

Guatemala Entrepreneurship Development Initiative (GEDI) Fund

Frequently Asked Questions

I. Eligibility

ANDE lists a few organization types that are eligible to apply, but I'm not familiar with them. What do they mean?

ANDE references organization types in the RFP from our membership categories. While you don't need to be a member to qualify, we use these categories across our work:

- Capacity Development Providers: Organizations that provide business development and advisory services to SGBs.
- Investors: Funds or financial entities that focus on providing capital to SGBs in developing countries. Investments include debt, equity, and quasi-equity and are generally under US\$2M. In addition, some "investor" members also provide capacity development services.
- Research and Advisory Service Providers: Organizations that provide consulting, research and advisory services as the main mission of the organization, as well as associations that provide a service to the sector as a whole.
- Universities: Academic institutions that have programs or tracks that focus on entrepreneurship

ANDE also lists Non-Governmental Organizations and Non-Grantmaking (Operating) Foundations as options in the application. What do these mean?

- Non-Governmental Organizations: Organizations independent from government involvement that typically serve humanitarian or environmental goals. We encourage applicants to select this organization type if your organization is a non-profit, non-governmental entity that does not fit the description for Capacity Development Provider, Investor, or Research and Advisory Service Provider listed above.
- Non-grantmaking (Operating) Foundations: Non-governmental organizations (as described above) which are named "foundation" but do not make charitable grants.

Are applications allowed from non-profit and for-profit institutions?

Yes, GEDI accepts applications from both non-profit and for-profit institutions. Please note, if selected, non profit organizations will receive a grant agreement.

For-profit organizations will receive a contract to achieve the proposed Scope of Work (SOW). For-profit institutions should outline their proposed SOW with deliverables, and the budget should reflect the costs to achieve those deliverables.

Does my organization have to be an ANDE member to apply?

No, the Guatemala Entrepreneurship Development Initiative Fund is open to ANDE member organizations and non-member organizations.

Is there a geographic focus for this fund?

Projects may be proposed throughout all regions of Guatemala, with a particular focus on supporting existing economic corridors, connecting production to value chains, etc. Projects should focus on supporting vulnerable communities, with an emphasis on serving the needs of indigenous communities, women and/or youth-led businesses.

My organization is based outside the region. Am I still eligible to apply?

Yes, however, we strongly encourage partnerships with organizations headquartered and/or founded in Guatemala.

II. Guidelines to Consider

Can my organization submit more than one proposal?

Yes, an organization may submit or be involved in up to two proposals. However, an organization can be a lead on only one proposal.

If my organization was selected for funding in the prior regranting round, are we eligible to apply again?

No, lead organizations who were selected to receive funding in the prior round are ineligible to apply again as lead or as part of a consortium. However, organizations who were part of a selected consortium (but not the lead) are eligible to apply.

Do we need to have identified all potential partner organizations in the concept note or can some be identified later (i.e. indicate number and type, while specific organizations or firms are still being finalized)?

Ideally, we would like to have a sense for prospective and confirmed partners at this stage especially given our preference for interventions led by or in partnership with locally-headquartered organizations. However, we understand how things might change between the concept note and proposal.

Is there a specific timeframe within which the project needs to be completed?

Yes, projects can be implemented for up to 12 months, from July 2022-June 2023.

What kind of support will my organization get from ANDE?

Winners will receive programmatic as well as monitoring, evaluation, and learning assistance from ANDE, structured around quarterly check-in calls and in advance of reporting deadlines.

Can GEDI funding be used as investment capital or other direct support to SGBs?

Unfortunately, no. GEDI funding can only be used for programmatic support. Previous winning proposals have included budget items for administration and program management, case studies, dissemination and marketing, research and design, technology development, travel, workshops, and more. Indirect costs or overhead may also be included.

What kind of budget items are allowed?

We expect that all proposed budgets will be well thought-out, with reasonable amounts under each line-item to carry out the project in a reasonable and efficient manner. Previous winning proposals have included budget items for administration and program management, case studies, dissemination and marketing, research and design, technology development, travel, workshops, and more. Equipment is unallowable for funding by USAID, but may be allowable if funded by other private sector partners.

Indirect costs or overhead may also be included in the overall budget.

Cost-sharing is permitted. Proposals can request funding for a subset of a project, not a standalone project. If the funding request is for an entire budget, please indicate that. If not, include the total projected cost of the project and indicate which portion this grant would support. A list of project funders, including prospective and committed, is required.

In the list of project funding, can we budget for items like contracting TA providers and accounting support?

Yes, however, if the funding required exceeds \$300,000 total, please note how any costs above and beyond your budget request will be covered.

What does it mean when you ask for information about other project funders for our proposal? If the funding request is for the entire budget, please indicate. If not, include the total projected cost of the project and indicate which portion this grant would support. For example, you could list the total budget as \$5 million, but the total requested from this fund as \$250,000. Proposals facing this circumstance will be evaluated based on their ability to implement the project with or without additional funding.

Can some of the funding be used for business or partner development?

Applications for this fund will be evaluated for efficiency in the sense of how these funds are being used to finance an intervention as well as disseminate learnings from that pilot. Any line item needs to support the objectives of the fund.

What is the maximum percentage of services that can be contracted?

Contracting is allowable with no percentage maximum. However, note that the funding through GEDI cannot be used for loan guarantees, debt, equity etc. It is intended as grant capital alone.

Are subawards or grants to funders eligible budget items?

Funds from USAID are not allowed to be allocated to funders/projects that are profit generating.

Can GEDI funding be used to fund working capital (sewing machines, work sheds, etc.)?

Technically, yes. However, budget line items must show a sufficient use of funds to tackle the issues outlined.

How many grants will GEDI fund?

There is not a fixed number of grants to be funded as private sector commitments keep increasing. There is no minimum or maximum number of grants either.

What's the definition of SGBs for GEDI?

Small and growing businesses (SGBs) are defined by ANDE as commercially viable businesses with five to 250 employees that have significant potential and ambition for growth. Typically, SGBs seek growth capital from USD \$20,000 to \$2 million.

Is there a minimum or maximum percentage of leverage funding (cofinancing)?



No, there is not.

Can this USAID-ANDE Fund be used for construction of physical infrastructure?

No, it can not.

How is “youth” defined in GEDI?

ANDE defines youth according to the OECD definition of those 15 - 24 years old who are un- or under-employed and would be seeking proposals that address entrepreneurship support for this target group.

Is an updated ecosystem snapshot in Guatemala going to be a part of this scope of work?

One of ANDE’s goals is conducting research in Guatemala, but at the moment an updated ecosystem snapshot of Guatemala is not being conducted. We will have some research as part of the SoW, but we are still deciding the thematics.

Are there specific impact measurables that you are looking for within the year?

Not specifically, It would depend on different aspects, as each thematic track has its own metrics provided by USAID. However, at ANDE we do not have standardized metrics that we apply to all projects. We have different metrics needs for different projects based on the projects and funder requirements.

Can a business development services provider company appear in 3-4 different proposals, but not as prime?

No, an organization may submit or be involved in up to two proposals. However, an organization can be a lead on only one proposal.

Can you share a list of the grant recipients from the first GEDI regrating facility?

Alterna, Earth University, INCAE Business School, Mercy Corps, Multiverse, Pomona Impact, Red Global de Empresarios indígenas, FUNDES

Would it be possible to review the standardized metrics ANDE applies to all projects?

At ANDE we do not have standardized metrics that we apply to all projects. We have different metrics needs for different projects based on the projects and funder requirements.

The call mentions that "concept notes should show how solutions can be replicated and scaled by ESOs in the broader SGB support sector." Can you give greater clarity on what level of replication and scale is sought in the projects under this facility?

Given that this is a shorter timeline with a specific funding range, we are looking for opportunities that need that "extra boost," i.e., external support from going from one level to the next.

What is the expectation related to a potential cost share, for an organization with interest in this opportunity?

There are no specific requirements for cost share but leverage and co-financing, particularly from the private sector, is encouraged.

Is it possible for a social impact - for profit food company to apply directly? If not, can we apply through a partner organization?

Yes, you could apply through a partnership with an ESO.

Is there a range in terms of the number of SGBs that applicants should be expected to reach under this regranting?

No. We leave that up to each organization, depending on the scope of its intervention.

Is the preference for the lead organization to be headquartered locally or must all consortium members be headquartered locally?

GEDI encourages as much local (Guatemalan-based) participation as possible, although not all members of a consortium must be headquartered in the country.

Do financial service providers (FSPs) count as entrepreneurial support organizations, so long as they are not grantmaking foundations?

FSPs are eligible to participate so long as any activities proposed are not profit-generating.

SGBs revenue numbers that are being targeted?

ANDE uses the following definition of Small and Growing Businesses (SGBs)



- Have between 5–250 employees
- Seek growth capital from \$20,000-\$2 million
- Are too small for traditional commercial capital, but too large for microfinance