

**Finance for Jobs Project**  
**Investment Co-Financing Facility**  
**Frequently Asked Questions**

**1. What is the F4J?**

**The Finance for Jobs (F4J)** is a project implemented by DAI on behalf of the Ministry of Finance (MoF) and funded by the World Bank, with the overarching objective of mobilizing private investments and creating employment opportunities in the West Bank and Gaza.

**2. What is the Investment Co-Financing Facility (ICF)?**

The Investment Co-Financing Facility (ICF) is a risk-sharing grant to support commercially sound, job-creating, private sector investments which otherwise may not be considered viable due to market and institutional failures and other Fragile Conflict Violent (FCV) risk considerations.

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.

**3. Who can apply for the ICF?**

F4J/ ICF targets both existing and newly established enterprises that require investment and are initiated by individuals, investment groups, companies, and cooperatives. Women applicants are strongly encouraged to apply. 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.

**4. Can an NGO or a Cooperative apply?**

F4J targets private sector investments to mobilize private capital. If an NGO and or a Cooperative wants to apply, the project investment should be in partnership with private investors. Donors' fund will not be counted in private capital mobilization.

**5. Is there a deadline for applications?**

The deadline for this ICF Call for Investment Proposals is September 15, 2023. However, eligible applications will be assessed on rolling basis subject to funds availability.

**6. What are the ICF targeted investment sectors?**

The ICF targeted sectors are Agriculture, Agribusinesses/ Food Processing, Tourism, Light Manufacturing, Information & Communication Technology, and Green Technology and Recycling.

**7. What are the projects that may have advantage for ICF funding support?**

Besides the key eligibility and selection criteria, the projects that are environmentally friendly, uses local raw material supply, uses recyclable materials, uses energy savings machines and equipment, produces clean energy, women-owned and led, and creates jobs for women will have an advantage.

**8. What are the eligible criteria for ICF Grant fund?**

Eligibility criteria includes:

1. The project is likely to have positive social, economic, and environmental impact.
2. The project investment is in the project targeted investment sectors excluding trade, retail, real state, and constructions.
3. The total project investment is more than one million dollars or 200K for a women-owned/led projects.
4. The new investment is expected to create at least 45 new jobs for investments of USD 1.2 Million, and 10-15 new jobs for women-owned/led businesses of \$200,000 investment size.
5. The investment project will be in West Bank and or Gaza Strip.
6. The company is registered in Palestine, have obtained or in the process of obtaining the required licenses and tax compliant, if the company exists.

#### 9. What are the selection criteria for the ICF Grant Fund?

1. The extent to which the project addresses a market or institutional failure that jeopardizes the investment to proceed?
2. The extent to which the project is a commercially sound investment and generates considerable direct new jobs including for women?
3. The extent to which the project has a multiplier effect on other businesses in the value chain and the broader sector (uses local raw material, creates indirect jobs, and enhances other related businesses)?
4. The extent to which the project is supportive of the Palestinian NDC, and helps mitigate and adapt to climate risks?
5. The extent to which the project investment is ready for implementation.
  - The project can be implemented within 12-15 months and becomes operational.
  - The financing is secured by at least 70% from equity and or debt.
  - The project has secured or in the final stages of the process of securing licenses, permits and documents to proceed with the investment in less than 3 months.
6. The extent to which project sponsors/applicants are capable and have a proven track record of strong and transparent management.

#### 10. What do you mean by women led/owned projects?

A women-owned/led (female-owned/led) business is defined as:

1. > 50% owned by a woman/woman; or
2. ≥ 20% owned by a woman/woman, and:
  - a. has ≥ 1 woman as CEO/COO (President/Vice-President); and
  - b. has ≥ 30% of the board of directors comprised of women, where a board exists.

#### 11. What is the minimum expected number of new created jobs of an investment to be considered for potential support?

- A new investment project should create at least 45 new jobs.
- Women-owned/ led business should create at least 10-15 new jobs.
- Indirect jobs can only be considered in the total number of expected jobs, only if these jobs can be verified.

We advise applicants to showcase how these jobs will be created (staffing plan and type of jobs).

#### 12. How will applications be processed, and companies approved for funding?

- Applications that are determined to be eligible will be assessed by the Investment Co-Financing Facility Committee based on the selection criteria.
- The project will go through initial evaluation of the potential environmental and social risks to ensure that proposed activities have minimal or no adverse environmental impacts and that risks can be mitigated.

F4J is implemented by DAI on behalf of the Ministry of Finance, and Funded by the World Bank

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- The financial and commercial feasibility will be assessed.
- The economic and social impact will be assessed.
- The capabilities of project management will be assessed
- Readiness for implementation will be assessed.
- The shortlisted applications will “pitch”/present the project to the Investment Co-Financing Facility committee.
- Based on the results of the above, the project investment will be either accepted or rejected.

**13. What is the total amount of the ICF grant?**

It may reach up to 30% of the total project investment size with a maximum ceiling of two USD million and minimum amount of \$35,000, depending on verifiable job creation numbers, investment size and project social and economic impact.

**14. Do you consider capital mobilized if it has been already spent before grant signing?**

Expenditures that has been already made on project investment will not be considered part of the capital mobilization. Only investment made after signing a grant agreement will be considered.

**15. What is the expected duration of the assessment and approval process?**

Normally, the process takes from three to six months depending on availability of project information and applicant’s readiness to proceed.

**16. How do I know if I have been selected?**

Once the Investment Co-Financing Facility Committee decides on project selection, applicants will be formally notified by F4J through the main contact person referenced in the application form. No additional action is needed by you, unless we contact you directly.