

Frequently Asked Questions

This document serves to provide answers to questions received and clarify the terms and conditions of the grant application process in response to the Niq Small Businesses Project Annual Program statement TPI APS 2022-01. The document will be regularly updated and made publicly available to interested parties

Q1: The amount of the grant that can be awarded is determined by categorizing the proposed by size. Since many of the development agencies belong to the micro-enterprise category, this would mean that we fall into the \$20,000 to \$30,000 grant range. This, to some extent, limits the possible scope of the intervention. Is there a possibility of negotiating this issue or finding a modality for expansion?

A1: *The amounts of grants stated in the APS document are estimated and negotiable. Negotiations, upon evaluation and selection, are based on the overall quality of the proposal, cost reasonableness and effectiveness, the applicant's capacities, and the ability to contribute funds to the activity (leverage).*

Q2: Is it possible and advisable for one applicant to propose several interventions in several areas and with different partners/target groups?

A2: *Applicants may submit more than one application with different scopes, target groups, and partners, depending on the organizational capacities. Please bear in mind that there will be no cost reimbursement to the applicant for preparing and submitting the application.*

Q3: Is the maximum budget of \$30,000 the maximum amount with our participation, or is it the amount you give while our participation goes over?

A3: *The amounts of grants stated in the APS document are the project net contribution to the proposed activity. The amounts are estimated and negotiable. Negotiations, upon evaluation and selection, are based on the overall quality of the proposal, cost reasonableness and effectiveness, the applicant's capacities, and the ability to contribute funds to the activity (leverage). Please see also Q1&A1*

Q4: What we wanted to check is the criteria for the amount of the grant we can apply for. The question is whether the classification of grants amount (up to 30,000, from 30,000 to 50,000, and from 50,000 to 100,000) applies only to SMEs or other organizations like us (associations). Are the criteria exclusive and restrictive as stated in the invitation, in which case we can only apply for the lowest grant amount, which significantly limits the possibilities for the scope of the intervention? Otherwise, we can administer larger grants, bearing in mind our references for the last three years (donor projects worth 50,000 to 130,000 Euros).

A4: *The amounts of grants stated in the APS document are the project net contribution to the proposed activity. The amounts are estimated and negotiable. Negotiations, upon evaluation and selection, are based on the overall quality of the proposal, cost reasonableness and effectiveness, the applicant's capacities, and the ability to contribute funds to the activity (leverage). Please see also Q1&A1 and Q3&4.*

Q5: The deadline for submission is April 27, 2023, and it says funds are subject to availability. If the application is submitted earlier, does it wait for the closing date of the call to be evaluated, or are the applications evaluated as they arrive?

A5: *The TPI APS 2022-01 is valid from October 27, 2022, to April 27, 2023. During this validity period, applicants may submit their proposals at ANY DATE and TIME as soon as the applications are prepared. The Grants Evaluation Committee will evaluate the applications on a rolling basis, which means that your application will be evaluated as it arrives.*

Q6: If a company or key person appears on the list of SAM.gov, it is automatically ineligible; what does this mean? From my knowledge, the company must be registered in SAM to receive funding from the US. Does this apply to some exclusion lists in SAM, or should it not be registered in SAM? Please clarify this requirement. Our company is not registered in SAM, but I, as CEO, was an administrator for some other company that is registered in SAM but never applied for nor received any grant.

A6: *In compliance with the USAID policies and regulations, ACDI/VOCA is obliged to conduct the screening and confirm that the applicant or the applicant's key personnel/designated representatives do not appear on any of the lists included in Section VII Eligibility Requirements of the TPI APS 2022-01, as follows:*

- 1. The System for Award Management (SAM) (<https://www.sam.gov>);*
- 2. The Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S.; Treasury for the Office of Foreign Assets Control sometimes referred to as the "OFAC List" (<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>); and*
- 3. The United Nations Security designation list (http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml)*

The Project (ACDI/VOCA) will conduct the complete screening of the applicant's appearance on the above-noted lists using the CSI Watchdog Elite database.

Q7: Our company has received a grant from the Innovation fund and is in the implementation stage. We are co-founders in that project, and we intend to use the Grant from you as a complementary grant to extend the scope of activities in our main grant. Can we use these funds from the main project as a necessary co-funding resource for your Grant?

A7: *Yes, you can use your own and third-party resources as a co-funding by providing evidence that there is no double funding of the same activities from different funding sources.*

Q8: We are a small company engaged in the production of confectionery products, and we export about 95% of our production. We need a three-level cooling tunnel machine, and we want to apply for a grant under the Big Small Economy Project. We would like to know whether it fits the competition rules and whether we can apply for procurement of the mentioned machine.

A8: *Please note that under the current TPI APS 2022-01, the Big Small Businesses project is not awarding funds to SME entities solely for purchasing the equipment; therefore, the application for equipment is not in line with the requirements of the current Annual Program Statement TPI APS 2022-01.*

Q9: In the part related to eligibility conditions, section VII, it states that entities that are on the SAM list are not automatically eligible - we are on the SAM list as a partner to USAID project. What is the interpretation of this regulation?

A9: *Only entities that are identified as "ineligible" on one of the three platforms/lists maintained in APS (The System for Award Management (SAM); The Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control sometimes referred to as the "OFAC List; The United Nations Security designation list http://www.un.org/sc/committees/1267/qa_sanctions_list.shtml) will not be considered, that is, they will be rejected immediately.. Please see also Q6&A6.*

Q10: I would kindly ask you for the information if we could support agricultural farmers/holdings in this call.

A10: *Regarding access to financing, larger farms can also be involved, depending on what they produce and how much, but the emphasis is on companies.*

Q11: Access to finance (promotion of funding opportunities mentoring/monitoring)?

A11: *This is one of the illustrative/potential activities that the applicant may propose.*

Q12: Could one of the target groups be young people and women, potential entrepreneurs, who are planning to develop their business idea and apply for funding to start a business?

Q13: Our second target group would be existing MSMEs who want to improve their business by developing innovative/developmental business ideas. As a result of working with them, an application would be developed for us to apply for available funding sources (Development Fund, Innovation Fund, etc.). These institutions go through several selection rounds, so it takes up to 6 months for a decision to finance an idea. My question is, do all candidates who submit their applications must be approved? Or maybe it's enough to submit applications. I'm not sure what the acceptable success rate of approved applications is because 100% approved is a difficult result.

A12 & 13: *Both target groups are acceptable. It should be borne in mind that through these initiatives, a certain level of funding/approval of funds must be achieved so that only approved applications are taken as a benchmark. The amount of approved funds is compared with the planned amount (e.g., the planned volume of investments within the duration of the grant (12 months) is 1,000,000.00 USD). To successfully set and reach the target investment amounts, it is necessary to plan those amounts based on the available funding sources (purpose, amount, approval process), client profiles, and previously achieved results, with the inclusion of more candidates in the support program.*

INFO SESSION 1: November 23, 2022, Questions and Answers

Q1: Regarding sectors that should be in focus? How strict that will be? Does it have to be very clear code activity, production of some equipment and machines, or maybe it could be looked at broadly?

Q2: Will some tools, like construction materials, be considered equipment? Can optical cables, for example, be included under equipment?

A1 & A2: The metal sector, in general, will be included. That means metal processing, tool making, and self-contracting, and the same for the plastic sector; it means plastic products, machines, equipment, injection molding tools, plastics for injection holding, mass, valves can also fall in, filling machines, etc.

Q3: Can the production of aluminum joinery be supported? Production of optical cables, for example?

A3: This will be discussed with colleagues from the Project.

Q4: Are Human Resource costs eligible under this grant?

A4: Yes

Q5: Whether the costs of purchasing equipment for the grant are acceptable?

A5: Within the scope of this call, it is not desirable.

Q6: If a company wants to equip a production line, can they get the equipment?

A6: They can get the equipment from the loan, not the grant. That could be an outcome of the grant that deals with finances.

Q7: If we are building a training center for a certain type of profile with some business entity that needs profiles, can the equipment and the equipping of such a training center be considered?

A7: Within the framework of this grant, not quite. Maybe to some extent, but in principle, we do not make such a large investment in equipment larger than \$ 5,000.

Q8: Can activities be limited, say in the territory of 3 municipalities? Specifically, only the Zlatibor district, the municipalities that belong to the 3rd and 4th categories, and the category of underdeveloped, that is, devastated municipalities?

A8: Yes.

Q9: Our company is a consulting company and belongs to the small company category according to accounting standards. What does this amount of the grant depend on? Is it the company that applies or the company that will provide the service, advisory service?

A9: If you provide advisory services to a company that is applying, that does not apply to you, but it also applies to the companies that are applying.

Q10: Can multiple areas of intervention be combined, for example, to combine something related to workforce development with a part related to productivity improvement?

A10: Yes

Q11: Is there a possibility in some future period to enable the acquisition of some equipment, for example, for joined small fruit producers, in terms of joined packaging, joined branding etc. and to enable them to acquire the necessary equipment in some subsequent step?

A11: There is a second segment that deals with access to finance; through that segment, they could be our clients, but not us buying them some goods, but by exercising the right to various subsidies, loans, something that they're interested in.

INFO SESSION 2: November 30, 2022 - Questions and Answers (Q&A)

Q1: Is it possible to apply for the continuation of activities that were previously financed through the USAID project?

A1: *Yes, if you have something that you have done before, and you want to improve it, but we need to know in which direction, how, why, what the connection is, who is interested in it, etc.*

Q2: Is it possible to submit more than one proposal or can it be just one per applicant?

A2: *You can submit more proposals but take into consideration your capacities.*

Q3: The creative industry and green technologies were mentioned. Is there any room for digital technologies?

A3: *Yes.*

Q4: Is it allowed to create a consortium?

A4: *Consortium, no, but partnership, yes.*

Q5: Regarding the issue of 30% co-financing, as an NGO, we were previously allowed to obtain it through projects out of beneficiaries' activity.

A5: *Your contribution should be a contribution towards that activity.*

Q6: For which activity is it possible to apply?

A6: *There are a couple of areas: access to markets, access to finance, improvement of productivity, and profitability; there are topics such as digitization, IT, automation of industry 0.40, etc. APS is trying to find group solutions for group challenges.*

Q7: Is there an option for partnership?

A7: *Yes, through various institutions, for example, a Regional Development Agency, a business association, etc.*

Q8: Given that many small and medium-sized enterprises appear with very specific requirements that specifically concern digital marketing, the establishment of Web shops, the creation of digital strategies, etc. ...the question is how these fit. Can these be recognized through this call?

A8: *Digital marketing is one of the topics in this call.*

Q9: Should the given explanations be left in the application?

A9: *You can leave the explanations. We gave them a guide on how to fill out the application. When you finish answering those questions, feel free to delete them.*

Q10: If the association is non-profit, should it state the turnover for the last year?

A10: *A non-profit association does not refer to profit but to turnover in the previous year.*

Q11: In the section where the projects that have been done are listed, can we also list the projects where we were partners?

A11: *Yes, you can list projects where you were partners.*

Q12: Can farmers (agricultural holdings) be beneficiaries?

A12: *Yes, those involved in fruit and vegetable production can be end users but not the project holders. Someone on their behalf can be a project holder.*

Q13: A question related to agriculture, that is, food production - fruits and vegetable production was mentioned, but when it comes to food, we also have animal husbandry, livestock, fodder, etc. Does this call also cover that?

A13: *Yes.*

Q14: Is it allowed to partner with a company from the region?

A14: *Such a company can be your partner, but it would not get financial resources from us. Their employees can be your consultants up to a certain value on this project, but only as consultants. The Project funds cannot be transferred to their company.*

Q15: When it comes to financial instruments, there are certain limits related to investments that should be approached. Are those limits fixed, or can they be negotiated?

A15: *Yes, our target is quite high looking from the current perspective. Things changed in the meantime, and many companies still need to be ready for big investments.*

Q16: The Project is interested in supporting the development of ecosystem innovation, access to finance, etc. That part is quite critical from a consultant's perspective.

A16: *Some backup plan must be prepared since we witnessed on the previous Project that some companies had given up on the process. You state in your application what you consider to be realistic, and then in the 2nd round, we will consider how to reconcile those contradictions if they exist.*

Q17: We have our own group of subcontractors with whom we established cooperation this year and who meet all the criteria related to youth, women, underdeveloped municipalities, etc. We are a private advisory service that performs tasks for them. Can we apply since we belong to the first lot?

A17: *Yes, because you aren't a state-owned advisory service.*

Q18: We have developed software for field data collection that our clients use. That software is modified for their needs, but can it be that "innovative solution," and what models can they apply?

A18: *An innovation should significantly improve the situation. If you have already done something, it is already applied in practice. From our point of view, it needs to be advanced to have some significance. Cold store owners can participate in the program in several ways since all these activities of ours are interconnected and should ultimately lead to as many small and medium-sized enterprises as possible.*

Q19: Since our clients are mostly cold storage owners with whom we communicate and work, we wanted to improve our business, to expand our cooperation. Can we, as consultants, appear in more cold storage facilities as part of the project in terms of monitoring and working with the cooperative?

A19: *You can gather them by creating your network- they are your clients, and through cold stores, the clients are also farmers.*

Q20: The women association that works on empowering women in rural areas encourages them to stay and live where they work, where they were born and who are engaged in agriculture - can it be a subject of financing?

A20: *Tourism is not our primary goal, but the food industry is, food industry within tourism, for example, because we are mainly oriented to these 2 sectors where we see the greatest perspective for improvement. We recommend they focus only on what is related to our Project goals in their application.*

Q21: Somewhere, we will have the involvement of several partners in a certain activity or intervention to ensure its sustainability. On one side, we have a business service provider, someone who comes from the economic field. On the other, we have someone we can define as a public sector, for example, the Regional Agency or the Chamber of Commerce. In that case, are the contributions of this other party, not economics (it is irrelevant whether it is a consultant or an association, etc.), still seen as leverage?

A21: *Yes, if it contributes to the project. Leverage is an input; what we invest is not a product or outcome.*

Q22: It was mentioned that the Project would help to make the application look as good as possible. What does it mean?

A22: *In phase 1, you give us your developed idea. However, if we notice that you need to supplement something through it, we will direct you and recommend revising that section of the application.*

Q23: Can the activities also be training?

A23: *Yes. The activities can be training, but the training should lead to some results.*

Q24: As an NGO we have a certain number of employees, but we also have consultants that we hire on various projects as needed. Is it enough to attach a statement of staff availability to prove capacity when applying?

A24: *You will be given specific instructions regarding necessary documents in the next stage.*

Q25: If, for some reason, the initial idea is not approved, is it possible to apply again during this call and submit a new application, or do we have to wait for a new round?

A25: *You don't have to wait for a new call. The applicant who did not pass will receive written notification and a brief explanation where we tell you why you did not pass. If you believe you can correct that reason quickly, and if it is not an essential thing that completely changes the essence, you can submit a modified application by the end of April 2023.*

Q26: How quickly is the selection made, bearing in mind that we have seasonality in agriculture?

A26: It depends on the application. The review committee is ready and waiting for your applications. It can start immediately. The better the application, the sooner the decision will be made. What we cannot influence is USAID approval. It will probably take one month from the moment the application is submitted till the moment of sending it to USAID for approval.

Q27: Regarding participation on Lot 1 - requested participation of at least 30%. What determines whether it is the smallest or the largest percentage?

A27: We have listed some criteria that we would apply. The minimum participation in the form of contributions from various parties and from various sources that we expect is 30% of the value. In some cases, we will accept that this co-financing is less than the requested 30 %, but an explanation is required, and proof of that must be provided. The proposed activity will be observed as a whole and will be measured as such.