

Eligible Grant Uses and Acceptability Criteria

The facility's strategy is to provide matching grants ranging from £10,000 to £40,000 targeting 15 MSMEs located in East Jerusalem, noting that all activities under the provided grants should be completed and fully executed by June, 2026. The evaluation criteria extends beyond financial metrics, where priority is given to ideas with potential for growth, business expansion, enduring developmental impact, creating sustainable new jobs, entailing social contribution, solutions that address recycling issues, and adopting green practices and others.

The program encourages applications from all business owners regardless of gender and is committed to promoting equal opportunities for women-led, men-led, and jointly led enterprises. It also actively supports the inclusion of entrepreneurs with disabilities, ensuring that all eligible applicants have equitable access to financing and support services.

The matching grants eligibility to MSMEs criteria includes:

1. Applicants must operate in East Jerusalem or have significant operations within its boundaries (as defined by Palestinian standards).
2. Owns a viable business, financially sound and has potential for growth.
3. Introduce feasible business ideas that will boost the financial performance of the company to become more sustainable.
4. Satisfactory growth and development potential.
5. Capable and experienced management or have the potential to obtain new knowledge and improve towards mature business practices.
6. Acceptable legal structure and registration, at least willing to improve the structure if the grant is approved.
7. Provide audited financial statements for the past two years, and in case of no audited statements for the previous year is provided, a trial balance is requested if available.
8. Grants must be utilized to finance eligible grant uses only indicated in the table below.

شركة مؤسسة فلسطين للتنمية غير الربحية

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9. Meet the matching requirement – ability and willingness to invest from their own resources.
10. The beneficiary is willing to accept the social contribution condition.
11. All activities within the grant could be fully implemented, completed and dispersed by June 2026.

Important Considerations:

- The facility will put a higher priority on Gender Equality, Social Inclusion, and the empowerment of marginalized communities in East Jerusalem during the grant assessment process, whether the business is managed by the underrepresented groups, or beneficiaries and jobs created will be for underrepresented. The facility will put a higher priority for environmentally friendly initiatives that positively impact the company's performance, the environment, and the surrounding community. The facility will give preference to applicants who have not been awarded grants in the previous three years.

Use of financing must be within eligible uses:

Grant Use	Proposed Minimum Matching (Beneficiary contribution)	Conditions
Purchase of equipment and machinery	45%	<ul style="list-style-type: none"> The procurement procedure must be within the developed procurement guidelines and among the acceptable procedures – Attached the accepted policies.
Human Resource Training	20%	<ul style="list-style-type: none"> Must have a significant impact on efficiency & productivity. More important when introducing new technology to business. Does not cover travel expenses outside Palestine.
Marketing, Consulting Services and product development	20%	<ul style="list-style-type: none"> Marketing and Product Development support does not cover advertising & media campaigns (Billboards, newspapers, magazine ads, etc.) Note: If the facility determines that such a grant is necessary, it may require to proceed with this concept as a condition for accepting other requested activities. Eligible uses: product development (Mainly for IT and tech-companies), packaging design, obtaining certain standards certificates that help open new markets/export, website etc.
Improving Business Premises	60%	<ul style="list-style-type: none"> Only in cases where a positive impact can be traced, for example renovating the premises to redistribute underutilized space, improve health standards, or meet law requirements.
Improving legal, tax and accounting structure	25%	<ul style="list-style-type: none"> Capacity building of the beneficiaries, which might include covering registration fees, accounting software, or internal auditors to help improve the performance and arranging their accounts. This category will be of more important smaller businesses (workshop, blacksmith, carpentry etc.).
Going Green initiatives	30%	<ul style="list-style-type: none"> Going green attempts that have economic benefit on the business – long run and short run- will be encouraged and supported. (recycling initiatives, waste disposal initiatives, energy efficiency improvements, and solar energy).

**** Procurements under the provided grants are subject to VAT deductions in accordance with the applicable laws.**

Eligibility Checklist

	Item	Yes	No	Not Applicable
1.	All eligibility items listed above (11 items) are met by the applicant.			
2.	Use of financing in line with eligible grant uses.			
3.	Financing will not be used to support recurring or operational expenses such as wages, taxes, debts, loans, or working capital shortages.			
4.	The company has sufficient legal and/or tax registration documents, or is willing to register.			
5.	No significant legal or regulatory risk due to open or closed lawsuits.			
6.	The main operations of the applicant are in East Jerusalem.			
7.	Applicant is classified as MSMEs.			
8.	Applicants accept the facility's terms and conditions.			
9.	Owners' contribution meets the minimum matching requirements.			
10.	The business does not have negative impact on the environment			
11.	The company operates in a productive or services sector. Alcohol, tobacco and pure trade businesses are excluded.			

