

# **IOM TÜRKİYE**

### **ENTERPRISE DEVELOPMENT FUND**

#### Arka Plan

The Entrepreneurship Development Fund (EDF) aims to accelerate economic recovery by providing financial support to Micro, Small, and Medium Enterprises (SMEs) negatively affected by crises. It helps businesses survive and contributes to the creation of new job opportunities. Through EDF support, SMEs facing economic challenges can continue their operations and engage in restructuring, benefiting not only the businesses but also the local economies where they operate.

Additionally, EDF promotes sustainable livelihoods and inclusive business models, prioritizing projects that support environmental sustainability and encourage the participation of marginalized groups in the economy. The fund focuses on both short-term recovery and long-term sustainability to foster lasting economic development in crisis-affected regions.

#### **Apply Online:**

To apply for the IOM Enterprise Development Fund, simply follow the link or scan the QR code provided below

#### **Eligibility Criteria**

This grant application is aimed at MSMEs meeting the following criteria:

- The applying business must have a minimum of 2 and a maximum of 50 employees.
- Eligible enterprises must be owned by either a Turkish national or a migrant who is under temporary protection in Turkey.
- The enterprise must be duly registered and actively operating within Gaziantep, Kahramanmaras, Adana, Sanliurfa, Kilis and Hatay.
- Applicants must demonstrate a willingness to officially register any new employees, inclusive of both Turkish nationals and migrants under temporary protection.





#### The application deadline is set for 17/09/2024

### information

Web Page: http://turkiye.edf.iom.int/



# **APPLICATION DETAILS**

#### BACKGROUND

The International Organization for Migration (IOM) is playing an active role in accelerating economic recovery and strengthening businesses in Türkiye. In this process, Micro, Small, and Medium-Sized Enterprises (SMEs) hold a special priority. By rebuilding economic infrastructure and providing financial support to businesses facing challenges, IOM aims to revitalize economic activities, create new employment opportunities, and promote sustainable growth.

In this context, IOM is accepting applications for the Entrepreneurship Development Fund (EDF) from SMEs operating in the provinces of Gaziantep, Kahramanmaraş, Adana, Şanlıurfa, Kilis, and Hatay. Financial grants will be allocated after a careful evaluation of criteria such as the businesses' capacity, needs, job creation potential, and the feasibility of their business plans. The EDF aims to enhance the growth and job creation potential of the private sector in these regions.

The Entrepreneurship Development Fund (EDF) supports economic recovery, facilitates job creation, and contributes to the establishment of sustainable livelihoods by providing financial support to Micro, Small, and Medium-Sized Enterprises (SMEs) affected by the earthquake. The fund is also used to repair basic economic infrastructure and provide financial support to primary and secondary economic sectors experiencing economic difficulties. This support lays a solid foundation for restarting economic activities, creating new job opportunities, and enabling businesses to take advantage of future investment opportunities.

The EDF not only supports economic recovery but also aims to reduce unemployment and improve the financial situations of individuals and families in the affected regions. Inclusive business models, environmental sustainability, and community collaboration are also among the fund's priorities. To this end, strategies such as supporting the employment of marginalized groups and collaborating with environmentally friendly businesses are adopted.

Throughout the application process, individual attention will be given to each application. IOM may contact applicants to further assess the eligibility of applications or request additional documents if necessary. All applicants are required to provide the requested information completely and meet the specified minimum eligibility criteria. Applications that do not meet these criteria will not be considered for evaluation.

#### **ELIGIBILITY CRITERIA**

We are pleased to announce an open call for grant applications, specifically aimed at Micro, Small, and Medium Enterprises (MSMEs) that fulfill the following eligibility criteria:

- The applicant MSME must have a workforce ranging from a minimum of two(2) employee to a maximum of fifty (50) employees.
- The enterprise must be duly registered and actively operating within Gaziantep, Kahramanmaras, Adana, Sanliurfa, Kilis and Hatay.
- Eligible enterprises must be owned by either a Turkish national or a migrant who is under temporary or international protection in Turkey.
- Applicants must demonstrate a willingness to officially register any new employees, inclusive of both Turkish nationals and migrants under temporary or international protection.
- Only direct applications from the companies will be accepted. Applications submitted through third parties will not be considered.
- We encourage all MSMEs that meet these criteria to apply for this grant opportunity to support and grow their businesses.

#### ADDITIONAL SELECTION CRITERIA FOR APPLICANT MICRO ENTERPRISES AND SMALL TO MEDIUM ENTERPRISES (SMEs):

- Priority will be accorded to Micro Enterprises and Small to Medium Enterprises (SMEs) that incorporate one or more of the following aspects:
- Commitment to social impact, particularly through including diverse groups such as people with disabilities and women, or offering products/services benefiting SUTP and host communities.
- Special consideration will be given to enterprises that introduce innovative business models, particularly those addressing environmental challenges. This includes, but is not limited to, sustainable production methods, recycling initiatives, utilization of renewable energy, and efficient resource management.
- A readiness and verifiable evidence of initiatives to create employment opportunities for individuals with disabilities and women.
- A commitment and proof of efforts to provide safe and accessible facilities for both employees and customers, particularly focusing on individuals with disabilities and women.

#### **REQUIRED DOCUMENTS FOR APPLICATION:**

When submitting your application, please ensure the following documents are included:

- Tax Certificate (Vergi Levhası)
- Trade Registry Gazette (Resmi Gazete)
- Chamber Registration Document (Oda Kayıt Belgesi veya Faaliyet Belgesi)
- List of Insured Employment Service (Sigortalı Hizmet Listesi)
- Tax Debt Status Letter (Vergi Borcu Yoktur Yazısı)
- Letter of SGK Debt Status (SGK Borcu Yoktur Yazısı)
- Corporate Tax Return or Annual Income Tax Return (Kurumlar Vergisi Beyannamesi veya Yıllık Gelir Vergisi Beyannamesi)

#### SUBMISSION OF REQUIRED DOCUMENTS:

Interested SMEs must submit all the required documents listed above. If specific documents are unavailable, alternative documentation that provides similar information may be accepted at the discretion of the evaluation panel. The panel reserves the right to request additional information, documents, or clarification from any or all applicants as needed.

#### **VERIFICATION PROCESS:**

To ensure the accuracy of the information provided in the applications and business plans, IOM staff will conduct verification calls or site visits for all applicants. During this process, IOM will also engage with the SMEs to discuss the specific business development support they will receive through the grant.

#### **GRANT AMOUNT AND PAYMENT CONDITIONS**

- The maximum grant available for each enterprise is \$10,000.
- Grant funds will be disbursed in installments based on the completion of agreed-upon milestones.

#### **HOW TO APPLY?**

- Before applying, please thoroughly review the entire Expression of Interest document to ensure your enterprise aligns with the program's objectives and requirements.
- Go to the "Enterprise Development Fund Program" page on the IOM Türkiye EDF/CDF website at The maximum grant available for each enterprise is \$10,000.
- Grant funds will be disbursed in installments based on the completion of agreed-upon milestones.
- Carefully examine the application details and eligibility criteria. If your enterprise qualifies, proceed to select your enterprise's location.
- Fill out the grant application form, ensuring all requested information is provided, including detailed descriptions of your project and the total funding amount required.
- All applications must be submitted online by 17/9/2024.

# **FREQUENTLY ASKED QUESTIONS**

#### 1- What is the purpose of the Enterprise Development Fund (EDF)?

The purpose of the Enterprise Development Fund (EDF) is to support Micro, Small, and Medium-sized Enterprises (MSMEs) in Türkiye, particularly in regions impacted by economic challenges or natural disasters. The EDF aims to foster economic growth by providing financial support and resources to businesses that can contribute to job creation, local production, and the overall development of the economy. By helping businesses expand, stabilize, or recover, the EDF program plays a key role in promoting sustainable livelihoods for both the local population and vulnerable groups, such as migrants under temporary or international protection.

#### 2- What is the maximum grant amount available per business?

The maximum grant amount available per business under the EDF program is 10,000 USD. This funding is designed to help businesses enhance their operations, create jobs, and contribute to local economic development. The specific amount awarded will depend on the business's needs and the impact of the project proposal. Businesses should clearly outline how they plan to use the grant to achieve meaningful and measurable results.

#### **3-** How can I determine if my business is eligible for support under the EDF program?

To be eligible for support under the EDF program, your business must meet the following criteria:

- 1. Your Micro, Small, and Medium-sized Enterprise (MSME) must have between 2 and 50 employees.
- 2. Your enterprise must be officially registered and actively operating in one of the following provinces: Gaziantep, Kahramanmaras, Adana, Sanliurfa, Kilis, or Hatay.
- 3. Your business must be owned by either a Turkish national or a migrant who is under temporary or international protection in Turkey.
- 4. You must be willing to officially register any new employees, including both Turkish nationals and migrants under temporary or international protection.
- 5. Only direct applications from companies will be accepted. We do not accept applications submitted through third-party agents or intermediaries.

If your business meets these criteria, we encourage you to apply for this grant opportunity to support and grow your business.

#### 4- How do I submit an application for financial support under the EDF program?

To submit an application for financial support under the EDF program, you need to apply online through the official EDF website. Simply visit <u>http://turkiye.edf.iom.int</u> and follow the instructions provided on the site to complete and submit your application. Make sure you have all the necessary documents ready before you start the application process. The website is designed to guide you stepby-step, ensuring you provide the required information to be considered for funding.

#### 5- Will my business be considered if it has less than two employees or more than fifty?

No, your business will not be considered for the EDF program if it has fewer than two employees or more than fifty. The EDF program is specifically designed to support Micro, Small, and Medium-sized Enterprises (MSMEs) that have between 2 and 50 employees. This employee range is one of the core eligibility criteria, as the program aims to support businesses that are large enough to contribute to economic development and job creation, but small enough to benefit significantly from the program's resources. If your business falls outside this range, it unfortunately won't qualify for the EDF program.

#### 6- Is there a minimum period of operation for a business to qualify for EDF support?

Yes, there is a minimum period of operation for a business to qualify for EDF support. Your business must have been actively operating for at least one year before applying for the EDF program. This requirement ensures that only established businesses with a proven track record of activity and stability are eligible for support. If your business has been operational for less than a year, it will not meet this criterion and won't qualify for EDF funding.

#### 7- If my business operates in more than one province, can I apply for the EDF fund for each location?

No, if your business operates in more than one province, you can only apply for EDF funding once, not for each individual location. The EDF program considers the business as a single entity, regardless of how many provinces it operates in. Therefore, you are limited to submitting one application for your business, even if it has multiple branches or operations in different provinces.

#### 8- Can businesses with outstanding debt to the tax office or Social Security Institution (SGK) still apply for the grant?

Yes, businesses with outstanding debt to the tax office or the Social Security Institution (SGK) are eligible to apply for the EDF grant, but having outstanding debts may negatively affect the scoring of your application. While you can still submit your application, businesses that are in good financial standing—without debts or liabilities—will generally receive higher scores during the evaluation process. It's important to address any outstanding debt before applying, as this can improve your chances of receiving funding.

### 9- Are certain industries or sectors given priority when applying for EDF funding?

Yes, while the EDF program is open to all industries, priority is given to sectors that demonstrate a strong potential for **production and job creation**. The program aims to support businesses that can significantly contribute to local economic growth by generating employment opportunities and increasing productivity. However, applications from all sectors are welcome, and each is evaluated based on the impact the business can have on the community and economy

#### 10- How many employees do I need to hire if my application is successful?

If your application is approved, <u>you are required to employ at least two employees</u> as a condition of receiving support under the EDF program. Additionally, these employees must be <u>from the host</u> <u>community and be Syrians under Temporary Protection (SUTP)</u>. This requirement is a key component of the EDF program's goals and objectives. By hiring employees from the host community and SUTP, you will be contributing to the economic growth and development of the region, while also meeting the program's eligibility criteria.

#### 11- Can newly established businesses (less than one year) apply to the EDF program?

No, newly established businesses that have been operating for less than one year are not eligible to apply for the EDF program. To qualify for support, your business must have been actively operating for at least one year. This ensures that the program supports businesses with an established presence and a proven track record of stability and activity. If your business is less than one year old, you will need to wait until it meets this criterion before applying

# 12- If my business has previously received funding or support from IOM, am I still eligible to apply for the EDF program?

No, <u>if your business has previously received any funding or support from IOM, you are not eligible to</u> <u>apply for the EDF program</u>. Once a business has received a grant or support from IOM, it is classified as a beneficiary, and under the program's guidelines, businesses that have previously been beneficiaries are not allowed to apply again. This rule is in place to ensure that the EDF program can extend its resources to businesses that have not yet received assistance from IOM.

#### 13- What documents are required to apply to the EDF program?

To apply to the EDF program, you will need to provide the following documents, which <u>must be official</u> <u>and up-to-date</u>. Please ensure that all documents are current and valid, as outdated documents may not be accepted.

- 1. **Tax Certificate (Vergi Levhası):** A valid tax certificate issued by the relevant tax authority, confirming your business's tax registration and compliance with tax laws.
- 2. **Trade Registry Gazette (Resmi Gazete):** A copy of the Trade Registry Gazette publication that announces your company's establishment, merger, or any other significant changes.
- 3. Chamber Registration Document (Oda Kayıt Belgesi veya Faaliyet Belgesi): A document issued by the relevant Chamber of Commerce or Industry, confirming your business's registration and membership.
- 4. List of Insured Employment Service (Sigortalı Hizmet Listesi): A document that lists all your employees who are registered with the Social Security Institution (SGK) and confirms their employment status.
- 5. Tax Debt Status Letter (Vergi Borcu Yoktur Yazısı): A letter from the tax authority confirming that your business has no outstanding tax debts or liabilities.
  6. Letter of SGK Debt Status (SGK Borcu Yoktur Yazısı): A letter from the Social Security Institution (SGK) confirming that your business has no outstanding debts or liabilities related to social security premiums.
- 7. Corporate Tax Return or Annual Income Tax Return (Kurumlar Vergisi Beyannamesi veya Yıllık Gelir Vergisi Beyannamesi): Your business's most recent corporate tax return or annual income tax return, which provides an overview of your company's financial performance.

Please ensure that all documents are properly signed, stamped, and certified, and that they meet the requirements of the EDF program

#### 14- What factors are considered in the evaluation of applications?

The evaluation of applications for the EDF program takes into account several key factors, including:

- **Relevance of the grant amount and business plan** to your proposed business expansion activities. The requested funding should align with realistic and impactful business goals.
- Accuracy of current employee numbers and your willingness to employ from vulnerable groups such as Syrians under Temporary Protection (SUTP).
- **Potential for job creation** as a result of the proposed business expansion. The more jobs your business can create, the stronger your application.
- Average monthly profit and sustainability of the business, demonstrating that your enterprise is financially stable and has a viable future.
- Commitment to innovation, sustainable solutions, and social impact within your industry or community, which reflects your business's potential to contribute positively to broader social and environmental goals.

These factors help assess the business's readiness for growth and its ability to achieve the EDF program's objectives.

#### 15- How old can the documents be when submitted during the application process?

All documents submitted during the application process must be no older than six months from the application date. This means that any document older than six months will not be accepted, and you will need to provide updated versions. Ensuring that your documents are current and valid is important to avoid any delays or rejections during the application review process. Please double-check the dates on all documents before submitting them to make sure they comply with this requirement.

#### 16- How many employees do I need to hire if my application is successful?

If your application is successful, <u>you will be required to hire at least two employees</u> as part of the conditions for receiving support under the EDF program. These employees must come <u>from the host</u> <u>community and from the population of Syrians under Temporary Protection (SUTP)</u>. This requirement aligns with the program's goals of promoting economic growth and development by creating job opportunities for vulnerable groups. By hiring these employees, you will not only contribute to the program's objectives but also help foster regional economic stability and social integration.

#### 17- What kind of employees can I hire if I receive EDF funding?

If you receive EDF funding, you have the flexibility to hire a diverse range of employees to support the growth and development of your business. Eligible employees can include:

- **Non-skilled workers:** Employees who may not have prior experience or formal training in a specific trade or profession, but are eager to learn and develop their skills.
- **Skilled workers:** Employees who possess specialized skills, training, or certifications in a particular field or industry.
- **Blue-collar workers:** Employees who work in manual labor jobs, such as manufacturing, construction, or maintenance.
- White-collar workers: Employees who work in administrative, managerial, or professional roles, such as office workers, managers, or professionals.

The key requirement is that the employees you hire must be stable and open to development in their sector. This means that they should be committed to learning and growing with your business, and willing to adapt to new challenges and opportunities. By hiring employees who are eager to learn and develop, you can create a strong and dynamic team that drives the success of your business.

#### 18- Will my application be affected if my business operates seasonally?

No, your application will not be affected if your business operates seasonally. The IOM does not consider the seasonal or annual activities of your business when evaluating your application. As long as your business meets the eligibility criteria, including employing at least 2 personnel registered with the SGK for at least 1 year and maintaining its business registration and activity certificate, your application will be considered. Additionally, if your business operates under a single name but has multiple locations, IOM will not consider separate applications for each location.

#### 19- Can I use the grant to pay employee salaries, SGK payments, or taxes?

No, you cannot use the grant to pay for employee salaries, SGK (Social Security) payments, or taxes. The EDF grant is designed to support business development activities, such as purchasing equipment, expanding operations, or enhancing production capacity. These funds are meant to be used for investments that promote the growth and sustainability of your business, not for covering operational costs like wages, social security contributions, or tax obligations. These expenses must be covered by your business's own financial resources.

## 20- Does the bank account need to be registered in the name of the company to receive the grant?

Yes, the bank account must be registered in the name of the company to receive the grant. According to the Fund's policies, IOM will not consider personal account details. To be eligible to receive the grant, you must provide a bank account that is registered in the name of your business.

**Important note for sole entrepreneurs:** If you are a sole entrepreneur and provide a personal account, you will need to provide an official and stamped document from the bank to confirm the account details. Please ensure that the account is registered in the name of your business to avoid any issues with receiving the grant.