

# Ministry of Digital Economy and Entrepreneurship Youth, Technology, and Jobs Project (YTJ)

Business Development Grants to Digital Firms
GrowJo (Market Expansion)

Request for Application (RFA) 2.1

Please read this document thoroughly

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# 1. About the Youth, Technology, and Jobs Project (YTJ)

The Ministry of Digital Economy & Entrepreneurship (MoDEE), Jordan, is the implementing agency of the Youth, Technology, and Jobs (YTJ) project, which aims to improve digitally-enabled income opportunities and expand digitized government services in Jordan. Over the five-year lifetime of the project, YTJ aims to build an impetus for private sector-led growth of the digital sector by: (i) deepening the pool of quality digital skills; and (ii) leveraging the government's ambitious agenda of digitizing government services to create a demand for digital services and jobs. The project is structured around interventions that address constraints to both the supply and demand side of digitally skilled labor in Jordan, with Component 1 focusing on strengthening the supply of digital skills and Component 2 boosting demand in the digital economy, and hence jobs and income opportunities. Component 3 supports project management.

The structure of the project is as follows:

#### Component 1 – Support the supply of digital skills in Jordan

- Sub-component 1.1: Support private sector-led digital skills development. Support the establishment of the National Skills Council for Information and Communication Technology (NSC-ICT), as an independent (financially and administratively) legal entity, with a majority private sector board membership and representation from key public sector stakeholders, and with the mandate to: (a) conduct demand and supply side assessments; (b) establish national occupational standards; (c) qualify training service providers; (d) select and contract training service providers; (e) create, accredit, and disseminate online training materials; (f) conduct national awareness activities; (g) engage in monitoring and evaluation; and (h) establish comprehensive customer relationship management (CRM) system for the beneficiaries. The activities of the NSC-ICT will be coordinated with and, when required by vocational training law and regulations, approved by the Vocational and Technical Skills Development Corporation.
- <u>Sub-component 1.2:</u> Enhance digital skills competencies for public school students. Introduce quality technology courses in public classrooms G7-12. The activities under this sub-component will aim to identify gaps in the existing information technology courses in schools, develop context-relevant technology learning assets, train teachers on the new courses, and roll-out in a systematic way across public classrooms.
- Sub-component 1.3: Provide working spaces in underserved communities through Tech Hubs. Support upgrading and equipping three to five technology hubs (Tech Hubs) as "for fee" venues for skilling programs, networking, and co-working spaces for trainers, entrepreneurs, freelancers, Civil Society Organizations (CSOs), and Business Process Outsourcing (BPO) businesses in nearby communities.

# Component 2 – Support the expansion of the digital sector and digital government services in Jordan

 <u>Sub-component 2.1</u>: This sub-component will provide incentive packages to support the growth plans of digital firms (focusing on ITO/BPO businesses) in underserved communities, help build and scale up their activities, and generate local job opportunities. The project will provide employment subsidies following a results-Support the expansion and access to markets for digital firms and digital platforms. Provide incentive packages to support digital firms' growth plans to help build and scale their activities, and generate local job opportunities. Additionally, this sub-component will support the growth of digital entrepreneurs in Jordan through procuring the services of professional intermediaries in key markets such as the USA and Europe that boost vibrant tech ecosystem that can be a catalyst for global scaling, attracting international funding, and developing exit pathways, as well as impactful commercial partnerships. Furthermore, this sub-component will provide access to income opportunities in various tech and non-tech economic activities for individuals in the gig economy by increasing the adoption of digital platforms.

- <u>Sub-component 2.2:</u> Support digital transformation of service delivery to citizens and businesses. Support activities designed to improve access to and quality of selected e-government services. In addition to enhancing the quality and cost-efficiency of service, the government's commitment to adopt a private sector-based delivery model for government e-services is expected to create business opportunities for local digital firms, which will provide an impetus for employment growth in the digital sector.
- <u>Sub-component 2.3:</u> Support digitization of payments. Support the government commitment to advance penetration of digital payments in Jordan, supporting e-payments for all applicable government services, focusing on front-end services.

#### **Component 3 - Project Management & Implementation Support**

MoDEE established a Project Management Unit (PMU) at MoDEE, which includes focal points for the Ministry of Labor and Ministry of Education. The PMU (within MoDEE) has the overall fiduciary responsibility for project implementation and ensuring activities are executed in accordance with the Program Operational Manual (POM).

# 2. About the (Market Expansion) Incentive

#### 2.1 Market Expansion Incentive Objective

The main objective of this incentive is to support the business development and market expansion efforts of digital and digitally-enabled firms (focusing on ITO/BPO Businesses) that are seeking to expand and secure new contracts in new regional and international markets such as the GCC countries, Europe, China, India, and the USA. **The Market Expansion incentive** aims to grow the digital firms' business and ultimately create more jobs for Jordanians.

Through this incentive, the YTJ Project will provide matching grants<sup>1</sup>, up to USD 100,000, to cover up to 50% of the cost of the business development and market expansion plans (One country only) of the applying firms. The Market Expansion incentive is performance-based; hence the YTJ Project will reimburse the firms against achieved milestones agreed upon in the sub-grant agreement.

International digital firms willing to expand to Jordan and hire Jordanians are also eligible to apply for this opportunity.

#### 2.2 Eligible Costs

The **Market Expansion** grant can cover the costs of the following activities:

- Costs associated with attending conferences/trade shows, Investor/supplier visits, acceleration programs, and promotional / networking events.
- Retainers/success fees for intermediaries (e.g., brokers) that can help digital firms secure new contracts.
- Salaries of **newly hired** (After signing the agreement) business development, sales, and marketing staff, preferably in the targeted country.
- Costs associated with establishing a sales office in governorates outside of Amman or the targeted country, including registration and licensing, rent, and equipment.
- Costs associated with sales and marketing activities.

<sup>&</sup>lt;sup>1</sup> "Matching grants" refer to a type of grant where the granter matches what the grantee is willing to invest in its business development plans and activities.

#### 2.3 Eligible Costs' Supporting Documents

The company shall provide all the supporting documents and as per the proper Naming Protocol mentioned in the "Grants Supporting Documents List" attached.

This incentive will **NOT** cover the costs of the following activities:

- Purchasing vehicles, buildings, and land
- Construction and civil work
- Salaries of non-business development, sales, and marketing staff
- Any activities that are not related to business development and market expansion

#### 2.3 Eligibility Criteria

To be eligible for the **Market Expansion** grant, the applying firm must meet the criteria below:

- ✔ Be a digital or digitally-enabled firm that has been established and operating for at least one year in Jordan;
- ✓ Has contracted work and sales opportunities for the next 3-6 months;
- ✓ Has a training/onboarding program for newly hired employees;
- ✔ Has a proven track record in generating leads and new business.

#### 2.4 Reimbursement Conditions

The awarded digital firm will enter into a Sub-Grant Agreement with the Ministry of Digital Economy and Entrepreneurship (MoDEE) which will stipulate the grant's amount the firm will receive, the milestones to be achieved, and the payments associated with each milestone (payment terms). The company must prove signing at least one contract or prove an increase in revenue as a result of the business expansion plan, in order to release the final quarter payment. The reimbursed amount <u>must not exceed USD 100,000</u>, and it can only cover up to 50% of the total eligible costs.

#### 2.5 Gender Equality and Inclusion

The YTJ Project supports inclusion, non-discrimination, and equal opportunity and will, therefore, seek to incentivize female employment. For example, the applying firm will receive higher scores if it demonstrates any or all of the following:

- Existence of non-discrimination and gender equality practices such as HR policies that incorporates non-discrimination, women-empowering initiatives, and zero-harassment.
- Around or above-average sector ratio (30%) of female to male employees
- Number of female employees in leadership positions
- Measures that focus on minimizing constraints on women's employment and retention, such as flexible working hours.

# 3 Application Submission and Administration

#### 3.1 Submission Instructions

Interested firms can apply through the Grow.jo Portal (<a href="www.grow.jo">www.grow.jo</a>). The firm can also track its application status and submit programmatic and financial reporting through the same portal.

Applicants can apply in Arabic or English. The applying firm should first create a username and password, log in, and then start the application process.

The applying firm should fill all required relevant fields before submitting the Application; otherwise, the Application will be rejected due to incompletion.

#### 3.2 Questions and Inquiries

Questions regarding the RFA should be sent to the following email: Growjo-expansion@modee.gov.jo or submitted through the online form.

#### 3.3 Administration Cycle

The application administration cycle will go through the following phases;

- Application submission
- Eligibility check; this will result in either eligible or not eligible, and companies will be informed accordingly with the reasons in case of not eligible.
- Shortlisting; this is done internally by the technical team and will result to either the application is shortlisted or not shortlisted, and companies will be informed accordingly with the reasons in case of not shortlisting
- In case the company is shortlisted; a private sector committee will be assigned for
  external evaluation, and applications with a passing mark of 75% and above will only be
  considered for the due diligence phase, applications which did not achieve the required
  passing mark will not be considered for moving forward and will be informed accordingly
  along with the reasons.
- After the due diligence phase (And once all submitted documents and information are verified), next will be the awarding phase where the agreements will be signed by both parties.

The duration of processing the applications is contingent upon the volume of received applications.

The signing of the agreement will depend on the finalization and the approval of the YTJ restructuring between the World Bank and the government of Jordan and the availability of funds.

#### **3.4 Evaluation Process**

Only the applications that meet the eligibility criteria will be recommended for evaluation by an evaluation committee. The scoring will be based on the following criteria:

Evaluation Criteria Topic	Evaluation Criteria	Scoring Assigned
eriseria iopie	The firm's products and services offerings.	30
Products/Services	The applying firm will receive higher scores if its core offerings include:  • ITO/BPO services that indicate a higher	
Products/services	potential for job creation or	
	<ul> <li>they offer high value-added digital products and services that require the hiring of highly</li> </ul>	
	skilled labor	20
	The Application reflects:	20
Firm's	<ul> <li>The firm's stability, including its core team, financial standing, and client base</li> </ul>	
Performance	<ul> <li>The firm's financial growth, including its</li> </ul>	
	revenues, profit, and exports  The firm's employment growth	
	The Application reflects:	40
	<ul> <li>A clear, mature, and sizable opportunity in the market</li> </ul>	
	<ul> <li>A clear and sound business development plan that fits within the firm's vision and</li> </ul>	
	expansion strategy	
	<ul> <li>A solid action plan with explicit activities and clear milestones, and specific targets</li> </ul>	
	(including but not limited to increased sales,	
Business	client base, revenue, and profit) that the firm will achieve using the grant	
Development Plan	The applying firm will receive higher scores in this	
	section if it demonstrates the following:	
	<ul> <li>The business development plan targets new regional or international markets</li> </ul>	
	(export-oriented)	
	<ul> <li>The business development plan demonstrates the creation of new jobs for Jordanian youth</li> </ul>	
	<ul> <li>The business plan is data-driven, i.e., market insights</li> </ul>	

Inclusivity	The firm inclusivity of women and people with disabilities  The applying firm will receive higher scores in this section if it demonstrates the following:  • It has a written HR policy that includes non-discrimination and equal opportunity practices that incentivize female employment  • It has a 30% or more ratio of female	10
	<ul> <li>It has a 30% or more ratio of female employees</li> <li>It implements measures that focus on minimizing constraints on women's employment and retention, such as flexible working hours</li> </ul>	
	Total	

Applications that receive the highest scores will be shortlisted and therefore considered for funding after passing the due diligence phase. Possible evaluation decisions include: Fully fund the request, partially fund the request, not to fund the request.

Applicants not shortlisted for the incentive will be informed at the initial stage of evaluation and the reasons behind the decision. However, firms can resubmit their Application when they address the grounds for disqualification.

#### 3.5 Due Diligence Phase

As part of the evaluation process, the YTJ team will carry out a due diligence process for each of the shortlisted companies to review and audit the following:

- The ability of the firm to carry out its respective activities with due diligence and efficiency. This shall be in accordance with sound technical, financial, and managerial standards and practices and should abide by provisions of the Anti-Corruption Guidelines and labor law, certifying that the firm is not engaged in any illegal or excluded activity. If the due diligence and assessment of applicant capability result in any findings, additional documentation may be requested, i.e., audit reports, revenue, and expense statements, organizational chart, etc.
- The ability of the firm to record and keep its financial records and the systems in place
- The ability of the firm to maintain adequate records to be able to monitor and evaluate, in accordance with indicators acceptable to YTJ, the progress of its activities and the achievement of its objectives under the grant's agreement

The firm should promptly inform YTJ of any condition that interferes or threatens to interfere with implementing the business development plan and the achievement of its objectives agreed upon in the agreement.

The firm should promptly permit YTJ staff to inspect its operations, including the payments made, and any relevant records and documents, and should quickly prepare and furnish to YTJ, all such information relating to the implementation of the activities, and the performance of its obligations under the agreement

# 4 Monitoring & Evaluation Plan

The awarded firm will be subject to continuous monitoring and evaluation after receiving the award. It is required to submit programmatic reports and gather data on specific indicators monthly or as deemed appropriate for the agreement's scope. The program is looking to track the increase in sales, client base, conversion rate, profit, numbers of new employees, employment position types & levels, sex, and age disaggregated information, geographical expansion, etc. The firm will also be requested to provide narrative reports highlighting key challenges and results achieved during the implementation of the business development activities and for three years following the end of the agreement.

#### **5** Disclaimers

- The Ministry of Digital Economy and Entrepreneurship ("MoDEE") acknowledges that information shared by grant applicants ("Applicants") during the grant application process and thereafter may be of confidential nature. In such case, MoDee shall treat said information as confidential, including making every reasonable effort to impose the same obligations on private sector evaluators who will have access to such information as required by MoDee. Additionally, all MoDEE personnel and third parties involved in the application evaluation process shall treat the shared information as confidential, except for information publicly available or required to be disclosed under applicable laws or regulations. Applicants also acknowledge and accept MoDEE's collection, use, and sharing of their information for grant application evaluation and any related purposes.
- The YTJ Project will not reimburse any applicants for any costs incurred in preparing and submitting an application. All preparation and submission costs are at the applicant's expense.
- Issuance of this matching grant opportunity does not constitute an award commitment on the part of MODEE.
- MODEE reserves the right to independently negotiate with any applicant or make an award without conducting discussions based solely on the written applications if it decides it is in its best interest.
- MODEE reserves the right to fund any or none of the applications received.
- MODEE may cancel the RFA and not award.
- MODEE may reject any or all applications received.
- MODEE reserves the right to disqualify any application based on the applicant's failure to follow RFA instructions.
- MODEE may choose to award only part of the activities in the proposal.
- MODEE reserves the right to waive minor proposal deficiencies that can be corrected before award determination to promote competition.
- These Instructions will not form part of the Application or the award agreement. They are intended solely to aid applicants in the preparation of their applications.

- An applicant may not submit more than one Application under this matching grant opportunity at the same time.
- Applicable Social Safeguards provisions will be implemented. These can be found at the following links:
- Environmental and Social Commitment Plan (ESCP)
- Labor Management Procedures (LMP)
- Stakeholder Engagement Plan (SEP)
- Social Assessment Study