**Investment Co-Financing Facility (ICF)**

**Supporting private-sector investment projects to create sustainable jobs for Palestine’s workforce**

# Application

The purpose of the ICF is to leverage private investment to create sustainable new jobs – especially for women, youth, unemployed and other vulnerable categories – by providing the marginal financing needed.

The ICF considers two different types of grants:

1. Grants for Capital Investment will cover a share of the upfront capital cost of an asset such as equipment or machines.
2. Grants for Operating Investment will either compensate for operational shortfalls of the project, or will ensure the project’s minimum profitability through co-financing activities like purchasing inventory, market access and growth, and product development.

## **ICF Targets**

The potentially profitable sectors targeted by the ICF include agribusiness and processing, tourism, IT, environment-friendly businesses, light manufacturing and renewable energy projects.

ICF targets both existing and newly established enterprises which require investment and are initiated by individuals, investment groups, companies, and cooperatives.

The ICF is intended to be used to complement other financial instruments such as loans and private investors’ equity, to maximize the impact of investments. The exact amount of the investment size channeled will be discussed based on project’s requirements of capital expenditures (CAPEX) and operating expenditures (OPEX) and funds availability presented in the investment proposal/business plan.

## **Eligibility Criteria for Applicant**

For investment applications to be qualified, the applicants would need to address the following eligibility criteria:

1. The investment project sector falls under one of the following categories: agribusiness, tourism, information technology, environment-friendly businesses, light manufacturing and renewable energy projects.
2. The investment project applicants are Palestinians (or non-Palestinian) investing in West Bank and Gaza.
3. Applicants should hold an appropriate business license, registration, and be tax compliant.
4. Investment projects are aligned to the ILO declaration on fundamentals principles and rights at work.
5. The ICF allocation clearly addresses an FCV risk and market or institutional failure that will cause the investment to cease.

## **Selection Criteria for Investment Project**

1. The project is a commercially sound investment that is likely to generate significant social and economic benefits, through job creation.
2. The size of the private sector capital mobilized into the project is considerable.
3. The potential for a multiplier effect on other actors in the value chain (horizontal and vertical) and on a broader ecosystem within which it operates.
4. The investment project applicants are capable, competent and have proven a track-record of strong and transparent management.
5. The investment project demonstrates the environmental measures and social externalities at the cause of the investment initiative, such as human capital accumulation, social cohesion and stability, and social inclusion of vulnerable groups.
6. The investment project is compliant with the World Bank Group safeguard policies.

## **How to apply**

Interested applicants are requested to fill in the application form below (see annex 1) and submit a business plan and financial model in hard copies in a sealed envelope to F4J Project, located at the 2nd Floor, Al- Bardouni Bldg., Jaffa Street, Ramallah and a soft copy to [f4j@dai.com](mailto:f4j@dai.com), **by no later than December 1st,2019**.

The business plan should be in line with the outline below.

1. Executive Summary
2. Business Overview
   1. Project strategic statements – vision, mission, objectives
   2. Product and services – clear and straight forward description of product/services that include but not limited to types, prices, key compositions, sources, etc.
   3. Competitive advantages and key to success.
   4. Company registration and ownership (if existing business).
   5. Project Sponsors’ bios
3. Market Opportunity Analysis
   1. Market analysis – that include but not limited to: market trend, size, shares, competitors, customers, supply and demand gap analysis, suppliers, demand forecast, market forces, non-market forces.
   2. Socio-economic impact of the project – incl. environmental.
4. Marketing Plan
   1. Market Segment and Market target
   2. Market Positioning strategy
   3. Marketing mix
5. Technical Study
   1. Installation, facilities/equipment, and processes – that includes a section for each project components (if more than one component)
   2. Suppliers – that include the provision and management of raw materials for the different components of the project
   3. Capacity – production capacity of each component of the project
   4. Resources availability and gap analysis for the operations of the project components
   5. Implementation Plan
6. Managerial Model
   1. Organizational structure
   2. The workforce management plan, including a staffing plan and key job responsibilities
   3. Implementation plan
7. Financial Plan\*
   1. Financial structure
   2. Financial assumption - for revenues, OPEX, CAPEX, financing, production, disbursement plan, etc.
   3. Projected income statement
   4. Projected cash flow statement
   5. Projected balance sheet
   6. Financial indicators (IRR and NPV)
   7. Gap financing analysis and rational for requesting the grant

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| \* The financial plan narrative should provide an explanation (with appropriate references) of the (a) key driver factors (foundations) used in the financial model, (b) cost and revenue assumptions and (C) key functionalities that were used to generate the financial outputs. It should include a description of the inputs and outputs of the project, and interim calculations, covering aspects such as:   1. Operations of the project, cost of these operations (structure and drivers) and forecast assumptions, and its associated outcomes. 2. Revenue stream, revenue drivers and sources, revenue structure, and forecast outputs. 3. Description of multiple scenarios, models and functionalities. 4. The investment requirements (break down into items, financing structures and sources, and allocation if the project is being phased)   The financial model must be in compliance with international standards, meaning that the Financial Model must be properly structured and clearly indicates and separates (1) assumption, (2) processes, and (3) outputs as well as inputs cells. We advise that the financial model is rolled out for seven (7) years. The first two years must be also given on a monthly basis, and in line with the implementation plan and disbursement plan.  In the financial model, please be kind to include the following:   1. “Input Sheet/assumption Sheet” that addresses all components of the project. The input sheet should describe and quantify key drivers for revenues, pricing, costs, productions, depreciation and financing schemes/structures among others. 2. “Debt Sheet” that includes all loans and their amortization, linked to the cash flow statement. 3. “Investment Cost Roll-Out Sheet” for each component of the project and shows the drop-down capital (Equity vs. Debt) for each. 4. “Operation Sheet” for that shows project components inflows and outflows (operating cost, working capital, maintenance, etc.) with proper cost structure and allocation. 5. “Consolidated Financial Statement Sheet” that shows IS, CF, and BS. 6. “Valuation Analysis Sheet” that includes sponsor returns, business value and sensitivity analysis. |

# Annex 1: Application Form

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| **Date of application** |  |
| **Project Contact\***  \*The contact person is responsible for communications between F4J and the Applicant. The contact person should be someone who will be directly involved with the grant activity and has a proven, established relations with the applicant. | |
| **Full Name** |  |
| **Telephone / Mobile** |  |
| **Email** |  |
| **Company/Investor information** | |
| **Company Name** |  |
| **Address** |  |
| **Established (Year)/New** |  |
| **Legal Status** |  |
| **Shareholders** |  |
| **Line of Business** |  |
| **Jurisdiction** |  |
| **Auditor** |  |
| **Lawyer/Law firm** |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Information** | | | | | | | | |
| **Project Title** |  | | | | | | | |
| **Project Location** |  | | | | | | | |
| **Project Owners** |  | | | | | | | |
| **Estimated Project Starting Date** |  | | | | | | | |
| **Project Description** | | | | | | | | |
| **\***Please include the following:  (**1) Market opportunity**  \*Please describe in great details the situation in which the project can meet market demand.  **(2) Product and services offered**  \*Please list and describe the type of products/services, and specify the nature of the business (manufacturing, processing, assembly, energy generator, wholesaling, distribution, etc.).  **(3) Customers and target market**  \*Please describe in detail who the customers and target market are and the opportunities for each.  **(4) Competitive landscape**  \* Please list the direct competitors and the competing products/services. Also include competitors’ substitute products/services.  **(5) Project’s competitive advantages**  \* Please describe the keys to success and the competitive advantages that include, but not limited to, price, location, convenience, and quality.  **(6) Project operations (including input and suppliers)**  \* Please describe what the main raw materials, inventory, and machinery are needed and who the suppliers are, and explain how the project produces its final product/service. | | | | | | | | |
| **Business Model** | | | | | | | | |
| **\***Please, briefly describe the project business/revenue model. How the project will operate? | | | | | | | | |
| **Management Model** | | | | | | | | |
| \*Please, briefly describe:  (1) The management and institutional arrangement set up for developing and implementing the project  (2) People who will be managing the main project tasks, their job title and brief description.  (3) The financial management structures and system in place to monitor and control accounting and operations on daily basis. | | | | | | | | |
| **Employment** | | | | | | | | |
| How many additional jobs are expected to be created because of this project, directly and indirectly? Where were these jobs created? How were the jobs calculated? \*Please, elaborate on source of jobs and the method they were calculated.\*Please, fill the Annex 1I. Application that do not provide Annex I1 will be rejected. | | | | | | | | |
| **Environmental and Social Impact** | | | | | | | | |
| Please describe in brief the major potential externalities (environmental and social positives and negatives), if any. | | | | | | | | |
| **Project Investment Cost in USD** | | | | | | | | |
| ***Capital Investments*** | | | ***Working Capital*** | | | | | |
|  | | |  | | | | | |
| **Source of Finance** (Please, specify the sources and amounts and add as many rows as it is needed) | | | | | | | | |
| **Source** | | | | **Equity** | | **Debt** | | **Gap Financing** |
|  | | | |  | |  | |  |
|  | | | |  | |  | |  |
| **Total** | | | |  | |  | |  |
| **Amount of the Gap Financing Requested from F4J-ICF:** | | | | | | | | |
| **Elaborate in some details why do you think there is a financing gap; how much is it; how it is calculated and how it will be used? (**Specify the amount and purpose): | | | | | | | | |
| **Project Financial Indicators** | | | | | | | | |
| **ROI** | | **NPV** | | | **IRR** | | **Pay Back Period** | |
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# Annex 1I: Employment

**Direct jobs (West bank):** jobs that are directly created by the project

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| --- | --- | --- | --- | --- | --- |
| **Category** | **Male young**  **18-29 years** | **Male adult** | **Female young**  **18-29 years** | **Female adult** | **TOTAL** |
| ***Skilled*** |  |  |  |  |  |
| ***Non – skilled*** |  |  |  |  |  |
| ***TOTAL*** |  |  |  |  |  |

**Indirect jobs (West Bank):** jobs that are created elsewhere because of the project

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Category** | **Male young**  **18-29 years** | **Male adult** | **Female young**  **18-29 years** | **Female adult** | **TOTAL** |
| ***Skilled*** |  |  |  |  |  |
| ***Non – skilled*** |  |  |  |  |  |
| ***TOTAL*** |  |  |  |  |  |

**Direct jobs (Gaza)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Category** | **Male young**  **18-29 years** | **Male adult** | **Female young**  **18-29 years** | **Female adult** | **TOTAL** |
| ***Skilled*** |  |  |  |  |  |
| ***Non – skilled*** |  |  |  |  |  |
| ***TOTAL*** |  |  |  |  |  |

**Indirect jobs (Gaza)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Category** | **Male young**  **18-29 years** | **Male adult** | **Female young**  **18-29 years** | **Female adult** | **TOTAL** |
| ***Skilled*** |  |  |  |  |  |
| ***Non – skilled*** |  |  |  |  |  |
| ***TOTAL*** |  |  |  |  |  |