



Financial Sub-Granting Programme (FSGP) - Explanatory document

Annex II to the Call for Expressions of Interest (Eoi) for the participation to YESI Programme

1. The Financial Sub-Granting Programme (FSGP)

The Financial Sub-Granting Programme (FSGP) supports innovative youth-led Social Enterprises (SEs) to enhance their operational and financial capacities and scale up their social business.

The FSGP is promoted by **Cesvi** and **Al Majmoua**, in the framework of the project Youth Empowerment for Social Impact funded by the **European Union**.

2. Eligible Actions financed by the FSGP

The financial grant provided by the FSGP to successful SEs can be used with the purpose of **developing, strengthening and scaling up innovative model of social business** already tested in the market.

In any case, actions financed through this program shall:

- ensure consistency with the central objective of the program;
- be relevant to the local context;
- be implemented in Lebanon, noting that main areas of operations of the SE must be at least one of the following governorates: Beirut & Mount Lebanon, Beqaa, South & Nabatieh;
- be designed according to a mainstreamed approach towards cross-cutting issues such as youth, gender equality, rights of persons with disabilities;
- in case of continuation/follow up initiatives, consider lessons learnt from previous actions and scale up potential.

By way of example, selected SEs can use the grant for the purchase of assets, knowledge training (i.e. technical training on production/service delivery), business management support, marketing support (i.e. e-commerce support, support for the creation of a strong social media presence, brand identification and development, labelling), market capture support (i.e. researching consumer preferences, support for reaching new markets or new customer niches), participation in external trade, fairs and workshop, measure, strengthening or scale up of the social impact component.

The following **types of action** are **NOT eligible**:

- actions concerned **only or mainly** with individual sponsorships for participation in workshops, seminars, conferences and congresses are not eligible Nevertheless

- workshops, seminars, conference are considered eligible if they are not the main objective of the sub-granting action, and they are in line with the business plan submitted ;
- actions concerned only or mainly with individual scholarships for studies or training courses are not eligible. On the contrary, training courses are considered eligible if they are not the main objective of the sub-granting action, and they are in line with the business plan submitted;
 - credit to third party;
 - actions which discriminate against individuals or groups of people on grounds of their gender, sexual orientation, religious beliefs or lack of them, or their ethnic origin are not eligible;
 - actions supporting individual political parties are not eligible;
 - actions including proselytism are not eligible;
 - actions which include any activity inciting publicly to violence or hatred as per the definition of the EU Framework Decision 2008/913/JHA of 28 November 2008 Article 1.1 (a to d) and 1.3 are not eligible.
 - Running costs of a public institution, governmental body or other organization;
 - Activities listed as ineligible in EU guidelines (such as trade in tobacco & tobacco products) will not be considered.

Up to 25% of the amount granted can be used by SEs to cover business running costs such as: business office/facilities rent, employees' salaries and contribution, electricity/fuel, communication costs, business vehicles rent, consumables etc...

Expenditure eligible for financing have to be **incurred from the date of the contract agreement**

More details regarding actions and costs eligibility will be included in the restricted Call for Proposal expected in phase 3.

3. Grant size under the FSGP

The total available amount of the Financial Sub-Granting Program (FSGP) is 200.000,00 EUR.

SEs selected under this program, will be entitled to a grant contribution **from a minimum amount of EUR 5,000 up to a maximum amount of EUR 15,000**, based on the approved budget for each proposal.

4. Timing

Upon successful completion of the entire selection process as described in section 6 of the present document, selected SEs are expected to receive the first financial instalment and start the implementation after the awarding decision and the finalization of Agreements.

Actual dates will be established in the written agreement to be signed between each beneficiary of the FSGP and Cesvi.

5. Agreement and Disbursement

The agreement will be covering – among the others – the following: 1) General roles and responsibilities of Sub-granter and the entrepreneurs, 2) Object of the grant, with specification of total amount of financial grant and coaching program, 3) Amount and frequency of instalments, 4) Procedures for procurement of goods/services and recruitment of personnel 5) Reporting procedures to the Sub-granter by the entrepreneurs.

The grant will be disbursed in **EUR** or **USD**.

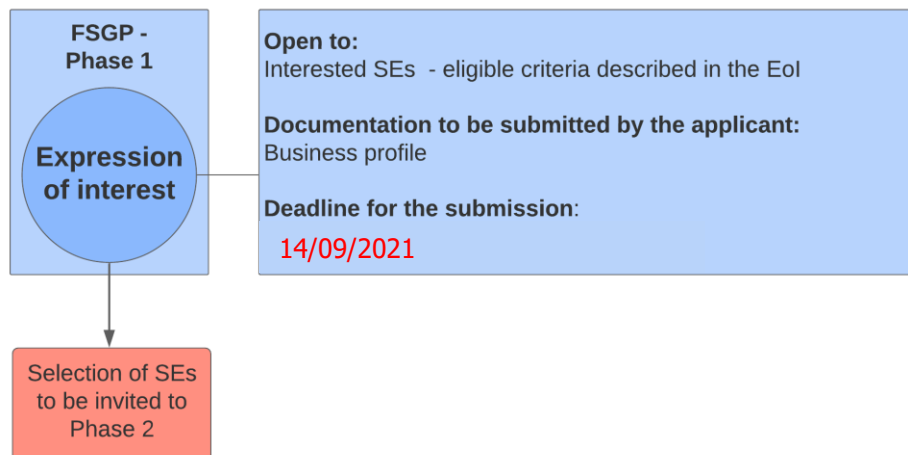
The program will follow a **“Pay for Success”** logic (i.e. an outcome-based funding system).

The financial disbursement will be divided into installments (ideally three). The first installment will be released upon finalization of the Agreement between Cesvi and the SE. The release of the second and third installments will be thus conditioned upon different criteria that will be set in the agreement, including, but not limited to, the expenditure of the previous installment received, the delivery of narrative and financial reports, the achievement of milestones and alignment with the business plan.

6. FSGP selection process

The FSGP application and selection process is divided in three different phases:

a. Phase 1: Expression of Interest

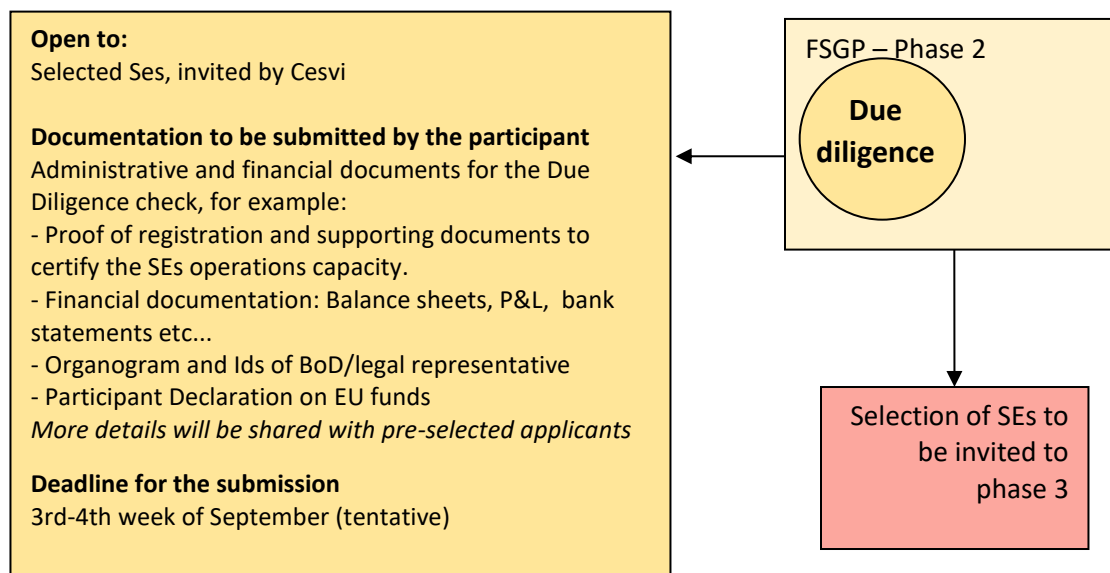


Interested SEs apply as indicated by the Call for EoI.

Applications are assessed against the eligibility criteria mentioned in the Call for EoI based on the information submitted through the Business Profile. SEs that result eligible, will be invited to Phase 2 by receiving a written communication from Cesvi.

b. Phase 2: Due Diligence

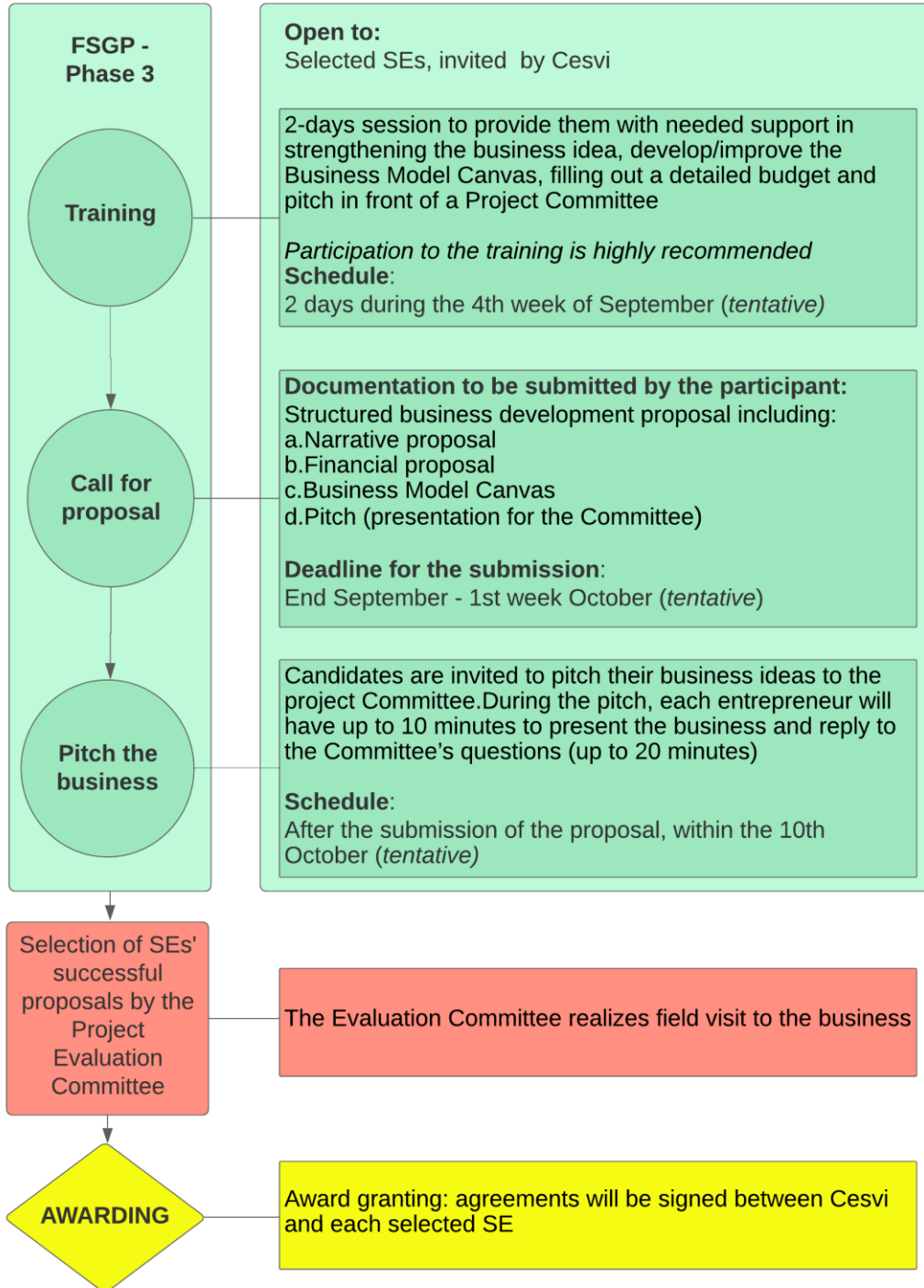
Pre-selected applicants undergo the Due Diligence process.



SEs that result eligible upon verification of due diligence documentation submitted, will be invited to Phase 3 through a written communication from Cesvi.

c. Phase 3: Restricted Call for Proposal

Applicant that will be successful in phases 1 and 2 will access the phase 3.



Note about the Training: participation to the training is not mandatory, but it is highly recommended. The training will be conducted online and recorded. Record will be made available



to all the short-listed candidates. Participants can also access the opportunity of an additional 1 to 1 session – 45 mins to be scheduled by appointment - with Cesvi staff for further support.

7. Evaluation Process

The Evaluation Committee (the Committee) at this phase will be composed by: Cesvi Project Manager, Cesvi Grant Manager, Cesvi Administrator & Logistic Coordinator, Al Majmoua focal point and two external experts on business.

As mentioned above, during the Phase 1 and Phase 2, the Committee will evaluate the correspondence of the SE Business profile and Due Diligence documents to the eligibility criteria.

During Phase 3, the Committee will assess **proposals** received by the SEs on the basis of the general criteria listed below (details and scoring will be defined in the Restricted Call for Proposal):

- Social impact generated by the business;
- Clarity and feasibility of the Business Idea;
- Female leadership and/or contribution to women empowerment;
- Economic and financial sustainability;
- Previous participation and success in similar programs or contest;
- Performance of the applicant during the Business promotion pitch.

In addition to the above mentioned criteria, the following preferential factors will be considered in the evaluation (details and quantification will be defined in the Restricted Call for Proposal):

- Proposing organizations whose board/management team is partially composed (for at least 30%) by women
- Businesses projects with the potential to generate job/employment opportunities
- Potential for innovation (innovation can be related to products, services or to methodologies and approaches applied in more traditional sectors);

The Committee will evaluate the application behind closed doors. No information relating to the examination, clarification, evaluation and comparison of application, or recommendations concerning the award of the contract can be disclosed until information on Contract award is communicated to all SEs. **Any attempt by a SE to influence the Committee in the evaluation or grant award decisions may result in the rejection of SEs application.**

To facilitate the examination, evaluation and comparison, the Committee may contact the candidate SE for clarification. The request for clarification and the response must be in written only. If a SE does not provide requested clarifications by the date and time set, its application may be rejected.

8. Summary table of the FGSP

		Tentative dates*
PHASE 1 EXPRESSION OF INTEREST	Publication	26-August
	Online info session	7-September
	Deadline for submitting requests for clarification	7-September
	FAQ publication	8-September
	Deadline for the submission of the BUSINESS PROFILE	14-September
	Communication of the results of the application to the Call for EoI to candidates	19 th September 2021 (The date could change in accordance with the numbers of applications received.)
PHASE 2 DUE DILIGENCE	Deadline for the submission of the Due diligence documents	3 rd -4 th week of September* (tentative)
	Communication of the results of the Phase 1 to candidates	4 th week of September* (tentative)
PHASE 3 RESTRICTED CALL FOR PROPOSAL	Training and coaching sessions	4 th week of September* (tentative)
	Deadline for the submission of the Structured business development proposal	1 st week October* (tentative)
	Pitch the business interview	End of October* (tentative)
	Communication of the results of the results of the Phase 2 to candidates	End of October-Beginning November * (tentative)
GRANT AGREEMENT	Signature of the agreement	middle of November* (tentative)
PROGRAM IMPLEMENTATION	Implementation of the program (financial disbursement, follow up, coaching, networking opportunities)	Middle of November 2020 – End of March 2022**

*The date could be change in accordance with the numbers of applications received. Participants will be kept informed of the deadline during the process

**Noting that an extension of the programme till the end of June 2022 it is foreseeable.