

USAID-ANDE Guatemala Entrepreneurship Development Initiative Fund

Call for Concept Notes

Concept note call launch: December 9, 2022

Concept note application open: December 9, 2022 – January 30, 2023

Shortlisted applicants invited to submit full proposal: March 1, 2023

Deadline for shortlist to submit full proposal: March 31, 2023

Awards announced: May 2023

Funding Type: Grants for non-profit winners, Fixed-fee contracts for profit winners. Please note that projects may be funded through ANDE or through private sector funding partners of the GEDI program.

Project Size: \$200,000-\$300,000 USD

Project Duration: 12 months (July 2023 – June 2024)

Please note:

- Selected proposals and their interventions will be supported on a cost-reimbursable model.
- Project duration and budget is subject to change prior to full proposal invitation.
- ANDE is unable to make up-front payments for project costs. All selected projects must confirm they have the cash flow available to cover the first quarter of project implementation.

Overview

Through the Guatemala Entrepreneurship Development Initiative (GEDI), the United States Agency for International Development (USAID) and ANDE will foster a stronger entrepreneurial ecosystem to bring economic prosperity to communities heavily impacted by irregular migration from Guatemala. In some cases additional funds may be given by [private sector partners](#) of GEDI. GEDI will fund catalytic ecosystem-strengthening initiatives up to \$300,000 USD over 12 months that strengthen the entrepreneurial ecosystem in Guatemala and help small and growing businesses (SGBs) thrive, particularly in areas of high migration.

About ANDE

The Aspen Network of Development Entrepreneurs (ANDE) is a global network of organizations that propel entrepreneurship in developing economies. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs create jobs, stimulate long-term economic growth, and produce environmental and social benefits.

As the leading global voice of the SGB sector, ANDE believes that SGBs are a powerful, yet underleveraged tool in addressing social and environmental challenges. Since 2009, we have grown into a trusted network of nearly 300 collaborative members that operate in nearly every developing economy. ANDE grows the body of knowledge, mobilizes resources, and connects the institutions supporting the small business entrepreneurs who build inclusive prosperity in the developing world. ANDE is part of the Aspen Institute, a global nonprofit organization committed to realizing a free, just, and equitable society.

About the Guatemala Entrepreneurship Development Initiative (GEDI)

Through the Guatemala Entrepreneurship Development Initiative (GEDI), USAID and ANDE will foster a more robust entrepreneurial ecosystem to bring economic prosperity to communities heavily impacted by irregular migration from Guatemala. GEDI will develop a coordinated set of expanded business support services available to entrepreneurs, particularly to businesses run by, employing, or serving the needs of women, indigenous and rural communities, and youth.

By helping ventures overcome challenges to access for business advisory services, incubation or acceleration programs, and access to finance and markets, GEDI looks to build the entrepreneur support system so that ventures can increase their revenue, employment, and develop new goods and services that meet these community needs. This increased prosperity and diversified economic opportunity will increase the availability of local economic opportunities, helping people remain invested in their communities.

Regional Context: Guatemala

In recent years, Guatemala has gained economic stability and moderate economic growth, shifting from lower-middle to upper-middle country in 2018.¹ However, the stability has not yet led to significant reductions in poverty, leaving many areas in rural and/or underdeveloped states.² Even though the United Nations' Human Development Index rates the country just below the average for Latin America and the Caribbean, when adjusted for inequality, it drops significantly, highlighting the magnitude of the disparities that exist within the country.³

Rural people are the most sensitive to climate, economic, and political crises because they are heavily engaged in the agriculture sector (33.3% in Guatemala).⁴ The agriculture sector faces unique challenges due to climate change such as shifting rainfall patterns, political issues, such as shifting subsidy policies, and economic issues resulting in inconsistent prices for crops.

According to a recent Global Entrepreneurship Monitor report, among Latin American countries Guatemalans are particularly likely to view entrepreneurship as a good opportunity to generate income and have the right "mix of knowledge, skills, and experience necessary to start a business".⁵ However,

¹ Guatemala: Overview. The World Bank. Accessed March 2021.

² *Ibid*

³ UN Human Development Index for 2020 for Guatemala is 0.663

⁴ Atlas migración en los países del norte de Centroamérica Comisión Económica para América Latina y el Caribe

⁵ Guatemala: Reporte Nacional 2019/2020. Global Entrepreneurship Monitor (GEM).

most Guatemalan businesses are concentrated in economic activities where the enterprise does not create much additional value, which results in low levels of access to capital, limited access to markets, reduced capacity to generate employment and generate continual revenue growth.⁶ Greater support for entrepreneurship is needed to increase the resilience of these communities, by creating more robust systems to diversify economic opportunities away from one sector.

A vast majority of ventures based in high-migration areas are geographically isolated from the national or regional business hubs and therefore it is difficult for them to access markets and support services. Intermediaries perceive this challenge as being mainly due to a lack of available market information such as information on how to access value chains and markets, market pricing, or knowledge of how to contact those potential markets. Additionally, certifications limit business access to markets since they are difficult to obtain due to a lack of understanding about the certification process and the cost of becoming certified. Finally, instability caused from changing climate and other socio-economic factors increasingly causes higher migration rates.

Undoubtedly, Guatemala is a country that has many challenges, especially in terms of inequalities, and access to support services and better infrastructure in rural areas. But it is also a country with an entrepreneurial impetus, with a developed entrepreneurial ecosystem, compared to other countries in the region and with great examples in various value chains of the potential of small and growing businesses.

Guidelines

Intervention

ANDE seeks concept notes from Entrepreneurial Support Organization (ESOs) to scale efforts that strengthen opportunities for SGBs to a) access new/improved markets, b) increase employment and income, c) access capital, and d) access business development services for investment readiness. ANDE is particularly interested in solutions that support entrepreneurs that are directly tackling climate change mitigation and adaptation challenges for their communities. ANDE will give preference to interventions that support businesses run by, employing, or serving the needs of women and indigenous people, rural communities, or youth.

ESOs must support SGBs that demonstrate a growth trajectory and that have the potential to connect to or enter larger supply chains and/or markets. Concept notes should show how solutions can be replicated and scaled by ESOs in the broader SGB support sector. Concept notes may also include activities or components that strengthen the internal capacity of the organizations to better respond to their clients' needs.

ANDE encourages submissions employing creative and novel approaches to address issues that entrepreneurs face in accessing the right type of finance and markets. Solutions may address supply and demand components of the financing and market gaps, and the solutions should directly contribute to one or more of the following outcomes:

⁶ Facultad de Ciencias Económicas, Universidad Francisco Marroquín. Global Entrepreneurship Monitor (GEM) Guatemala: Reporte Nacional 2016-2017

- o **Access to new and/or better markets:** Increased collaborations contributing to sustainable market linkages of SGBs to national and international value chains
- o **Increase economic development opportunities:** Increased employment and income-generating opportunities for entrepreneurs and SGBs through interventions
- o **Access to capital:** Increased amount of the right type of available capital for SGBs, through innovative investment vehicles;
- o **Access to business support services for investment readiness:** Increased number of entrepreneurs with appropriate access to capital through tailored consulting services, mentorship, or other approaches to address investment readiness issues, and strengthened technical and “soft skills” with a vision toward growth.

GEDI also seeks proposals that strengthen the capacity of implementing organizations to continue to provide investment readiness services, expand access to financing and markets for SGBs in areas of high migration after the funding has ended.

Timeline

Phase 1: Concept Notes	
December 9, 2022	Concept note call launch
December 14, 2022	Informational Webinar (In English and Spanish)
January 30, 2023	Deadline to submit concept notes

Phase 2: Request for Proposals	
March 1, 2023	Shortlisted applicants are invited to submit full proposal
March 31, 2023	Deadline to submit full proposal
May 15, 2023	Awards announced

Qualifying Criteria

Demographic scope

Vulnerable communities, with a focus on serving the needs of indigenous communities, women and/or youth-led businesses.

Geographic

Proposals from all regions of Guatemala will be considered, with a particular focus on supporting existing economic corridors, connecting production to value chains, taking into consideration high

migration areas⁷ etc. Activities and interventions should preferably but not exclusively focus on supporting vulnerable communities, with a focus on serving the needs of indigenous communities, women and/or youth-led businesses.

Thematic Tracks

Proposals should fall in at least one or more of the following thematic tracks (multiple tracks are accepted but not necessary):

1. Agriculture:

- 1.1. Initiatives from ESOs that support rural agricultural SGBs and consider one of the following aspects in their support to entrepreneurs
 - Agroindustrial products: transformation of local products
 - Sustainable production (forest-free, environmentally friendly, climate-resilient agricultural solutions)
 - Innovations in the value chain
- 1.2. Initiatives from ESOs that support SGBs, and offer services related to agriculture
 - Logistics
 - Innovative agricultural products
 - Incorporation of technology in agro-industrial processes (irrigation, climate-smart technology, agtech)
 - E-commerce (digitize processes, etc.)
- 1.3. Initiatives from ESOs that support SGBs related to Guatemala's forest production chains (i.e. non-timber forest products)
 - Promote the conservation and/or regeneration of biodiversity
 - Ecotourism, community tourism
 - Food systems

- #### **2. Clean Energy:** Initiatives from ESOs that support SGBs focused on providing products or services related to climate change mitigation and natural disaster prevention
- Technology-based solutions to mitigate climate change
 - Nature-based solutions to mitigate climate change

- #### **3. WASH:** Initiatives from ESOs that support SGBs whose business models address the water and sanitation issue with innovative approaches like circular economy

4. Organizational and Ecosystem Strengthening

- Funds that are driving investment to the region
- Funding to strengthen specific organizational areas within promising ESOs to make them

even more effective at supporting SGBs

Eligible Organizations

Nonprofit and for-profit entrepreneur support organizations (ESOs), such as incubators, accelerators, capacity development providers, non-governmental organizations, operating (non-grantmaking) foundations, and advisory service providers, are qualified to apply. Government donor agencies, donor finance institutions, and grantmaking foundations are not qualified to apply. Current GEDI subgrantee leads (Cohort 1) are not eligible to apply as project leads nor as participants in a consortium/as subcontractors.

Given GEDI's objectives, organizations headquartered locally in these regions are strongly encouraged to apply. Additionally, consortiums involving locally-headquartered organizations and/or finance providers (banks, investors, corporations, etc.) are also encouraged to apply. While partnerships and consortiums are advised, funds will be given to a lead organization to further distribute to partners.

Financial

Submissions should be for activities spanning a 12-month time period, beginning July 1, 2023, with a range between \$200,000 and \$300,000 USD. This funding has been made possible with generous support from the U.S. Agency for International Development (USAID) and GEDI private sector partners.

Applicants must have completed the subrecipient questionnaire (see Appendix 1) to ensure eligibility for United States government funds. Finalists will also need to be able to pass The Office of Foreign Asset Control (OFAC) clearance issued by the Aspen Institute. ANDE will lead the application process and finalists will be considered for USAID funding via ANDE and/or for separate funding via GEDI's private sector partners.

Please note: equipment costs, i.e. laptops, internet routers, desks, solar panels, are unallowable costs.

Please note: USAID funds may not be allocated as seed capital.

Please note: Selected proposals and their interventions will be supported on a cost-reimbursable model. **Please note ANDE is unable to make up-front payments for project costs. All selected projects must confirm they have the cash flow available to cover the first quarter of project implementation.**

Proposals that leverage private sector partnership and/or investment are highly encouraged, though not required.

Language

Applications accepted in Spanish or English.

Concept Note Requirements

Please submit a five-page maximum document (1 page cover page, 3 pages narrative, 1 page funding overview), 12-point Times New Roman font. Concept notes should include the information below and follow specific guidance depending on the chosen medium. Separately, a high-level overview of the

necessary financial investment (via grant or contract) for your proposal must be submitted, on a separate page.

Concept Notes Should Include:

General Overview (cover page)

- Title of your proposal
- Identify lead organization and list partner organizations applying
- Identify lead contact and list contact name, phone number, and email
- Amount of request (USD\$200,000-\$300,000 USD)
- Timeframe of proposed project or program (12 months, beginning July 2023)
- One to four sentence brief description of the request

Organizational Overview/Information

A brief description of your organization(s) and why you are well-suited to carry out the proposed project, with specific emphasis on the organization's experience working in Guatemala.

Narrative Description

- A detailed description of the proposed intervention, including overarching goal, geographic scope, target benefit group. Clearly explain the targeted results, and how they will be measured.
- The key elements of the approach that lead to an improved entrepreneurial ecosystem, strengthened actors in the ecosystem, and/or increased opportunities for employment and income generation.
- How the project fits the GEDI [priorities](#) and chosen track (see above).
- How the efforts will be sustained over the long-term.

Funding Table

Please include the total required funding to achieve your proposed intervention. Include a high-level line-item breakout. If your application is selected to prepare a full proposal, you will be asked to submit a budget narrative. If the funding request is for the entire amount of the required investment, please indicate. If not, include the total projected funding needed, and indicate which portion this grant (or contract, for for-profits) would support. If there is additional funding needed to execute this project, please indicate if outside funding is secured or what stage that funding is currently.

Please note:

Selected applicants funded via the ANDE award will be funded with United States Government resources, thus:

- Non-profit winners will receive a subaward agreement and be paid on a quarterly, cost-reimbursable basis. **Please note ANDE is unable to make up-front payments for project costs. All selected projects must confirm they have the cash flow available to cover the first quarter of project implementation.**

- For-profit applicants must demonstrate that they will not generate profit using GEDI funds in the budget line-item breakout and narrative description. They must also confirm understanding that they will receive a contract for services agreement rather than a subaward agreement from ANDE. These winners will receive payment based on completed deliverables or milestones. **Please note ANDE is unable to make up-front payments for project costs. All selected projects must confirm they have the cash flow available to cover the first quarter of project implementation**

Any winners funded separately via GEDI private sector funders will need to follow that funder’s guidelines and will be informed of those through the application process. ANDE will connect winners to the private sector funders as applicable, but will not be involved in contracting for funding outside of ANDE/USAID.

Format Guidelines by Medium

Text-Based Document

- Page Limit: Four pages (three for narrative, 1 for budget)
- Format: PDF

Templates can be found on the ANDE website.

Evaluation Criteria

Clarity	<ul style="list-style-type: none"> ● Is there a clear understanding of the problem this fund seeks to address? ● Are solution objectives as well as justification of the proposed solution, clearly articulated? ● Is the approach novel and scalable?
Feasibility	<ul style="list-style-type: none"> ● How is the feasibility articulated for the objectives and roadmap? ● Is the timing, sequencing, and resourcing of the effort reasonable? ● Is there appropriate staffing articulated both for qualifications and size?
Functional ability to fulfill the requirements (Entity history)	<ul style="list-style-type: none"> ● Presentation of the entity’s portfolio of work including, history, areas of expertise, and any other additional information that will provide a clear idea on the scope of the firm’s abilities to respond to the RFP. ● Does the entity have experience delivering projects in Guatemala? ● Does the organization have the means to manage the implementation?

	<ul style="list-style-type: none"> ● Are the funds provided being leveraged (through partnerships, matching funds, etc.) to ensure maximum impact?
Alignment with priority themes	<ul style="list-style-type: none"> ● Does the proposed intervention clearly align with and contribute to the selected theme(s)?
Impact	<ul style="list-style-type: none"> ● Does the proposed model clearly address a barrier to access to the right type of financing or markets for SGBs in high-migration areas of Guatemala? ● Does the proposal present a credible rationale for why this model is likely to be successful? ● Does the proposal present a clear articulation of the intended impact on the fund's objectives in the 12-month project period as well as for the potential sustainability and scalability of the model going forward?
Sustainability	<ul style="list-style-type: none"> ● How will the initiative be sustained after the program ends?
Monitoring, Evaluation, and Learning	<ul style="list-style-type: none"> ● Is a theory of change clearly articulated? ● Is there a clear plan to disseminate learning? ● To what extent will lessons from this project inform the work of SGB service providers and investors?
Additional Criteria	<ul style="list-style-type: none"> ● Value for money. ● Locally headquartered and locally-led organizations are strongly encouraged to apply. ● Completeness of application.

Concept notes will be received between December 9, 2022 and January 30, 2023. The application form will be available on ANDE's [website](#). Regranting FAQs can also be found on the website.

Special Thanks to Our Sponsor:



Appendix 1: United States Government Compliance

Note: Requirements below are provided for informational purposes. All forms will be available on the ANDE website and should be uploaded in the formal application itself.

US-Based Applicant:

- All: Must complete and upload the domestic subrecipient questionnaire.
- All: Must upload their approved NICRA with the application. If applicant does not have a NICRA, please upload a brief explanation.
- All: Must upload their W9.
- Universities: Must upload their approved F&A.

Applicants Based Outside the US:

- All: Must complete and upload the foreign subrecipient questionnaire.
- All: Must provide their W8BEN-E.
- All: Must upload overhead policy. If the applicant organization does not have one, applicant must provide an explanation.