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**KFW**



## Call for Low-value Grant Proposals

***“Supporting the Access to Finance to MSMEs working in the Wheat Value Chain”  
Provision of Grants to Micro, Small and Medium Sized Businesses for Business  
Sustainability  
Ref.: 5–2025-GRANTS-UNDP-LBN***

In the framework of the project *“Improving Food Security in Lebanon  
Through Revival of the Seed Production Value Chain at LARI”* and implemented by  
the United Nations Development Programme (UNDP) in Lebanon

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## GLOSSARY

The following terms are used across the document:

- **Low-value grants (LVG)** – cash awards to micro and small-sized enterprise to sustain and maintain their operations.
- **Grant recipients/grantee** – micro and small-sized enterprise who directly benefit from the grant.
- **Grant selection committee** – a resolute committee for review and selection of grantees.
- **Grant agreement** – legal document to which the grant proposal is attached.
- **Grant proposal** – the document prepared by an interested entity in response to a grant solicitation process.
- **Grant applicant** – an entity that submits grant proposal to UNDP.
- **Micro and small-sized enterprises** – encompass enterprises employing less than 10 full time employees and with a turnover less than 300,000USD.

## PROJECT BACKGROUND

Lebanon continues to face a prolonged socio-economic crisis that has severely impacted its productive sectors, especially agriculture and agri-food industries. Micro, Small, and Medium Enterprises (MSMEs), particularly those operating in the wheat value chain, have been affected by limited access to finance, rising production costs, damaged infrastructure, and disrupted supply chains. This has led to declining output, job losses, and heightened vulnerability among rural communities reliant on these sectors.

As part of the broader project “**Improving Food Security in Lebanon through Revival of the Seed Production Value Chain at LARI**”, implemented by UNDP with funding from BMZ through KfW, the **Low-Value Grant (LVG)** initiative seeks to directly support agricultural and agri-food MSMEs and cooperatives working within the wheat value chain (both soft and hard wheat). The goal is to enhance their operational resilience, maintain production, and support business continuity in a strained economic environment.

This grant modality falls under **Output 2 of the project: “Value Chain Productive Units Involved in Input Production Strengthened”**, which includes technical and in-kind support to farmers, cooperatives, and MSMEs. These value chain actors face critical challenges such as the need to rehabilitate equipment and facilities, restock essential raw materials, expand to new markets, and adopt energy-efficient practices to reduce costs. To address these needs, the call linked to small-value grants offers tailored support packages for beneficiaries, including a cash component ranging between 7,000 and 12,000 US dollars, with the total package value reaching up to 16,000 US dollars. These packages focus on activities such as:

- Procurement or rehabilitation of machinery and tools essential for production.
- Repair of damaged facilities and essential infrastructure.
- Purchase of raw materials.
- Adoption of energy-efficient equipment to reduce operational costs.
- Support for e-commerce and digital solutions to access wider markets.
- Marketing and branding activities to enhance local market presence.

In parallel, beneficiaries will also receive **technical assistance** in areas such as business planning, market access, and sustainability practices. These grants are not only a financial lifeline but also a catalyst for longer-term recovery, value chain development, and job retention in the sector.

By focusing on cooperatives and MSMEs operating in the wheat value chain, the LVG initiative contributes to strengthening Lebanon’s food security, reducing rural economic vulnerability, and stimulating inclusive economic growth at the local level.

Below are some examples of Key Products by MSMEs Involved in the Wheat Value Chain:

Product Type	Description
Raw Wheat (Soft/Hard)	Sold directly or stored for milling or seed multiplication
Whole Wheat Flour	For household use, manakish, or traditional baking
Cracked Wheat / Bulgur	Common processed product, often sun-dried or machine-prepared
Freekeh	Roasted green wheat, traditional value-added item
Kishk	Fermented wheat and yogurt blend, popular in rural diets
Saj and bakery items	In some women-led coops, linked to flour processing
Wheat-based sweets	Maamoul and other local recipes in small-scale production

## SCOPE AND OBJECTIVES

<p><b>1. Purpose and objectives of the grant(s):</b></p>	<p>The primary objective of this call is to provide targeted financial support to micro and small enterprises (MSEs) to help them sustain, recover, and upgrade their production capacity in the current economic context. The grant aims to strengthen the resilience of businesses, support local economic recovery, and contribute to long-term development by enabling enterprises to maintain operations, safeguard jobs, and adapt to changing market conditions. In line with inclusive economic development goals, 30% of the selected businesses will be women-led.</p>
<p><b>2. Scope of the grant (s):</b></p>	<p>The objective is to provide grants to micro, small and medium-sized enterprises (MSMEs) operating within the wheat value chain—covering both soft and hard wheat—across Lebanon. This support aims to help businesses sustain their operations, recover from ongoing economic challenges, and enhance their production capacity. The intervention contributes to preserving local production, securing livelihoods, and strengthening food security and economic resilience nationwide.</p> <p>In addition to the financial support, selected beneficiaries will also receive tailored technical assistance to improve their operational efficiency, product quality, and access to local markets. As part of the project’s commitment to inclusive development, 30% of the supported enterprises will be women-led.</p>
<p><b>3. Expected results:</b></p>	<ul style="list-style-type: none"> <li>– Increase production capacity through investing or upgrading in new machinery/equipment</li> <li>– Invest in infrastructure improvement or upgrade for quality and safety enhancement</li> <li>– Streamline production cost through the purchase or upgrade of energy-efficient machinery or tools</li> <li>– Increase market outreach through access to market activities</li> <li>– Strengthened access to raw materials essential for sustaining and scaling production.</li> </ul>
<p><b>4. Target locations:</b></p>	<p>Micro, small and medium-sized businesses located across Lebanon.</p>
<p><b>5. Eligibility criteria of grantee(s):</b></p>	<ul style="list-style-type: none"> <li>– The business operates within the <b>wheat value chain</b>, including activities related to soft and/or hard wheat production, processing, packaging, storage, or value-added wheat-based products.</li> <li>– The business is <b>formally registered in Lebanon</b> with the competent authorities (Commercial Register, Ministry of Economy and Trade, or relevant sectoral body).</li> <li>– Number of employees and turnovers: <ul style="list-style-type: none"> <li>✓ Micro: 1 to 5 employees and turnover: less than 300,000 USD or the equivalent in LBP based on the central bank exchange rate;</li> <li>✓ Small: 6 to 20 employees, and turnover: less than 1,000,000 USD or the equivalent in LBP based on the central bank exchange rate;</li> <li>✓ Medium: 21 to 50 employees, and turnover: less than</li> </ul> </li> </ul>

	<p>3,000,000 USD or the equivalent in LBP based on the central bank exchange rate;</p> <ul style="list-style-type: none"> <li>– Business should be in operation for at least one year by the time of application and demonstrating ongoing operations</li> <li>– Business has a production facility and is not operating from home</li> <li>– Business should be producing goods and actively selling in the local market;</li> <li>– Business didn't receive funds/support from UNDP exceeding 5,000 USD in the past 2 years.</li> </ul>
<b>6. Timeframe for implementation of LVGs:</b>	8 to 10 months
<b>7. LVG beneficiaries:</b>	<p>LVG beneficiaries include:</p> <ul style="list-style-type: none"> <li>✓ Micro businesses: 1 to 5 employees and turnover: less than 300,000 USD or the equivalent in LBP based on the central bank exchange rate;</li> <li>✓ Small businesses: 6 to 20 employees, and turnover: less than 1,000,000 USD or the equivalent in LBP based on the central bank exchange rate;</li> <li>✓ Medium businesses: 21 to 50 employees, and turnover: less than 3,000,000 USD or the equivalent in LBP based on the central bank exchange rate;</li> </ul> <p>The business should be operating in the Wheat Value chain (soft and hard wheat), related to agriculture or agri-food sector and related sub-sectors (Refer to Annex I for SECTOR PRIORITIZATION).</p>
<b>8. LVG amount:</b>	<p>Min: USD 7,000 Max: USD 12,000</p>
<b>9. Expected co-financing from a grantee (if any)</b>	Only if requested amount exceeds the grant maximum amount.

## INSTRUCTIONS TO GRANT APPLICANTS

### 1. General

Micro and small enterprises (MSMEs) operating within the wheat value chain in Lebanon face ongoing challenges related to limited access to finance, outdated equipment, increasing production costs, and limited market integration. Supporting these businesses is critical to strengthening the wheat value chain, sustaining local production, securing livelihoods, and reinforcing the resilience of Lebanon's food system.

This funding modality is designed to provide low-value grants to eligible MSMEs to help them sustain their operations, upgrade production capacity, and enhance their competitiveness. In line with the project's commitment to inclusive economic development, at least 30% of the selected businesses will be women-led.

### 2. Purpose

The primary objective of the call is to provide grants to eligible micro, small and medium-sized enterprises, especially those led / owned by women to enable them to sustain and increase their production in a post-conflict and recovery setting.

The grants will therefore be directed to achieve the following:

- 1) Invest in new machinery/equipment or upgrade existing ones.
- 2) Invest in infrastructure improvement or upgrade for quality and safety enhancement.
- 3) Purchase or upgrade energy-efficient equipment to reduce production cost.
- 4) Reach new customers, enabling increased sales opportunities through the use of e-commerce solutions, other digital solutions or targeted marketing activities

Micro, small and medium -sized enterprises need to meet the following criteria:

1. The business operates within the wheat value chain, including but not limited to activities such as production, processing, packaging, storage, or the manufacturing of wheat-based products.
2. The business is formally registered in Lebanon with the competent authorities (e.g., Commercial Register, Ministry of Economy and Trade, or other relevant bodies).
3. Beneficiaries include:
  - Micro businesses:** 1 to 5 employees and turnover: less than 300,000 USD or the equivalent in LBP based on the central bank exchange rate;
  - Small businesses:** 6 to 20 employees, and turnover: less than 1,000,000 USD or the equivalent in LBP based on the central bank exchange rate;
  - Medium businesses:** 21 to 50 employees, and turnover: less than 3,000,000 USD or the equivalent in LBP based on the central bank exchange rate;
4. Business should be in operation for at least one year by the time of application and demonstrating ongoing operations.
5. Business has a production facility and is not operating from home.
6. Business should be producing goods and actively selling in the local market.
7. Businesses didn't receive funds/support from UNDP exceeding 5,000 USD in the past 2 years.

Selected beneficiaries of the grant will also be provided with additional technical assistance for quality enhancement and access to markets through our project partner UNIDO.

### 3. Grant Type

- **Purchase or upgrade of new machinery/equipment:** Purchase or upgrade of equipment critical for production streamlining, production increase, or new production innovation that directly impacts the business's ability to enhance its production capacity or upgrade already existing machinery/equipment.
- **Infrastructure enhancement:** Invest in improvements or upgrades to existing business infrastructure (production facility) to enhance facility quality and safety standards
- **Purchase or upgrade of energy-efficient equipment:** Purchase of energy-efficient machinery/tools/equipment that would support in streamlining production costs. The grant will only fund the purchase of new energy-efficient equipment or the upgrade of existing systems (only panels and inverter covered). Cost of replacing/adding batteries of existing system is **not** covered.
- **E-commerce Activities and Digital Solutions:** Develop or upgrade an e-commerce platform (or website upgrade) or enter an online marketplace to expand market reach with the aim of improving customer engagement and enhancing sales channels. The grant will also cover the development and implementation of digital solutions to enhance operations
- **Access to Local Markets & in-store promotional Activities:** including paying for listing fees in local outlets and covering point-of-sale promotion, product sampling, brand activation, retail activation.

### 4. Financing scheme and ineligible costs

Any funds requested for the grant(s) under this Call for Proposals must meet the following minimum and maximum amounts:

Minimum amount: USD 7,000

Maximum amount: USD 12,000

#### Ineligible Costs include:

- Utilities and cooking tools
- Office rent
- Purchase of motor vehicles
- Daily allowances (per diem)
- Currency exchange losses
- Fuel and diesel
- Debt repayment
- Social media ads
- Personal expenses
- Maintenance and repairs
- Luxury or high-end purchases
- Insurance
- Unjustified expenditures
- Salaries and wages of existing or new employees
- Purchase of raw material and/or packaging products

Additional ineligible costs are detailed in the Annex II- ELIGIBLE GRANT ACTIVITIES.

**5. Grant proposal should contain:**

- **Grant Required Documents:** All applicable required documents mentioned in Annex III- REQUIRED DOCUMENTS CHECKLIST.
- **Grant Application Form:** Complete the grant application form (Annex IV- GRANT APPLICATION FORM).
- **Grant Proposal:** Includes a high-level proposal outlining the proposed activities, work plan, performance targets, risk analysis, budget, and impact (Annex V- LOW VALUE GRANT PROPOSAL).

6. Grant proposal must be submitted **in full** through the link provided on the UNDP call page no later than July **9 2025 until 5:00pm** local time. Hard copy submission by courier or email or hand delivery will not be accepted.

7. UNDP may, at its own discretion, extend this deadline, in which case all rights and obligations of UNDP and grant applicants previously subject to the deadline will thereafter be subject to the deadline as extended.

8. The proposal must be marked with the reference number of the grant that is indicated on the cover page of the present document: *Ref.: 5-2025-GRANTS-UNDP-LBN*

9. Grant proposals must offer services as per requirements and in the standard templates (Annex V- LOW VALUE GRANT PROPOSAL). Incomplete proposals will be rejected.

10. All applications and proposals must be dully filled. A signed and stamped proposal will be requested from shortlisted companies after being reviewed by UNDP team including all possible amendments required.

11. Grant proposals and all correspondence related to the proposal shall be written and submitted in English language.

12. All figures included in the grant proposal shall be quoted in USD.

13. A prospective grant applicant requiring any clarification on the grant solicitation documents or application process may notify UNDP in writing at the indicated organization's mailing address [foodsecurity.lb@undp.org](mailto:foodsecurity.lb@undp.org). UNDP will respond in writing to any request for clarification within three (3) working days provided that the request is submitted at least one week prior to the deadline for submission of grant proposals.

14. Grant applicant shall bear all costs associated with the preparation and submission of the grant proposal. UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

## OPENING AND EVALUATION OF GRANT PROPOSALS

1. Opening of grant applications will be held within 1 month after the closing deadline.
2. For review and evaluation of grant proposal, UNDP will establish a dedicated grant selection committee comprising of qualified personnel and/or project stakeholders with technical expertise on the subject. The composition of the grant selection committee is approved by UNDP Resident Representative.
3. Each member of the grant selection committee will sign a disclaimer of conflict of interest. In case of conflict of interest, the member recues himself/herself from further participation in the discussion and voting.
4. Grant selection committee will do a pre-screening of grant proposals with regards to eligibility of the applicants in line with the eligibility criteria described in Table 1 of the present document using the following format:

**Table 1. Pre-screening matrix**

<b>Submitted Application</b>	Business has submitted the Application Form and Proposal Form duly filled
<b>Eligibility Criteria</b>	Businesses that operate in the prioritized sectors
	Business is formally registered in Lebanon
	Beneficiaries include: <ul style="list-style-type: none"> <li>✓ Micro businesses: 1 to 5 employees and turnover: less than 300,000 USD or the equivalent in LBP based on the central bank exchange rate;</li> <li>✓ Small businesses: 6 to 20 employees, and turnover: less than 1,000,000 USD or the equivalent in LBP based on the central bank exchange rate;</li> <li>✓ Medium businesses: 21 to 50 employees, and turnover: less than 3,000,000 USD or the equivalent in LBP based on the central bank exchange rate;</li> </ul>
	Business should be in operation for at least one year by the time of application, and demonstrating ongoing operations
	Business has a production facility and is not operating from home
	Business produces goods and actively selling in the local market
	Businesses didn't receive funds/support from UNDP exceeding 5,000 USD in the past 2 years.

5. Following the pre-screening matrix, the grant selection committee will review the proposals of eligible grant applicants and will assess them against grant selection criteria specified below of the present document.
6. Grant selection committee will rank the proposals in line with the grant selection criteria and will award points to each grant proposal in the grant evaluation matrix.
7. Final consolidated grant evaluation matrix shall be signed off by all members of the grant selection

committee and endorsed by UNDP Resident Representative.

8. The secretary of the grant selection committee will prepare a brief report on the grant selection process with an indication of results, i.e., which entity is receiving a grant and which proposals were rejected and why. The grant selection report shall be endorsed by UNDP Resident Representative.

## GRANT SELECTION CRITERIA

1. Grant selection criteria are defined under programmatic considerations that are closely linked to the project document.
2. Grant selection criteria play a central role in a successful grant programme and may vary depending on the grant purpose, scope and objectives.
3. The total obtainable number of points is 100. Minimum passing score is 80.

Criterion	Scoring Guidelines	Max Points
1. Justification of Proposed Activities	<ul style="list-style-type: none"> <li>- Strong, well-structured justification with clear impact on production, sustainability, and market access: 25 pts</li> <li>- Weak or insufficient justification, overlap with ineligible support: 0 pts</li> </ul>	25
2. Financial Capacity to Sustain the Grant	<ul style="list-style-type: none"> <li>- Sales in 2023/2024 exceed the requested grant: 20 pts</li> <li>- Sales equal (<math>\pm 10\%</math>) to the grant: 10 pts</li> <li>- Sales lower than grant: 0 pts</li> </ul>	20
3. Economic and Social Impact	<ul style="list-style-type: none"> <li>- Employs <math>\geq 3</math> full-time Lebanese staff (excluding owners): 10 pts- Employs <math>&lt; 3</math>: 5 pts AND</li> <li>- Provides income to <math>\geq 3</math> youth and/or persons with disabilities: 10 pts</li> <li>- Does not engage these groups: 0 pts</li> </ul>	20
4. Compliance with Hygiene, Quality, or Environmental Standards	<ul style="list-style-type: none"> <li>- Production facility meets at least one of the required standards: 10 pts</li> <li>- One standard needs improvement (conditional): 5 pts</li> <li>- Non-compliant: 0 pts</li> </ul>	10
5. Women's Participation in the Business	<ul style="list-style-type: none"> <li>- <math>\geq 30\%</math> women ownership or <math>\geq 30\%</math> Lebanese women in core operations: 10 pts</li> <li>- Below threshold: 0 pts</li> </ul>	10
6. Green or Quality Practices	<ul style="list-style-type: none"> <li>- At least one certified or documented sustainability or quality practice (e.g., ISO, HACCP, organic, solar): 10 pts</li> <li>- No evidence of such practices: 0 pts</li> </ul>	10
7. Operational Licensing	<ul style="list-style-type: none"> <li>- Holds valid industrial permit or NSSF registration: 5 pts</li> </ul>	5

	- No permit or registration: 0 pts	
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## AWARD OF GRANTS AND OTHER CONSIDERATIONS

1. Winning grant applicant(s) will receive LVG agreement from UNDP within as soon as the review and UNDP endorsement are completed
2. Within seven (7) working days after receipt of the LVG agreement, the successful grant applicant shall sign and stamp the agreement and return it to UNDP.
3. UNDP shall affect payments to the Grant Recipient in USD as per the approved amount by UNDP. Payment will be made to the company's bank account indicated in the LVG agreement signed with the Grant Recipient within 30 days of contract's signature.
4. The first disbursement of the grant amount takes place in line with the schedule of payments set out in the LVG agreement before the results or achievements are obtained, and totaling 50% of the approved grant amount. A final installment should be paid only after the completion of all activities including training attendance (environment, gender, financial literacy training), submission of final narrative and financial reports and the certification of those reports.
5. UNDP reserves the right to obtain all evidence, including site monitoring visits, to substantiate that performance conditions have been achieved before issuing subsequent phases of the grant. UNDP also reserves the right to suspend disbursements in case a grant recipient is found to be in breach of its obligations.
6. Since the solution to a development challenge is generated by the grantee, and not UNDP, the intellectual property for solutions rests with the grant recipient, but through the grant application process, the grantee agrees to give UNDP an irrevocable, unlimited, cost-free license to use the solution in its programmes, and to replicate and disseminate it. The grant recipient retains the right to use the solution for its own commercial benefits.
7. The grantee uses their own personnel, systems, designs, networks and procedures to implement the grant.

## MONITORING AND REPORTING

1. UNDP will monitor implementation of grant activities in line with its Monitoring policy to ensure that grants result in new solutions, direct engagement with certain stakeholders, and better uptake of development solutions as set out in the grant work plan.
2. Frequency and scope of monitoring visits will be defined by UNDP. Although in most cases, Grant Recipient will be notified in advance on the planned monitoring events, UNDP reserves the right to convey ad-hoc monitoring visits when and as needed.
3. The grantee is responsible for substantive and financial reporting on the utilization of the grant as defined in the contract. Appropriate evidence that the activities reported were completed should be attached to the report, such as photographs, boarding pass copies, meeting minutes, sign in sheets,

4. The grantee must provide performance reporting to UNDP at least 15 days before the expected release of the next tranche. At the end of the grant period, the grant recipient is required to submit a final substantive and financial report, which shall include certification by the Recipient Institution's representative with institutional responsibility for financial reporting, including the certification date

