amendments of Solicitation Documents, in which case all rights and obligations of UNDP Office and Offerors previously subject to the deadline will thereafter be subject to the deadline as extended.

Late Proposal
Any Proposal received by the UNDP office after the deadline for submission of proposals, pursuant to clause Deadline for the submission of proposals, will be rejected.

Opening and Evaluation of Proposals

Opening of Proposals
The UNDP will open the Proposals in the presence of a Grant Selection Committee formed by the Head of UNDP.

Clarification of Proposals
During examination, evaluation and comparison of Proposals, the UNDP may at its discretion, ask the Offeror for clarification of its Proposal. The request for clarification and the response shall be in writing
and may concern any questions regarding grant proposal. The Offeror should provide clarifications at the shortest time after request, but no later than 7 (seven) days.

15. Evaluation and Comparison of Proposals

Review and evaluation of project proposals will be carried out separately. Before evaluation, the members of committee may provide comments/remarks on any project proposal or inform other members about additional information on Offerors if this information concern or may influence on the project implementation in the future. Members of Committee may take into consideration these comments/remarks during evaluation of proposal. The Grant Selection Committee may organize and conduct several meetings to evaluate individually each project proposal, if the offeror is required to provide amendments and clarification.

Each member of the Committee should sign a disclaimer of conflict of interest. In case a conflict of interest occurs with any member than this member has no right to participate in the discussion and voting procedure.

The criteria and scoring system are used to evaluate project proposals. Scores of each criteria is counted immediately after discussion of each project proposal and entered in the evaluation form where scores of each criteria are shown.

Evaluation of results of voting is conducted by Secretary. The total score made by each member of grant selection committee is considered as a crucial factor during review of each proposal for financing. Those project proposals, which received minimum number of points (no less 80%) will be considered as technically answering offeror and will be recommended to financing.

Proposal is evaluated on the meet of the requirements of Term of Reference (ToR), and on the rational budget submission as well.

Criteria of Technical Evaluation

<table>
<thead>
<tr>
<th>Brief Summary of Technical Evaluation</th>
<th>Score</th>
<th>Points obtainable (maximum)</th>
<th>Company/Organization</th>
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<tbody>
<tr>
<td></td>
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<td>A</td>
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<tr>
<td>1 Reputation (Potential) of organization and its initiators</td>
<td>20</td>
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<td>2 Investment experience of key personnel</td>
<td>35</td>
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<td>3 Value building strategy</td>
<td>25</td>
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<tr>
<td>4 Organization of pre investment process and exit strategy including reaching potential recipients through solutions for remote access considering restrictions on meetings, mass gatherings and travel because of emergency situation on COVID19</td>
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<tr>
<td>5 Methodology on innovative financing and investment for women entrepreneurs in target regions. Methodology should be flexible in terms of timeframe and regional coverage of tasks implementation considering assumptions and risks of COVID-19 in each target region</td>
<td>30</td>
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<tr>
<td>6 Effective impact measurement and monitoring approach</td>
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</table>
The evaluation form of the technical part of the Proposal is on the next page. Received scores should be shown per each evaluating criteria, and indicate article value rate during evaluation.

### Evaluation Form of Technical Part of Proposal:

<table>
<thead>
<tr>
<th>Evaluation of Technical Part of Proposal</th>
<th>Points obtainable (maximum)</th>
<th>Company/Organization</th>
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<tbody>
<tr>
<td><strong>Form 1</strong></td>
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<td>A B C D E</td>
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<tr>
<td>Reputation (Potential) of organization and its initiators</td>
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<tr>
<td>1  Reputation of Organization and its Personnel and Initiators of the Innovate Investment Vehicle (Capacity/Solidity):</td>
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<tr>
<td>· Legal entity, NGO;</td>
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<tr>
<td>· Key local partner (holder) in form of legal entity that has at least 1 years of investment experience in Kyrgyzstan and Central Asian countries. 3 years and more is an advantage.</td>
<td>5</td>
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<tr>
<td>· Presence of strategic partner that has international expertise in developing finance and investment markets</td>
<td>5</td>
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<tr>
<td>Total part 1</td>
<td>20</td>
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<tr>
<td>Evaluation of Technical Part of Proposal</td>
<td>Points obtainable (maximum)</td>
<td>Company/Organization</td>
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<tr>
<td><strong>Form 2</strong></td>
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<td>A B C D E</td>
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<tr>
<td>Investment experience of key personnel</td>
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<tr>
<td>2.1 Team Leader</td>
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<td>· University degree in finance or business administration or economy.</td>
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<td>· Experience of managing Investment portfolio equal to or not less than USD 1 mln.</td>
<td>5</td>
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<tr>
<td>· Experience in investment and / or business support for women entrepreneurs</td>
<td>5</td>
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<tr>
<td>Investment Analytic</td>
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<tr>
<td>· University degree in finance or business administration or economy.</td>
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<tr>
<td>· Experience of managing Investment portfolio equal to or not less than USD 1 mln.</td>
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<td>· Has invested in at least 3 industries/sectors</td>
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<tr>
<td>· Experience in investment and / or business support for women entrepreneurs</td>
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<tr>
<td>Total Part 2</td>
<td>35</td>
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**Company/Organization**
**Value building strategy (including reaching potential recipients through solutions for remote access considering restrictions on meetings, mass gatherings and travel because of emergency situation on COVID-19)**

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<tr>
<td>3.1</td>
<td>Clear and concise understanding of why value needs to be built in portfolio investments</td>
<td>5</td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>3.2</td>
<td>Applicants approach to building capacity of management in portfolio investments</td>
<td>5</td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>3.3</td>
<td>Applicants approach to operational efficiency improvement</td>
<td>5</td>
<td>A</td>
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<td>3.4</td>
<td>Applicants approach to developing financial efficiency</td>
<td>5</td>
<td>A</td>
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<tr>
<td>3.5</td>
<td>Applicants approach to building corporate governance</td>
<td>5</td>
<td>A</td>
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<td><strong>Total Part 3</strong></td>
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**Evaluation of Technical Part of Proposal**

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<tr>
<td>Organization of pre investment process and exit strategy (including reaching potential recipients through solutions for remote access considering restrictions on meetings, mass gatherings and travel because of emergency situation on COVID-19)</td>
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<tr>
<td>4.1</td>
<td>How well the approach and mechanism are defined as to preliminary negotiations, market research, transaction structuring?</td>
<td>10</td>
<td>A</td>
<td>B</td>
<td>C</td>
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<tr>
<td>4.2</td>
<td>How well the approach and mechanism are defined as to conducting due diligence and developing operational model?</td>
<td>10</td>
<td>A</td>
<td>B</td>
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<tr>
<td><strong>Total Part 4</strong></td>
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**Methodology on innovative financing and investment for target group in target regions (including reaching potential recipients through solutions for remote access considering restrictions on meetings, mass gatherings and travel because of emergency situation on COVID-19)**

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<tr>
<td>5.1</td>
<td>The proposed methodology contains structured and well-described on process of selection of business projects for women entrepreneurs to be funded including selection criteria</td>
<td>20</td>
<td>A</td>
<td>B</td>
<td>C</td>
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<tr>
<td>5.2</td>
<td>The proposed methodology contains description of resource mobilization including existing commitments from third investors and / or pipeline of projected resources to be attracted for upcoming 3 years.</td>
<td>10</td>
<td>A</td>
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<td><strong>Total Part 5</strong></td>
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**Effective impact measurement and monitoring approach (including reaching potential recipients through solutions for remote access considering restrictions on meetings, mass gatherings and travel because of emergency situation on COVID-19)**

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<tr>
<td>6.1</td>
<td>The applicant has sophisticated impact measurement approach</td>
<td>5</td>
<td>A</td>
<td>B</td>
<td>C</td>
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6.2 The applicant has sophisticated impact monitoring approach to investments provided

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<tr>
<td><strong>Total Part 6</strong></td>
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E. Award of Contract/Sign of Grant Contract

16. Award criteria, award of contract

The UNDP reserves the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors of the grounds for the Purchaser’s action.

Prior to expiration of the period of proposal validity, the procuring UNDP entity will award the contract to the qualified Offeror whose Proposal after being evaluated is considered to be the most responsive to the needs of the organization and activity concerned.

17. Purchaser’s right to vary requirements at time of award

The UNDP reserves the right at the time of award of contract to increase or decrease the quantity of services (as determined in the Call for Proposal).

18. Signing of the Contract

Within 15 days of receipt of the contract, the successful Offeror shall sign and date the contract and return it to the Purchaser.

Failure of the successful Offeror to comply with the requirement of Clause 18 shall constitute sufficient grounds for the annulment of the award. In this case, the Purchaser may make the award to the next lowest evaluated Offeror.

If the winner company does not abide with the requirements set in clause 18, this will lead to contract annulment. In this case, UNDP may sign a contract with another Offeror that based on the evaluation results ranks second.
Annex II

TERMS OF REFERENCE

SEG 01-2020-Grant-UNDP-AFT-“Grants Proposals”

Sub-project: «Improving access of small and medium enterprises, especially women-led companies, to affordable innovative and inclusive tools for financing and investment in Osh, Jalal-Abad, Naryn and Issyk-Kul oblasts»

BACKGROUND

The Call for Grant proposal is announced within the framework of the UNDP project “Aid for Trade”. The project focuses on supporting Central Asian countries in promoting inclusive and sustainable growth patterns in rural areas and within green productive sectors. The project works on the macro (policy), meso (institutions) and micro (SMEs & producers) levels ensuring that intervention levels are mutually supportive to ensure a focused impact level. The project focus on two main components:

- Supporting an enabling environment for job-rich sustainable growth;
- Supporting market opportunities for all through more efficient and competitive producers and processors.

Two cross-cutting themes will be gender equality and environmental sustainability.

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The project focuses on women entrepreneurs empowerment and tackling barriers specific to women entrepreneurs such as affordable access to finance making it more difficult for women entrepreneurs to start and maintain productive enterprises that ensure a sustainable income, as well as upward mobility.

The project implements direct targeted interventions for women entrepreneurs, which focuses on three different level:

1. Positive role models of women entrepreneurs;

In order to support a positive image of women entrepreneurs and enhance capacities, the project supported a mentorship programme for women and youth entrepreneurship

During the implementation of the mentorship programme, the project identified a financing gap for women-led SMEs (average gap is about 20,000 USD\(^5\)), average size per revenue is 25% and rejection rate is 22%. Thus there is a strong demand for better access to finance for SMEs in Kyrgyzstan, especially women-led companies.

A grant totalling USD 150,000 will be allocated to provide financial and investment support to women-led SMEs in Osh, Jalal-Abad, Naryn and Issyk-Kul oblasts of the Kyrgyz Republic through:

1) Development of a sustainable and inclusive financial products for women entrepreneurs through hybrid financing\(^6\) in target regions\(^7\) of the project;
2) Provision of affordable, innovative and inclusive financing and investments products for women entrepreneurs based on criteria developed for this grant proposal, namely better access to

\(^5\) Calculations based on IFC Enterprise Financial Gap Database. Average credit value gap for MSMEs (micro, small and medium enterprises) in Kyrgyzstan equals 4,953 USD, out of which micro enterprise gap is 3,134 USD and SMEs 20,782 USD.

\(^6\) Mezzanine financing is a hybrid of debt and equity financing that gives the lender the right to convert to an equity interest in the company in case of default. Mezzanine financing can be provided with little or no collateral on the part of the borrower.

\(^7\) Osh, Jalal-Abad, Naryn and Issyk-Kul oblasts are target regions of Aid for Trade project (phase IV).
technologies for women entrepreneurs, jobs creation and income generation for population in rural areas;
3) Provision of continued business mentoring and advisory support to women-led SMEs to ensure effective use of funds and sustainability of their business model;
4) Monitoring the results/ impact of the different products with a special focus on decent jobs, livelihoods and trade turnover

UNDP requests to provide in the methodology flexibility in terms of timeframe and regional coverage of implementation considering assumptions and risks of COVID-19 in each target region. Any changes of coverage and timeline should be discussed and agreed with UNDP.

OBJECTIVES AND SCOPE

The "Improving access of small and medium enterprises, especially women-led companies, to affordable innovative and inclusive financing and investment tools in Osh, Jalal-Abad, Naryn and IssykKul oblasts" project will provide support to establish and facilitate access to financial resources, as one of the most important conditions for the development of women entrepreneurship, increasing production capacity and revenue generation. This component of the Programme is one of the key approaches and foresees the following activity areas:

- Providing access to financial services and investments for women-led MSMEs in target regions;
- Developing capacity of non-governmental organization focused on innovative and inclusive financing and investment products and their services;

The UNDP will support NGOs present in target regions to develop services to increase innovative financing and investments for women-led businesses, and subsequently contribute to gender economic empowerment and job creation of local population.

After receiving grant resources from UNDP, it is assumed that the selected NGO will manage the hybrid financing for women-led SMEs in target regions. The entrepreneurs and SMEs will be selected by the Project Proposal Evaluation Committee (PPEC). PPEC will be responsible for: announcing the call for project proposals (business plans), informing the business community in target areas about investment opportunities, collecting of business ideas, reviewing and selecting the best business plans according to established criteria and providing business mentoring for target MSMEs.

The selected NGO will conduct its own assessment and feasibility analysis considering assumptions and risks of COVID-19 in each target region and flexibility of implementation in terms of timeline and regional coverage, in accordance with their internal procedures of the recommended/selected by PPEC applications. This assessment includes at minimum a due diligence assessment (including labour rights), as well as an environmental and economic sustainability assessment. The NGO will act as an investment mechanism.

In order to achieve this, UNDP will attract the NGO demonstrating strong capacity and experience working with SMEs and women. The NGO will be selected based on competitive process, which includes two stages:

1. Review of applications and preliminary selection of NGOs (specialized in providing financial and investment tools); and
2. Assessment of institutional, operational and market capacities of NGOs in managing funds, in provision of financing and investments, in developing capacity of recipients and final selection of the partner.

Applications can be submitted by applicants meeting the following criteria:

- Eligibility Criteria: legal status of civil society organization according to legislation of KR.
- Proven institutional capacity for investment and financing management, comprising a framework/system for undertaking business proposal evaluation, due diligence and appropriate governance, and risk management;
- Proof of financial resources management and systems, availability of investment portfolio;
· Capacity of key personnel in working with small organizations—including past experience in technical assistance and developing other organizations’ capacity including providing financing for MSMEs social service delivery, managing grants/investments, etc.;
· Capacity to assess and manage risk, including value building of companies in investment portfolio, safeguarding people and the environment from harm – availability of relevant policies/methodologies;
· Comprehensive methodology of organization of pre investment process and exit strategy relevant to developing markets including reaching potential recipients through solutions for remote access considering restrictions on meetings, mass gatherings and travel because of emergency situation on COVID-19;
· Methodology of innovative financing and investment for target group and target regions including templates for assessment eligibility of potential investment recipients, selection process and resource attraction for increasing portfolio. Methodology should be flexible in terms of timeframe and regional coverage of tasks implementation considering assumptions and risks of COVID-19 in each target region;
· Programmatic capacity, including competency for monitoring and evaluation;

Additional criteria:
1. Previous experience in provision preferential financing to MSMEs business;
2. Over 50% of NGO’s investment portfolio is used for financing of women entrepreneurs and women groups, small and medium business;
3. Percentage ratio of women out of the total number of clients is not less than 50%;
4. Operating sustainability is over 100%;

The followings have to be submitted to the Grant Selection Committee by the deadline:
1. Application form (available on our website at https://www.kg.undp.org/content/kyrgyzstan/en/home/procurement.html);
2. Project Proposal;
3. Copy of the Legal documents, licenses, etc.;
4. Report on balance, income and expenditures;
5. Information about past experience and current investment portfolio of organization;
6. References from past clients and partners;
7. CVs of Director and other key personal to be engaged in implementation of the project

DELIVERABLES
1) Based on existing research and data on women-led businesses’ needs and own analysis of the situation in the target areas, to develop a hybrid financing model including a range of different financial and investment products and services, to offer to local businesses/MSMEs led by women. The financing model and investment approach should be agreed with UNDP AFT specialists.
2) Develop and agree with UNDP a ToR for the Project Proposal Evaluation Committee with consideration of principles of fairness, integrity and transparency. PPEC should include business advisory experts, representative of local authorities responsible for investment and business development, other relevant stakeholders.
3) Organize an open and transparent process of business proposals solicitation and selection.
4) Facilitate the PPEC meetings to review the business plans and project proposals.
5) Review and assess capacity of recommended women-led SMEs and feasibility of business plans.
6) Based on recommendations provide funds to at least 10 selected business projects in the form of cash or equipment based on debt facility or equity-sharing model.
7) Monitor the activity of supported businesses, provide advisory support and business mentoring to ensure effectiveness and sustainability of business models. Collect relevant data and report to UNDP on regular basis on the results of the project implementation.
8) Ensure proper visibility of UNDP and donor support and relevant communication coverage of implemented activities and project results in social media.
<table>
<thead>
<tr>
<th>PRODUCTS</th>
<th>DEADLINE FOR SUBMISSION</th>
<th>PAYMENT STRUCTURE*</th>
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<tbody>
<tr>
<td><strong>1 Part:</strong> Development of financing model and investment approach.</td>
<td>2 months after contract signing</td>
<td>10 %</td>
</tr>
</tbody>
</table>
| 1 | 1.1. Developed a hybrid financing model including a range of different financial and investment products and services, to offer to local businesses/MSMEs led by women, based on existing research and data on women-led businesses’ needs and own analysis of the situation in the target areas.  
1.2. The financing model and investment approach should be agreed with UNDP AFT specialists. | 2 months after contract signing | 10 % |
| **2 Part:** Pre-investment process | 3 months after contract signing | 20 % |
| 2 | 2.1. Developed and agreed with UNDP a ToR for the Project Proposal Evaluation Committee with consideration of principles of fairness, integrity and transparency. PPEC should include business advisory experts, representative of local authorities responsible for investment and business development, other relevant stakeholders.  
2.2. Organized an open and transparent process of business proposals solicitation and selection. References on the proposal solicitation process should be submitted.  
2.3. Minutes on facilitated the PPEC meetings to review the business plans and project proposals.  
2.4. Submitted all supporting materials on process of review and capacity assessment of recommended women-led SMEs and feasibility of business plans.  
2.5. List of at least 10 selected business to be funded in the form of cash or equipment based on debt facility or equity-sharing model. | 3 months after contract signing | 20 % |
| **3 Part:** Investment process | 5 months after contract signing | 40 % |
| 3 | 3.1. Report on provided funds to at least 5 selected business projects in the form of cash or equipment based on debt facility or equity-sharing model.  
3.2. Report on collected relevant data to be monitored in accordance with project results (baseline data).  
3.3. Report on communication coverage with proper visibility of UNDP and donor support of implemented activities and project results in social media. | 5 months after contract signing | 40 % |
| 4 | 4.1. Report on provided funds to at least 5 selected business projects in the form of cash or equipment based on debt facility or equity-sharing model.  
4.2. Report on collected relevant data related to businesses to be monitored in accordance with project results (baseline data).  
4.3. Report on communication coverage with proper visibility of UNDP and donor support of implemented activities and project results in social media. | 7 months after contract signing | 10 % |
### Part: Post-investment process

<table>
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<th>Report</th>
<th>Timeline</th>
<th>%</th>
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| 5 | 5.1. Report on monitoring of the activity of supported businesses. Progress on data related to businesses to be monitored in accordance with expected outcome and indicators (see below).  
5.2. Report on provided advisory support and business mentoring to ensure effectiveness and sustainability of business models.  
5.3. Report on communication coverage with proper visibility of UNDP and donor support of implemented activities and project results in social media. | 12 months after contract signing | 10% |
| 6 | 6.1. Final report on results of the assignment including:  
- Report on monitoring of the activity of supported businesses. Progress on data related to businesses to be monitored in accordance with expected outcome and indicators (see below).  
- Report on provided advisory support and business mentoring to ensure effectiveness and sustainability of business models.  
- Report on communication coverage with proper visibility of UNDP and donor support of implemented activities and project results in social media. | 18 months after contract signing and the completion of all activities, submission of final narrative and financial reports and the certification of those reports | 10% |

**Total** 100%

### AREA OF OPERATIONS
Territorial coverage: Osh, Djalal-Abad, Issyk-Kul and Naryn regions

### EXPECTED OUTCOME:
Improved access to affordable innovative and inclusive finance for the women-led enterprises engaged through the impact facility mechanism. Developed potential of NGO in providing innovative finance services.

Indicators:

- At least 10 women-led SMEs in target regions received investments to expand their businesses.
- Profitability of supported businesses increased at least by 15%.
- 20% sales increase after 1 year of getting financing.
- 80 new decent jobs created, including at least 40 jobs for women.
- 20% income increase of employees.
- Innovative finance model is effective, sustainable and has a good potential for replication

### REPORTING REQUIREMENTS
The NGO should provide periodic quarterly reports (both narrative and financial) to UNDP. All reports should be prepared in Russian in hard copies and in electronic-version, in MS Word format, font ARIAL11 on a paper of format A4. All reports should contain a title page with the name and code of the subproject and UNDP logo. Reports submitted in violation of any of the above requirements will considered as inappropriate to the Agreement. Requirements on report submission will be further specified in the agreement with UNDP.
Contractor will be submitting the reports listed below based on the results achieved in agreed format (the format of reports shall be agreed upon at the inception stage of assignment performance, but UNDP reserves the right to make required changes and clarifications in the report form) stating all actions taken during the assignment. Report to be submitted after each deliverable result achieved and agreed with the UNDP AFT Project Coordinator according to schedule. Upon completion of the assignment the Contractor will submit final report with all documents developed for the whole assignment to be agreed with UNDP AFT Project Coordinator serve as a justification for interim and final payments. In case of necessity the Contractor should finalize the expected products before making a final payment.

**Types of reports:**

- Interim/final reports, including reports on the work accomplished, results indicated in Final Deliverables Table:
  - Interim report No. 1 – 2 months after contract signing;
  - Interim report No. 2 – 3 months after contract signing;
  - Interim report No. 3 – 5 months after contract signing;
  - Interim report No. 4 – 7 months after contract signing;
  - Interim report No. 5 – 12 months after contract signing;
  - Final report (including financial report on grant funds) – 18 months after contract signing;

- Brief monthly reports on the progress of the Project in between reporting periods;

- The Contractor shall comply with the system of monitoring, evaluation and quality control introduced by UNDP, and also provide the necessary information, reports and statistical data according to the predetermined schedule.

- The Interim reports shall follow the pre-set template agreed with UNDP that includes both substantial and financial parts on grants.

As a quality assurance measure, UNDP reserves the right to initiate spot-checks of funding beneficiaries to conduct interviews and receive feedback on the quality of the Contractor’s work. The Contractor shall facilitate the process by presenting UNDP with all necessary contacts of the grantees and shall refrain from influencing the impartiality of the assessment procedures.

**TERMS OF PAYMENT**

- The Contractor will report according to the schedule from the date of contract signing based on the results achieved in agreed format stating all actions taken during the assignment.

- In cases where there is a need to correct payment amounts due to the fault of funding beneficiaries; the Contractor shall provide to UNDP the clarification financial statements.

- Payments shall be made in several installments as per the schedule indicated in Final Deliverables Table.

- In case the Contractor does not possess sufficient funds to disburse payments to Beneficiaries, UNDP may agree the payment scheme with advance disbursement of funds to the Contractor. Such payment can be disbursed after the finalization of the competition results. The basis for payment is a request to tranche with a list of selected business projects recommended for funding. The subsequent payments to the Contractor will be disbursed upon providing reporting documents to UNDP proving that each funding beneficiary received funds at their bank accounts for the proceeding advance payment received.

The amount of each instalment shall not exceed USD 30,000.00; in case of any advance disbursement exceeding USD 30,000.00 UNDP reserves the right to request advance payment guarantee for the respective amount to be provided by the Contractor.
The funds provided to MSMEs and equipment purchased with UNDP funds will remain the property of UNDP throughout the lifespan of this grant project. Upon expiration of the project, the further usage and property rights will be defined in written agreement with UNDP.

The intellectual property for solutions rests with the grant recipient, but through the grant application process, the grantee agrees to give UNDP an irrevocable, unlimited, cost-free license to use the solution in its programmes, and to replicate and disseminate it. The grant recipient retains the right to use the solution for its own commercial benefits.

UNDP requests from the grant recipient to provide in the methodology flexibility in terms of timeframe and regional coverage of implementation considering assumptions and risks of COVID-19 in each target region. Any changes of coverage and timeline should be discussed and agreed with UNDP.

The total amount of grant funds allocated to the NGO will be 150,000 (One hundred fifty thousand) USD, out of which 120,000 (One hundred twenty thousand) USD will be directed to the replenishment of investment portfolio and 30,000 (Thirty thousand) USD will be directed to cover program management and operational expenses of the NGO. NGO contribution to the project should be not less than 30% of the grant amount. NGO is fully responsible for the payment of taxes emanating from the agreement with UNDP. UNDP will process the transfer of money to the NGO account according to the schedule and terms of payment, which will be discussed between the parties prior to the signing of the agreement.

**DURATION**

The duration is 18 months, from May 2020 to December 2021. The NGO will ensure that all services are completed by the end of December 2021.
Call for Grant Proposal

SEG 01-2020-Grant-UNDP-AFT—“Grants Proposals”

United Nations Development Programme invites Non-governmental organizations (NGO) operating in Kyrgyz Republic to provide proposals for the implementation of activities related to sub-project «Improving an access of small and medium enterprises, especially women-led companies, to affordable innovative and inclusive tools of financing and investment in Osh, Jalal-Abad, Naryn and Issyk-Kul oblasts» and to take part in the Call for Grants.

The Call for Grant proposal is announced within the framework of the UNDP project "Aid for Trade". The project focuses on supporting Central Asian countries in promoting inclusive and sustainable growth patterns in rural areas and within green productive sectors. The project will work on the macro (policy), meso (institutions) and micro (SMEs & producers) levels ensuring that interventions at the three levels are mutually supportive to ensure a focused impact level. Two main components:

- Supporting an enabling environment for job-rich sustainable growth;
- Supporting market opportunities for all through more efficient and competitive producers and processors.

Two cross-cutting themes will be gender equality and environmental sustainability.

On the micro level, the project focuses on identifying and developing high-added value green niche products in rural areas that have high trade potential. The main aim will be income generation, as well as employment generation.

The project designed based on principle of gender equality and women's empowerment. The issue of lack of self-esteem among women and female entrepreneurs, in addition to barriers such as affordable access to finance make it more difficult for women entrepreneurs to start and maintain productive enterprises that ensure a sustainable income, as well as upward mobility. The project implements direct targeted interventions for women entrepreneurs, which focuses on three different level:

1. Positive role models of women entrepreneurs
2. Capacity development for women entrepreneurs
3. Access to technologies for women entrepreneurs

For positive role and capacity development of women entrepreneurs, the project implemented mentorship program for women and youth entrepreneurship to strengthen the positive role of women entrepreneurship.

The project identified that there is the financing gap of women SMEs (average gap is about 20,000 USD⁸), average size per revenue is 25% and rejection rate is 22%. Thus it is strong demand for better access to finance for SMEs in Kyrgyzstan, especially women-led companies.

As per this project, a grant of 150,000 USD is allocated, which should be used by NGO to provide financial and investment support to women-led SMEs in Osh, Djalal-Abad, Naryn and Issyk-Kul oblasts of the Kyrgyz Republic through:

1) Development sustainable and inclusive financial products for women entrepreneurs by using hybrid financing⁹ in target regions¹⁰ of the project.

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⁸ Calculations based on IFC Enterprise Financial Gap Database. Average credit value gap for MSMEs (micro, small and medium enterprises) in Kyrgyzstan equals 4,953 USD, out of which micro enterprise gap is 3,134 USD and SMEs 20,782 USD.

⁹ Mezzanine financing is a hybrid of debt and equity financing that gives the lender the right to convert to an equity interest in the company in case of default. Mezzanine financing can be provided with little or no collateral on the part of the borrower. /.

¹⁰ Osh, Djalal-Abad, Naryn and Issyk-Kul oblasts are target regions of Aid for Trade project (phase IV).
2) Provision of affordable, innovative and inclusive financing and investments products for women entrepreneurs based on criteria developed for this grant proposal, namely better access to technologies for women entrepreneurs, jobs creation and income generation for population in rural areas;
3) Provision of continued business mentoring and advisory support to women-led SMEs to ensure effective use of funds and sustainability of their business model;
4) Monitoring the results/impact of the different products with a special focus on decent jobs, livelihoods and trade turnover.

This call aims to improve access to affordable inclusive finance for women-led SMEs through hybrid finance mechanisms, as well as providing support to NGO in improving innovative financial services, according to the attached Terms of Reference (TOR).

The selection process will be held in two stages:

1. Review of applications and preliminary selection of NGOs (specialized in providing financial and investment tools); and
2. Assessment of institutional, operational and market capacities of NGOs in managing funds, in provision of financing and investments, in developing capacity of recipients and final selection of the partner.

Applications can be submitted by applicants meeting the following criteria:

· Eligibility Criteria: legal status of civil society organization according to legislation of KR.
· Proven institutional capacity for investment and financing management, comprising a framework/system for undertaking business proposal evaluation, due diligence and appropriate governance, and risk management;
· Proof of financial resources management and systems, availability of investment portfolio;
· Capacity of key personnel in working with small organizations—including past experience in technical assistance and developing other organizations’ capacity including providing financing for MSMEs social service delivery, managing grants/investments, etc.;
· Capacity to assess and manage risk, including value building of companies in investment portfolio, safeguarding people and the environment from harm – availability of relevant policies/methodologies;
· Comprehensive methodology of organization of pre investment process and exit strategy relevant to developing markets including reaching potential recipients through solutions for remote access considering restrictions on meetings, mass gatherings and travel because of emergency situation on COVID-1911;
· Methodology of innovative financing and investment for target group and target regions including templates for assessment eligibility of potential investment recipients, selection process and resource attraction for increasing portfolio. Methodology should be flexible in terms of timeframe and regional coverage of tasks implementation considering assumptions and risks of COVID-19 in each target region;
· Programmatic capacity, including competency for monitoring and evaluation;

Additional criteria:

1. Previous experience in provision preferential financing to MSMEs business;
2. Over 50% of NGO’s investment portfolio is used for financing of women entrepreneurs and women groups, small and medium business;
3. Percentage ratio of women out of the total number of clients is not less than 50%;
4. Operating sustainability is over 100%;

The followings have to be submitted to the Grant selection committee by the deadline:

1. Application form (available on our website at https://www.kg.undp.org/content/kyrgyzstan/en/home/procurement.html);
2. Project Proposal;
3. Copy of the Legal documents, licenses, etc.;
4. Report on balance, income and expenditures;
5. Information about past experience and current investment portfolio of organization;
6. References from past clients and partners;
7. CVs of Director and other key personal to be engaged in implementation of the project

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus which was confirmed by WHO as pandemic.
Full version of UNDP Request for Grant Proposals and other requirements and information on sub-project is available on UNDP Kyrgyzstan web-site
https://www.kg.undp.org/content/kyrgyzstan/en/home/procurement.html

The applicants must submit their proposals send via e-mail to procurement.seg.kg@undp.org with topic named “SEG 01-2020-Grant-UNDP-AFT-“Grants Proposals”” before 12:00 pm hrs on 30 April 2020.

All questions/enquiries on the current sub-project should be addressed to procurement.seg.kg@undp.org. Any other forms of request will not be considered.

Applications are valid from 2020 to 2021

Incomplete or late submitted tender documents will not be considered. UNDP reserves the right to not explain the reasons for not selecting the NGO.