



Enterprise Development Support to Small and Medium Enterprises

Enterprise Development Fund: Tikrit

Call for Expressions of Interest

Background

Given the enormous amount of infrastructural investment needed in Iraq since the departure of ISIL from major cities, the International Organization for Migration is rolling out a coordinated approach at post-war development. This includes, in Tikrit city Centre, an initiative to support primary and secondary economic sectors that were successful prior to the political conflict but suffered loss, damages or disruption to supply chains in the previous 5 years. Assisting these enterprises provides a clear path for the resumption of economic activities, the creation of additional jobs that can promote return and reintegration, and opportunities for businesses to support reconstruction. Within this framework, IOM is launching a call for Expressions of Interest for an Enterprise Development Fund (EDF) to support the economic recovery of Small and Medium-sized enterprises (SMEs) in Tikrit. IOM intends to provide small business grants to SMEs. The financial grant will be based on an evaluation of needs, the potential for job creation of the selected businesses, and a business plan. The EDF aims to provide practical and relevant capital support to SMEs in Tikrit. Support to selected SMEs should improve the growth capacity of the private sector and their ability to meaningfully create jobs.

Applicants will receive individual attention to their Expressions of Interest and, in some instances, feedback on the feasibility of their proposal. Successful applicants will be invited to submit a full proposal should their EOI show significant potential. All applicants should provide the information requested in the Expression of Interest and meet the minimum Eligibility Criteria, below, or their application will not be considered.

Eligibility

This call for proposals is open to SMEs that meet the following criteria:

- Must have between 3 and 20 employees;
- Must operate within Tikrit city, Salah Al-Din Governorate;
- Must operate in one of the following sectors: Manufacturing, agriculture, medical services, automotive industry businesses
- Must have been operational prior to 2017 and can demonstrate a clear need associated with the political events of 2014-2017; and
- Must be owned and managed by an Iraqi.

Selection criteria

Preference will be given to SMEs that integrate one or more of the following components:

- Potential for the number of jobs created, relative to the grant request.

- Social impact including the participation of vulnerable groups, including displaced persons, returnees and women.
- Innovative and creative projects
- Are registered with the Tikrit Chamber of Commerce / Tikrit Chamber of Industry/Ministry of Health and are up to date in the maintenance of their registration;

The EDF will use a multi-stage selection process to review and deliberate on the potential for full time job creation by any applicant, and the sustainability of the business. In the first stage, applicants will fill and submit an expression of interest. Successful candidates will then be invited to develop a full proposal in an application form. The investment committee will select investments based on the selection criteria and used across all applications.

To be successfully chosen, SMEs will complete the following steps:

Expressions of Interest

1. Fill in the Expression of Interest, providing overall information on the business and the amount requested.
2. Provide a copy of valid registration certification and other related documentation (desired but not required).

Applicants must disclose outstanding personal and business debts at the time of applying.

Full Application

A selection of the most promising Expressions of Interest will be invited to be developed into full applications. Full applications will require a submission of the following:

Required:

1. A complete list of co-owners and contact information, if applicable
2. A complete list of shareholders and their equity amount, if applicable
3. A copy of financial justification for your contribution
4. A salary guarantees
5. A supplier certificate or equivalent

Desired:

1. Proof of registration
2. Tax number and tax clearance letter issued by the tax office
3. Last audited financial statements
4. Company Social security number
5. Proof of social security and personal income tax payment, including a list of employees and their salaries against receipts paid to the government

Applicants will also submit a:

1. Business plan, including details on a marketing strategy, competition, and a financial plan

Where funding is available, a training may be held to provide assistance in completing business plans. Attending the business plan training is optional and is not a requirement to submit a full application.

To verify the information provided in the applications and in the accompanying business plans, IOM staff will conduct field visits to all the applicants who have been invited to submit a full application.

IOM and the SME will meet to discuss the type of business development support they will receive through the grant, based on the information gathered through the questionnaires, site visits, interviews, and the preferences of the applicant.

How to apply

1. Please read the full Expression of Interest carefully
2. Download the Expression of Interest Questionnaire (.xls), complete it in all its parts, sign it and send it to IRAQEDF@iom.int by no later than April 7th, 2019.
3. Hard copies of the Expression of Interest will also be available at the MoLSA. Copies can be filled there or returned to there.
4. If short-listed, you will be sent and asked to fill in the Full Application Form. You will have 30 days after reception of first feedback from IOM to send application form filled in all its parts to IRAQEDF@iom.int. Applicants who do not respect this deadline, will be automatically excluded from the selection process.
5. IOM staff will follow-up with successful applicants to schedule field visits and interviews and will provide instructions on how the selection process will proceed.

Annex 1: Selection Criteria

	Target	Points
<i>Social Return on Investment</i>		
Has between 2 and 20 employees	Yes	--
Operates within Tikrit city, Salah Al-Din Governorate	Yes	--
Operates within Manufacturing, agriculture, medical services, automotive industry businesses	Yes	--
Operational prior to 2017 and has need associated with ISIS	Yes	--
Owned and managed by an Iraqi	Yes	--
	Target	Points
<i>Social Return on Investment</i>		
Initial requested grant	--	--
Total number of Employees currently	--	--
Proposed additional Employees to be added	1 per \$5000	--
<i>Compliance</i>		
Registered with MOT/MOI/MOH?	Yes	--
Is the business registered anywhere else (i.e. CoC, Col)?	Yes	--
<i>Solvency</i>		
Average monthly profit	--	--
Value of Outstanding Debts	<50% of 6 months of profit	--
Amount the business owner has demonstrated will be contributed	10000	--
Is the business in an oversaturated sector?	No	--
<i>Risk</i>		
Age of business in years	5	--
Years of experience of business owner	5	--
<i>Reconstruction</i>		
Did the business suffer physical destruction from Daesh related causes?	Yes	--
<i>Community Stabilization</i>		
Is the applicant themselves a woman or minority?	Yes	--
Has the business owner mentioned hiring IDPs or returnees?	Yes	--
Has the business owner mentioned hiring women?	Yes	--
Has the business owner mentioned other social impact?	Yes	--
	Target	Points
<i>Applicant Risk Profile</i>		
Has the applicant themselves been displaced due to the conflict?	Yes	--
Are there any legal judgements existing against the firm?	No	--

Does the business have co-owners?	Yes	--
Does the business have shareholders?	Yes	--
<i>Contract Enforcement Mechanisms</i>		
Is the evidence of financial contribution credible?	Yes	--
Does the salary guarantee come from a governmental worker?	Yes	--
Does the applicant have a clean credit history with a supplier?	Yes	--
<i>Compliance</i>		
Is there proof of registration?	Yes	--
Does the applicant have a tax number?	Yes	--
Are there audited financial statements?	Yes	--
Is there a social security number for the company?	Yes	
Does the applicant demonstrate taxes paid for employees?	Yes	--
<i>Financial Management</i>		
Was their business plan credible against an IOM site visit?	Yes	--
<i>Demand</i>		
Does the applicant have a marketing plan?	Yes	--