



USAID-ANDE Guatemala Entrepreneurship Development Initiative Fund

Call for Concept Notes

Concept note call launch: November 17, 2021

Concept note application open: November 17 - December 15, 2021

Shortlisted applicants invited to submit full proposal: January 14, 2022

Deadline for shortlist to submit full proposal: February 4, 2022

Awards announced: March 2022

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

Project Size: \$250,000 - \$2,000,000 USD

Project Duration: 2 years (April 2022 - April 2024)

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. GEDI will fund large-scale ecosystem strengthening initiatives from \$250,000 - \$2,000,000 USD over two years that help small and growing businesses (SGBs) to access capital and markets 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, 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

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).

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

support for entrepreneurship is needed to increase the resilience of these communities, by creating more robust agriculture systems and 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.

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 (ESO)s to develop or expand large-scale ecosystem strengthening initiatives that help SGBs to access capital and markets in areas of high migration. 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 are based in or have operations in areas of high migration in Guatemala as defined in [Qualifying Criteria](#) below. Concept notes should show how solutions can be replicated and scaled by ESOs in the broader SGB support sector.

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:

- **Access to new and/or better markets:** Increased collaborations contributing to sustainable market linkages of SGBs to national and international value chains
- **Access to capital:** Increased amount of the right type of available capital for SGBs, through innovative investment vehicles;
- **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.

Proposed activities should also, when possible, demonstrate the capacity of implementing organizations to continue to expand access to financing and markets for SGBs in areas of high

migration after the funding has ended.

Timeline

Phase 1: Concept Notes	
November 17, 2021	Concept note call launch
December 15, 2021	Deadline to submit concept notes

Phase 2: Request for Proposals	
January 14, 2022	Shortlisted applicants are invited to submit full proposal
February 4, 2022	Deadline to submit full proposal
March 2022	Awards announced

Qualifying Criteria

Geographic (Areas of high migration)

Projects that have a focus on the following regions within Guatemala, defined as high migration areas⁷, will be prioritized (Listed by areas of migrations from highest to lowest):

- *Region VII: Northwestern*
- *Region VI: Southwestern*
- *Region V: Central*
- *Region IV: Southeastern*
- *Region I: Metropolitan*

Projects implemented in multiple regions including those with reach to other Northern Triangle countries in addition to Guatemala will be accepted. **However, only projects focusing primarily in Guatemala will be considered.**

Organizational

Nonprofit and for-profit entrepreneur support organizations, such as incubators, accelerators, investors, capacity development providers, non-governmental organizations, operating (non-grantmaking) foundations, and research and advisory service providers, are qualified to apply. Government donor agencies, donor finance institutions, grantmaking foundations are not qualified to

⁷ <https://guatemala.un.org/sites/default/files/2021-08/Caracterizacio%CC%81nMI2021%2029%20julio%202021%20FINAL.pdf>

apply.

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, it is highly encouraged that a lead organization applies for the funding directly.

Financial

Submissions should be for activities of 24 months beginning April 2022 with a minimum total request of \$250,000 USD and a maximum total request of \$2,000,000 USD. This funding has been made possible with generous support from the **U.S. Agency for International Development (USAID)**. 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.

GEDI private sector partners will also have the opportunity to directly fund applicants. ANDE will lead the application process and finalists will be considered for USAID funding via ANDE or for separate funding via GEDI's private sector partners.

Language

Only applications submitted in English will be accepted.

Concept Note Requirements

Please submit a concept note as a maximum three page written document or a ten slide PowerPoint presentation. Applications should include the information below and follow specific guidance depending on the chosen medium.

Concept Notes Should Include:

General Overview

Title of project

- Identify lead organization and list partner organizations applying
- Identify lead contact and list contact name, phone number, and email information
- Amount of request (USD\$250,000 - \$2,000,000 maximum)
- Timeframe of proposed project or program (24 months April 2022 - April 2024)
- 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 project including overarching goals. Clearly explain the targeted results, and how they will be measured
- The key elements of the approach that will tackle the financing and / or access to markets gap
- How the project fits the GEDI priorities
- A clearly articulated key learning question(s) that you aim to answer through implementing the project
- A prospective list of learning outputs you hope to publish or implement at the completion of your project

Budget

Please include a total proposed project budget, with a 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 budget, please indicate. If not, include the total projected cost of the project and indicate which portion this grant would support.

Please note:

Winners who are funded via the ANDE award will be funded by United States government resources, thus:

- Non-profit winners will receive a subaward agreement and be paid on a quarterly, cost-reimbursable basis.
- 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 that they will receive a contract for services agreement rather than a subaward agreement from ANDE. These winners will get paid off of completed deliverables or milestones.

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.

Format Guidelines by Medium

Templates can be found [here](#).

Text-Based Document

- Page Limit: three pages
- Format: PDF

PowerPoint

- Slide Limit: ten slides
- Format: PDF

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 being 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? ● Are the funds provided being leveraged (through partnerships, matching funds, etc.) to ensure maximum impact?
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 24-month project period as well as for the potential sustainability and scalability of the model going forward?
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"> ● Locally headquartered and locally led organizations are strongly encouraged to apply. ● Completeness of application.

Applications will open November 12 - December 10, 2021. The application form will be available on ANDE's [website](#).

Special Thanks to Our Sponsor:



Appendix 1: United
Compliance

States Government

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

Applicant Based Outside the US:

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