

**Western NIS Enterprise Fund  
Export Promotion Policy Program**

**Export Promotion Grant Guidelines**

**Updated: March 31, 2017**

We invite you to participate in the Western NIS Enterprise Fund's (WNISEF) Export Promotion Grant Program, which is designed to provide counseling and financial support to projects and initiatives that will help Ukrainian and Moldovan small and medium size enterprises (SMEs) enter and compete in international markets and grow their businesses through export sales, trade and investment.

WNISEF knows that export growth is critically important to the future development and health of the Ukrainian and Moldovan economies and that an increased awareness of export opportunities and sales of value added products and services to new export markets by SMEs are the keys to domestic job creation, as well as, economic growth, stability and prosperity in both countries.

**About WNISEF:**

Western NIS Enterprise Fund (WNISEF) is a \$150 million regional private equity fund, a pioneer in Ukraine and Moldova, funded by the U.S. government via the U.S. Agency for International Development (USAID). With more than two decades of successful experience in investing in small and medium-sized companies, WNISEF has invested 168 million US dollars in 118 companies with totally around 25'000 employees and made it possible to attract 1.4 billion US dollars for companies in Ukraine and Moldova.

Since 2015, WNISEF launched a \$35 million technical assistance program to boost exports, local economic development, impact investment and economic leadership. WNISEF is funding innovative, high-impact, reform-focused programs that transform the lives of ordinary people in Ukraine and Moldova.

**Export Promotion Program Goals:**

More than ever before, Ukrainian and Moldovan businesses face extraordinary opportunities and challenges in the international marketplace. Accession to the World Trade Organization, implementation of the Deep and Comprehensive Free Trade Agreements (DCFTA) with the European Union and other newly negotiated bi-lateral free trade agreements provide both countries with increased access to new markets and potential trade and investment opportunities that have yet to be recognized, understood and captured by SMEs in Ukraine and Moldova.

The derailment of long standing bilateral and multi-lateral trade relations following the collapse of communism and breakup of the Soviet Union and the current geopolitical conflicts impacting the economies of both countries make it imperative for Ukraine and Moldova to significantly reorient and broaden their trade relations. To do so they must focus on exploring and developing new export markets, diversify their exports of value added goods and services and increase their international business activities to include the participation of their SMEs to the maximum extent possible. Ukrainian and Moldovan SMEs in particular need to increase their awareness of foreign markets and potential export opportunities. They must also develop the export capacities and acquire the know-how and assistance that is required to compete and win in the international markets that are now open to them in the EU and around the world.

**The WNISEF Export Promotion Grant Program is designed specifically to help Ukrainian and Moldovan SMEs to achieve these goals by supporting viable and sustainable export promotion programs, projects and initiatives that will contribute directly to the building of new export capacities and services for SMEs and produce measurable export growth, job growth and prosperity.**

**Export Promotion Grants Funding Priorities:**

WNISEF works to strengthen the competitiveness of Ukrainian and Moldovan economies through private sector business development and is committed to using its available resources to improve the business climate for trade and foreign investment; expand the exporter base to include more SMEs; develop new export capacities and services for exporters; diversify the nation's trade flows and composition of trade; develop new international business relationships; and contribute to the overall development of the knowledge, skills and commitment to capitalize on the country's existing and future trade agreements.

In order to be eligible for assistance under the WNISEF Export Promotion Grants Program applicants must clearly demonstrate how their proposed project will specifically contribute to priority #1 and a minimum of two additional priorities as listed below:

1. **Creates and/or sustains Ukrainian or Moldovan private sector jobs by developing, increasing and/or maintaining exports in a measurable and sustainable way.**
2. Expands and deepens exporter base by enabling more SMEs to become involved in international business.
3. Increases exports to any of the newly opened markets, resulting from the Association Agreement and DCFTA with the EU and/or other existing trade agreements.
4. Increases exports in at least one of the following economic sectors: consumer goods; processed foods; IT goods and services; travel and tourism; industrial goods; or any other economic sector that demonstrates clear and well documented export potential.
5. Adds to SMEs' export capacities and international business knowledge and skills,
6. Develops needed exporter services and programs to help facilitate international trade and investment.
7. Engages SMEs in export seminars; trade promotion events, including trade missions, major international exhibitions and trade shows; international business conferences and other significant and justified events designed to promote international trade and investment.
8. Helps new-to-market and new-to-export SMEs to: identify export markets offering the best prospects for success; develop market entry strategies; identify and connect with potential trade partners; and expand their marketing, sales and distribution by tapping into global supply chains.

9. Helps exporters to identify, understand, adapt to international and country specific product standards and local business practices.
10. Helps SMEs to address and overcome non-tariff barriers to exports such as discriminatory regulations, local content requirements and technical requirements violating existing trade agreements.
11. Helps project a positive commercial image of Ukrainian and/or Moldovan made goods and services in the global market place.

### **Qualifying Activities**

As indicated above, to be grant eligible applicants should propose well planned and clearly documented export market development programs, projects and initiatives that are specifically designed to: expand Ukraine's and/or Moldova's exporter base; increase the number of SMEs engaged in international business; diversify the country's trade patterns; develop exporter services for individual companies and/or key business sectors; and enhance the nation's export competitiveness in a tangible way.

**Based on these criteria, preference will be given to trade, business and industry associations and economic development agencies that propose programs and projects that clearly benefit their general membership and stakeholders. Individual firms or groups of firms may be deemed eligible to apply at WNISEF's discretion if, and when, no other entity as described above is in place to represent the specific business sector.**

In any case, Export Promotion Grant Requests **will be evaluated on their stated and well documented business plan** for fulfilling multiple activities along the following lines:

1. Increasing awareness of exporting and contributing to SMEs exporting know-how through industry focused market research, export seminars, training and educational programs;
2. Increasing access to information on foreign markets, trade opportunities, foreign business practices and other information required for trade development;
3. Informing, encouraging and helping SMEs to adopt internationally-recognized standards that will ensure market access for their export products and services;
4. Helping SMEs to understand and utilize existing bilateral, multilateral and free trade agreements;
5. Promoting export products and services abroad through participation in international trade missions, business forums, trade shows and exhibitions;
6. Preparing **export-ready** SMEs for their participation in foreign trade shows and exhibitions, as well as, their very important post event follow-up activities;

7. Strengthen industry specific trade associations to provide export promotion programs and services that will enhance their members' success in meeting their export development goals and objectives;
8. Developing vocational training programs focused on logistics and export management skills;
9. Developing resources, programs, opportunities and tools to help identify and verify potential international business partners.

**Form of Grant:**

Direct payment to vendor(s) for specific contract services provided in connection with the project  
or

Reimbursement for pre-approved expenses incurred in undertaking the export development project.

**Eligible expenses:**

To be determined on a case by case basis

**Ineligible expenses:**

Existing personnel and management costs; representational, hospitality and entertainment expenses are not eligible for grant funding.

**Eligibility Criteria:**

Assistance is limited to organizations in good standing operating in Ukraine and Moldova that satisfy the following criteria:

- Are legally registered as industry and trade associations; regional trade development agencies; centers for international trade development and small business development; organizations involved in the development of export services and information products; training and business development organizations.
- Individual micro, small or medium sized export-ready firms and groups of export-ready firms may be deemed eligible for grants based on the merits of their proposed project at the discretion of the WNISEF.
- Have a good business reputation;
- Have been in business for not less than the 1-year period ending on the date on which assistance is provided under the Program;

- Have adequate organizational capacity;
- Identify one or more specific, achievable, export initiatives and provide solid justification for requiring financial support;
- Have a strategic business plan for exporting in effect;
- Demonstrate an understanding of the costs associated with exporting and doing business with foreign purchasers, including the costs of freight forwarding, customs brokers, packing and shipping;

**WNISEF must confirm each applicant's eligibility before an application is accepted for consideration.**

A prospective applicant must request an eligibility determination in writing accompanied by the following documents that apply:

1. Organization Charter (Articles of incorporation);
2. Names and titles of principal officers of the organization;
3. Information on number of members, types of members and membership fees;
4. Most recent Annual Report on activity of the organization;
5. Most recent annual Financial Statement (preferably audited);

**Cost Sharing or Matching Requirements:**

Other cooperators, sponsors and donors must be identified and should be committed to contribute no less than 50% of the total cost of the proposed project in cash and/or an in-kind contribution.

Project income, including project fees generated under the award, must be used for project related purposes during the award period. An applicant should explain any such fees and include projected income in its budget.

**Preparing applications:**

Once deemed eligible for participation in the WNISEF grants program, the applicant should make it clear why it believes that the project is needed and what it expects to achieve as a result of the undertaking.

**Applicants should rely on and provide solid market research in their business plan to demonstrate that appropriate considerations have been made on how well the proposed project addresses and advances the program priorities listed above.**

The application for grants must be submitted in writing (in English or Ukrainian) and include the following key elements:

**1. Cover Letter:** A one page letter to introduce the applicant(s) and describe the nature of the proposal including the amount of funding requested), Point of Contact Information, including the name, title, street address, email, and phone number, Contacts of each company participating in the project (contact person, e-mail, telephone, street address).

**2. Abstract/Executive Summary:** A summary of the grant application with key facts that demonstrate the need for the program. The summary should outline specific activities that will be undertaken, the results that will be achieved and the amount of funding requested.

**3. Organization's Background:** In essence, the organization's CV including a description of the organization's history, the date it was founded, experience, key highlights and accomplishments. Applicants should also provide CVs or bios of key project staff that will implement and supervise activities.

**4. Needs Statement:** A one to two-page statement and assessment of exporters' needs to be addressed, including objective information to verify the need for the project, as well as, data and information that the applicant has gathered to justify the grant proposal and its value in addressing the grant program's priorities and objectives.

**5. Program Description:** A written explanation of how the proposed project will respond to the needs identified in number 4 of the application. In other words, describe the specific purpose of the grant request and specifically what program priorities it will address.

**Goals and Objectives:** Describe goals of the funding request in general terms (the intended action and outcomes) the applicant hopes to accomplish for Ukrainian exporters. Stated objectives should be specific, describing the activity strategy that will accomplish the goal and how many people will be served within a period of time. What exactly does the applicant expect to accomplish with this grant and how?

**Activities:** Outline the specific activities that will lead to the accomplishment of the stated goals and objectives – the specific strategies and work plans to be employed.

**6. Collaboration:** Explain what other organizations will be, or already are, actively involved in the project and will reap benefits from its accomplishments.

**7. Program Evaluation:** Applicants must commit to report what specific outcomes were achieved in the lives of the people who participated in the program? The factors evaluated should parallel to the issues identified in the needs statement and can be measured in a variety of ways such as participant surveys, evaluations and after program reports. All proposals should contain a project evaluation plan and include project performance targets. Project evaluations with input from participants must be documented and submitted to WNISEF two weeks after an event or periodically on schedule specified for long term projects.

**8. Sustainability:** Explains how the program will remain viable after the initial grant funding expires.

**9. Budget and Budget Narrative:** The budget must cover all costs and include both income and expenses. Income is a projection on where funding will come from, or what funding is already in place from other donors, in-kind contributions and pending grant requests. With regard to expenses, break out with some detail for each of the staff members who will serve on the project. Specify whether, or not, staff members are contributing a percentage of their time to the project, and calculate their salaries based on that percentage. Be specific about costs for each line item, breaking down cost categories such as office supplies, rent, telephone etc. into a monthly amount. Proposals that do not warrant a detailed narrative may employ footnotes to explain unusual expenses at the bottom of the page.

**Submission Information:** Completed applications will be judged on the timeliness of their submission and their merits in meeting the grant program's priorities, not on the length of the document submitted for consideration. Eligible applicants should address their questions and/or submit their grant application electronically or in hard copy to the attention of:

Mr. Vitaliy Bigdai, Manager  
Export Promotion Policy Program  
4 Mykoly Rayevskoho Street  
Tel: 38 044 490 5580  
E-Mail: VBIGDAI@WNISEF.ORG

### **Selection criteria**

Funding decisions are determined on the following basis:

- Timeliness of the submission
- Benefits to export-ready SMEs seeking to enter new markets;
- Prospects for entering and developing new markets and business relations;
- Potential impact on employment and export growth;
- The applicant's organizational capacity to implement the proposed project;
- The justification for the proposal based on relevant market data and analysis;
- The project's future sustainability;
- Detailed business plan.

### **Proposal processing**

Applicants should allow up to two months for WNISEF programmatic review, processing and approval. Proposals that are time-sensitive (e.g., trade show participation, conference, group travel) will be accepted for review only if, in the opinion of the cognizant program officer, they are received in sufficient time to permit appropriate WNISEF review and processing to support an award in advance of the activity to be supported.

Proposals related to trade show participation must be submitted a minimum of four months prior to the event and provide assurances that the individual participants are ready to engage in international business on a sustainable basis.

## **Export Readiness**

To determine an individual company's export readiness, please refer to the WNISEF Export Program Participant's Questionnaire on Export Readiness provided in annex 1. Applicants seeking funding for trade shows and exhibitions are urged to ask potential participants to use the questionnaire and undertake a self-assessment to identify the skills and capacities required to compete and succeed in the global market place. Trade show and trade mission participant's completed questionnaires may be requested for review by WNISEF in connection with the program evaluation.

**Annex 1 - WNISEF Export Program Participant's Questionnaire**  
(Please Print)

**Company Name and Address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Website: \_\_\_\_\_

**Contact Name and Title:**

\_\_\_\_\_

Telephone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

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Event: \_\_\_\_\_

Dates: \_\_\_\_\_

Company representatives participating in the event and titles:

A. \_\_\_\_\_

B. \_\_\_\_\_

C. \_\_\_\_\_

Do representatives speak English? A. \_\_\_\_\_ B. \_\_\_\_\_ C. \_\_\_\_\_

(Indicate Yes or No for each)

Do you have a presentation and/or promotional literature about your company and products in English? Yes: \_\_\_\_\_ No \_\_\_\_\_

**Company background, capacities and product features:**

Year Company Founded: \_\_\_\_\_

Company Size: Small ( ) Medium ( ) Large ( )

Number of employees: \_\_\_\_\_

Export History: New to Export ( ) Infrequent Exporter ( ) Active Exporter ( )

Export Markets Served to Date: \_\_\_\_\_

\_\_\_\_\_

How much product volume (dollar/ number of units) can you devote to export based on your current capacities? \_\_\_\_\_

What products does your company offer for export? Please list SKU types:

\_\_\_\_\_

\_\_\_\_\_

What production quality certifications do you possess? Please specify the types of the certificates: \_\_\_\_\_

\_\_\_\_\_

Are you working towards additional certifications? Which? Expected date of attainment? -

\_\_\_\_\_

\_\_\_\_\_

Do you have organic certification, if applicable? Yes ( ) No ( )

Please specify certifying agent: \_\_\_\_\_

\_\_\_\_\_

Do you possess any environmental standards certifications? Yes ( ) No ( )

If applicable, have your products been tested at a national or EU reference laboratory and approved for export? Yes ( ) No ( )

Are you able to identify unique features and qualities of your product and services that will enable you to exploit export market opportunities? Please elaborate:

\_\_\_\_\_

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If appropriate, **are** you prepared and willing to provide marketing support to export markets?  
(Promotion materials, advertising, display, local hires and trainings, etc.)

Yes ( ) No ( )

Are you ready/ willing and able to adapt technology to the export market preferences? (Size, taste, packaging, etc.) Yes ( ) No ( )

Do you know specific regulations that apply to your products? Yes ( ) No ( )

Under what commercial conditions do you, or will you, export your product (Incoterms, payment terms, etc.)? \_\_\_\_\_

Does your company have adequate knowledge in shipping its product overseas, such as identifying and selecting international freight forwarders and freight costing?

Yes ( ) No ( )

Do you have current price lists to share with prospective partners? Yes( ) No ( )

Do you work with any export/ trade intermediaries now or in the past? Yes( ) No ( )

Are you active on export council or business associations aimed at export? Yes( ) No ( )

What is your in-house export support? (market research, sales, account manager, logistics, social media, etc.?) \_\_\_\_\_

Are you most interested in branded distribution/ private label/ or both? \_\_\_\_\_

**Domestic market experience and existing achievements:**

What are your 3 top seller positions in Ukraine? \_\_\_\_\_

Please specify their gross sales in FY16 . \_\_\_\_\_  
\_\_\_\_\_

How many SKUs does your Company produce? How many production sites does your Company use? \_\_\_\_\_  
\_\_\_\_\_

What is the production capacity at these sites? \_\_\_\_\_

What is your annual turnover? \_\_\_\_\_

Who are your top customers and what proportion of your business do they account for?  
\_\_\_\_\_

How many customers does your Company have? \_\_\_\_\_

What price range (low/ med/ high) do you target in domestic market? \_\_\_\_\_

How do you market in domestic market? \_\_\_\_\_

How do you distribute in domestic market? \_\_\_\_\_

How do you conduct market research in domestic market? \_\_\_\_\_

Do you have any Nielsen reports or other studies relative to these products? (Or the rest of your product categories?) Yes (  ) No (  )

Please specify: \_\_\_\_\_

Do you have any market research reports or other studies relative to the target market(s)? Yes (  ) No (  ) Please specify: \_\_\_\_\_  
\_\_\_\_\_

What % of your operating expenses is advertising budget? \_\_\_\_\_

Do you have an experience of cooperation with international retailers in Ukraine or abroad?

Please specify: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you control the origin of your product inputs/ingredients? Do you have long-term contracts with your suppliers? Yes ( ) No ( )

Are you auditing your suppliers in any way? Yes ( ) No ( )

Please specify: \_\_\_\_\_

Do you sell wholesale/ retail/ resell? \_\_\_\_\_

Other questions

**Corporate Social Responsibility (CSR) Issues:**

Do you have any CSR program? Yes ( ) No ( )

Is your business women owned? Yes ( ) No ( )

Does your Company employ any internally displaced people (IDP)? Yes ( ) No ( )

Do you have any BPM, CRM, SQM or other IT systems? Which ones? Yes ( ) No ( )

\_\_\_\_\_

Application completed by: \_\_\_\_\_

Telephone/Email: \_\_\_\_\_