## Public Call for Proposals for Business Support Organisations

## CFP 05-2019

### **Background**

The European Union Support to Municipal Development – EU PRO Programme[[1]](#footnote-1) will contribute to a more balanced socio-economic development of Serbia, by enhancing competitiveness and social cohesion of 99 municipalities, in two regions of Serbia: Šumadija and Western Serbia and South and Eastern Serbia.[[2]](#footnote-2) The European Union (EU) has allocated 25 million Euros for the implementation of the Programme during 36 months. The United Nations Office for Project Services (UNOPS) was selected for indirect management, through a Call for Expression of Interest.[[3]](#footnote-3)

There are three results that the Programme will achieve:

* Result 1: Improved technological structure Small and Medium-Sized Enterprises (SMEs) and their ability to export
* Result 2: Improved conditions for business operations through more efficient administrative service provision, better land management and specific infrastructure investments
* Result 3: Better social cohesion and attractive living environment through improvement of small scale public infrastructure and social relations.

The direct beneficiaries of the EU PRO are local administration structures, local MSEs, civil society organisations (CSOs) and business support organisations (BSOs). The final beneficiaries are the inhabitants of 99 municipalities.

The EU PRO Programme is based on the National Priorities for International Assistance in the Republic of Serbia 2014-2017, with projections until 2020 (NAD)[[4]](#footnote-4), significant for Serbia’s EU accession process and socio-economic development. Its activities will be undertaken in partnership with the Government of Serbia, while respecting the national strategies, laws and relevant development documents, in order to ensure national ownership and help develop national capacities.

### **Justification**

For the purpose of this Call for Proposals (CFP), the Business Support Organisations (BSOs) are defined as organisations whose goals are to provide advisory and support services to the business community, along with promoting a favourable business environment by representing entrepreneurs, micro, small and medium sized enterprises (SMEs) interests in public-private policy dialogue[[5]](#footnote-5). Through providing services and networking opportunities, they play an important role for economic development, particularly for efficient SME development and sustainability of start-up businesses, resulting in increased competitiveness of the SMEs.

The SME survey, conducted by the EU PRO team in the period April – May 2018, showed that nearly half of the companies that participated in the assessment are not aware about the existence of ACTIVE BSOs in their area. The other half of survey respondents recognised only limited number of BSOs, such as Regional Development Agencies, Development Agency of Serbia, certain clusters and NGOs in their area.

The focus on BSOs is important because they enhance the sustainability and competitiveness of SMEs and along these lines contribute to development goals such as economic growth, employment generation as well as poverty reduction. The aim of the Programme is to support such organisations to contribute to the increased provision of specialised services for SMEs and to support them in improving technological structure and their ability to increase market share. Such services include interventions directly contributing to strengthened sustainability and competitiveness of SMEs, expansion of SMEs into new markets and introduction of new standards.

This Call is aligned with the Strategy for Development of Small and Medium-sized enterprises, Entrepreneurships and Competitiveness for the period from 2015 to 2020, adopted by the Government of the Republic of Serbia.

Overall, this Call will contribute to implementation of the EU PRO Programme Description of Action and the current status of SMEs in Serbia.

### **Objectives**

**Overall objective:** To contribute to enhanced competitiveness of SMEs in the Šumadija and Western Serbia and South and Eastern Serbia.

**Specific Objective:** Enhanced sustainability and competitiveness of SMEs and their ability to expand to new markets as well as implement relevant standards through support provisioned by the beneficiary BSOs.

### **Scope**

The Call for Proposals includes two LOTs: LOT1 is focused on projects implemented by single BSO and the LOT2 is focused on projects implemented in partnership of two or more BSOs. The establishment and operational functioning of these partnerships, including the roles and responsibilities of the entities that are forming the partnership, will be supported by introducing and applying the Good Governance principles and practices into the process.

All actions under this Call should contribute to improvement of SME competitiveness and/or enhancement of the business environment for the SMEs registered in on the territory of the 99 Programme local self-governments[[6]](#footnote-6) in the two statistical regions: Šumadija and Western Serbia and South and Eastern Serbia. The actual SMEs benefiting from the proposed projects should be identified to the clearest extent possible, and the focus of the intervention should be on enhancement of the target SMEs and not on implementing BSOs. Good governance principles in selection of target SMEs should be applied and clearly displayed in the project proposal.

The eligible activities to be undertaken by BSOs under this Call are grouped into four main areas of intervention:

1. **Strengthening the sustainability and competitiveness of SMEs through interventions contributing to improvement of processes and quality of products and/or services.** This includes but is not limited to introduction of ERP solutions, introduction or improvement of production and/or service delivery systems, improvements in design, packaging and branding, etc.
2. **Guidance and support to SMEs to expand into new markets.** This includes but is not limited to networking activities, preparation and joined participation at foreign and domestic fairs, support in joint performance on the market, collaborative research and development projects, etc.
3. **Support to SMEs for implementation of relevant standards and obtaining certificates.** This includes but is not limited to improvement of quality management systems and introduction of quality control measures, upgrading businesses to meet quality or food safety standards, introduction of standards required for market expansion, introduction of group standards, etc.
4. **Strengthening of the BSOs’ internal capacity in order to strengthen existing and introduce new services in line with the identified needs of target SMEs.** This includes but is not limited to provision of services related to access to finance for SMEs, business mentoring, consulting and coaching for SMEs, etc. Activities under this area may not be stand-alone intervention of the project and are mandatory to be combined with one of the other areas, and in service to those areas. The cost for these activities shall not exceed 20% of the total project budget.

The Call encourages and will support BSOs` initiatives that contribute to wellbeing of communities and may create broader social impact. The initiatives including, but not limited to, implementation of Corporate Social Responsibilities (CSR) activities such as addressing the needs of local communities, support to the vulnerable groups (youth, women, minority groups, people with disabilities, etc.); fostering and promoting gender equality; activities contributing to the protection of the environment, as well as the implementation of Good Governance principles (efficiency, transparency, accountability, citizen participation and anti-discrimination) should be recognised within the project.

The project applications should reflect on internal capacities of the applicant BSO or the partner BSOs (if implemented in partnership) to conduct proposed activities. The applicants do have the possibility to award contracts to subcontractors for execution of clearly defined tasks and these shall be selected through a transparent selection process. Anyhow, the implementation mechanism should be defined and clearly proposed in the project application.

### **Financial Allocation and Cost Share Contribution**

The indicative overall amount available under this Call for Proposals is 600,000 Euros. The EU PRO Programme reserves the right **not to award** all available funds.

### **Minimum and Maximum Grant Award[[7]](#footnote-7):**

LOT1: Minimum – 10.000 Euros (11,140 USD), Maximum – 30.000 Euros (33,420 USD)

LOT2: Minimum – 10.000 Euros (11,140 USD), Maximum – 50.000 Euros (55,700 USD)

### **Applicant’s cost share**

Applicants’ cost share cash contribution is required for projects implemented by for-profit entities in the amount of 10% of total project eligible costs for both LOTs. In case the project is implemented in partnership of for-profit and not-for-profit entity, the cost share contribution is required in proportional amounts of the allocated budget as cash contribution.

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### **Ineligible Costs**

* 1. **Activities**

### In general, activities that are not contributing to the achievement of the objectives of the Call

### On-going activities funded from other sources

* Activities that would be more appropriately funded from other sources
* Interventions concerning solely or mainly training and/or research activities without specific outcome for the target SMEs
* Interventions concerning only development of strategies and/or plans without specific outcome for the target SMEs
* Activities exclusively related to primary agriculture production
	1. **Investments/Procurement of equipment**

### Intervention that relate solely or mainly to capital investments, such as renovation/construction of facilities (however, furnishing and equipping the workspace is permitted if necessary for achieving specific outcome for the target SMEs)

### Procurement of the equipment that is not grounded in the objectives of the Call and without specific outcome

### Procurement of the used/old equipment

* 1. **Human Resources/ Operational costs**

### Operational costs (costs of fuel and transport, land-line/mobile telephone, electricity and public heating and etc.)

* Auditing costs
* Unforeseen expenses
	1. **Activities regarding controlled substances, including:**

### Tobacco and alcohol industry,

### Producers of weapons and military equipment,

### Production and trade of oil and petroleum products

### Organization of games of chance, lottery and similar activities

### Producers/dealers of any other substances/materials/products controlled by the Law

### **Budget Thresholds**

### Human resources costs for the project team should not exceed rational percentage of the total project costs depending on the nature of the project proposal

### Travel and accommodation costs at fairs and study visits exceeding 30% of the total project budget[[8]](#footnote-8)

### Promotional activities should not exceed 15% of the total project budget

### Costs of activities in function of strengthening BSOs’ internal capacity exceeding 20% of the total project budget

### For projects to be implemented in partnership, costs accrued by the partner organisation, if not registered on the Programme territory, exceeding 30% of the total project budget

### **Duration**

The planned duration of the intervention may not be under six months or exceed 12 (twelve) months. This period includes implementation of planned activities, as well as capturing projected results and acceptance of the final report.

### **Visibility**

The Applicants must take all steps prescribed in the EU PRO Communication Guidelines[[9]](#footnote-9) to promote the European Union (EU) financial contribution to the Action.

These activities include but are not limited to clear visual identification of the action at site, partaking in various media activities and events including activities designed to raise the awareness of specific or general audiences of the overall EU support to Serbia. These refer to but are not limited to on-camera and other media interviews, participation in high level events and relevant on-line and in person surveys on Programme related topics. In these applicants must comply with the objectives and priorities agreed with the EU PRO Programme and guarantee the visibility of the action.

### **General Eligibility Criteria**

* 1. **Registration**
* Entities legally registered with the Serbian Business Registers Agency (SRBA) on the territory of the 99 Programme local self-governments[[10]](#footnote-10) in the two statistical regions: Šumadija and Western Serbia and South and Eastern Serbia with active status at the time of application
* To be one of the following types of Business Support Organisation:
	+ Business Incubators, including co-working spaces and hubs
	+ Clusters,
	+ Science or Technology Parks,
	+ Regional Development Agencies,
	+ Business Associations,
	+ Chambers of Commerce[[11]](#footnote-11) and
	+ Research Institutes and Academic Organisations
	1. **Number of employees**
* Each applicant is required to have minimum one employee for the year 2018 (as evidenced by relevant documentation)
	1. **Finances**
* No more than 40 days in blockage during the 12-months period as of the date of publishing of the Call
* Not in blockage at the time of the submission of the application
* Does not have negative equity
* Not in bankruptcy or liquidation proceeding
* The applicant is regularly paying its obligations towards employees and has no outstanding debt for social contributions
* The applicant is regularly paying due taxes to both local and national tax offices
	1. **Legal issues**
* Legal representatives and assigned project managers have not been criminally convicted or under on-going criminal investigation and proceeding
* The applicant has not been issued with prohibition of performing their activities within two years before submitting the application
* The applicant is not using incentives on the same grounds from other institutions or donors during the period of implementation of activities
* The applicant owns or rents business premises appropriate for implementation of project activates
* The applicant is not producing anything that infringes copyright, trademark or intellectual property laws
	1. **Other**
* Registered before 31 December 2018
* Must provide at least three references from similar projects (in terms of value and technical area covered) implemented in the last five years, or a reference of at least one project with similar technical area covered valued at 30,000 Euros or more[[12]](#footnote-12)
* One organisation may participate in this Call only with one project proposal, be it as a lead or as a partner organisation

*NOTE: If the project is implemented in partnership, the assigned partners must comply with the above listed eligibility criteria accept for the LSG of registration and the required references from similar projects. However, the leading BSO must be registered in the area covered by the EUPRO Programme and the results of the proposed project must be achieved on the Programme territory. Financial contribution to activities implemented by the partner organisation, if not registered on the Programme territory, shall be under 30% with respect to proportion between the operational/HR costs and other costs undertaken by the partner.*

### **Evaluation Criteria**

The quality of the applications, including the proposed budget and capacity of the applicants, will be assessed by the Evaluation Commission by using the evaluation criteria as presented in the Evaluation Grid table below. The Evaluation Commission is submitting the evaluation results to the Programme’s Steering Committee, which provides final approval of the results.

| **Section** | **Criteria** | **Score** |
| --- | --- | --- |
| **Relevance (10)** | 1.1 Is the proposal **relevant** in relation to the **objectives** of the call for proposals? *(eliminatory question)*  | n/a |
| 1.2 Does the proposal contribute to implementation of **local and/or national strategies related to SMEs**? What is the level of contribution to the implementation of these policies? | 5 |
| 1.3 How **relevant** is the proposal to the **particular needs and constraints of the target groups and final beneficiaries**? Have these needs been recognised and identified by the targeted SMEs?  | 5 |
| **Methodology (10)** | 2.1 Is the **action plan clearly defined and feasible**? Is the approach appropriate? Is the timeline realistic? Have risks been identified and assessed, and mitigation measures planned? Does the proposal include an effective and efficient monitoring system? | 5 |
| 2.2 Does the proposal identify appropriate **objectively verifiable indicators** for the expected results of the action? Does the proposal include strong rationale and evidence, especially regarding expected outcomes and impact? | 5 |
| **Outcomes and Impact (40)** | 3.1 How significant is the impact of proposed action **specific outcomes** distinctively contributing to **increased competitiveness of SMEs** as a result of improvement or introduction of new products, market expansion interventions or standardisation? | 5x2 |
| 3.2 Is the **target group** for the action, including direct and indirect beneficiaries **clearly identified**? Is the rationale of investment proportionate with the expected impact on identified beneficiaries?  | 5x2 |
| 3.3 Will the action produce **immediate benefits** for the final beneficiaries? How likely is that the action will create long term and broader benefits for its target groups and final beneficiaries?  | 5 |
| 3.4 Will the action contribute to **immediate job creation**? Are there realistic expectation that the action will result in job creation within six months of its implementation? | 5 |
| 3.5 Will the action contribute to **strengthening of the value chain** of the targeted SMEs? To which extend will it affect position of the targeted SMEs within their value chains? Will it have positive effects on other actors within the value chain? | 5 |
| 3.6 Is the action likely to have tangible **positive effects on the wider community**? Have aspects of good governance, gender equality, promotion of Corporate Social Responsibility, etc. been considered and addressed with the proposed action? | 5 |
| **Sustainability (15)** | 4.1 Are the expected results of the proposed action **financially sustainable**: how will the activities be financed after the project funding ends? | 5 |
| 4.2 Are the expected results of the proposed action **environmentally sustainable**: will impact of the action contribute to protection/preservation of the natural environment? | 5 |
| 4.3 Will the project have **continued positive effects** after it ends? Is there a room for this intervention to lead to greater results? Are there reasonable grounds for expecting extension or expansion of project interventions in the foreseeable future? | 5 |
| **Operational Capacity (15)** | 5.1 Does the applicant have sufficient and relevant proven experience in project management and operational capacity (including staff, equipment, previously implemented projects, and ability to deliver the action)? | 5 |
| 5.2 Does the applicant have sufficient technical expertise (relevant knowledge and experience of the project team with the issues to be addressed) to conduct the proposed intervention? | 5x2 |
| **Cost Effectiveness (10)** | 6.1 Is the proposed expenditure **necessary** for the implementation of the action? | 5 |
| 6.2 Is the ration between the operational costs of the project (human resources) and expected results rational in relation to the nature of the proposed activity?  | 5 |
|  | **Maximum total score** | **100** |

*Scoring: The evaluation criteria are divided into sections and subsections. Each subsection will be given a score between 1 and 5 in accordance with the following guidelines: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.*

Only the applications that have been given a total score of a minimum 60 points will be considered for the award.

### **Application Procedure**

* 1. **Forms for submission of the Applications**

The applicant has to submit the following application forms in English language:

* Application Form *(Annex A)*
* Application Budget *(Annex B)*
* Logical Framework *(Annex C)*
* Statement of Applicant *(Annex D)*
* Statement of Partner organization *(Annex E)[[13]](#footnote-13)*
* Application Check list *(Annex F)*
* Supporting documents in Serbian language *(as listed in Annex F)*
	1. **Instructions for submission of the Applications**
* Applications must be submitted exclusively to the e-mail **rsoc.applications@unops.org**
* Applications sent by any other means (e.g. by fax or by post or by hand delivery) or delivered to other e-mails different from the stated in CFP will be rejected. Hand-written applications will not be accepted.
* Applications must have reference number of the Call (CFP 05-2019) and name of the applicant in the subject of the e-mail
* Exclusively via e-mail in PDF format (signed, stamped and scanned) and in original editable format (i.e. Excel, Word). Signed, stamped and scanned versions must contain exactly the same application documents as the electronic versions in original editable format. In case of discrepancies, signed, stamped and scanned version will prevail.
* The applicant must submit application forms in English language.
* The total email size of the application should not exceed 15 MB, as that is the maximum allowed email message size by the UNOPS server. If the application is larger than 15 MB, documents should be sent in series of e-mails, with each e-mail not exceeding 15 MB size thresholds. Each part of the application should be numbered in the e-mail subject field.
* Applications must be submitted to the e-mail address below: **rsoc.applications@unops.org**. Automatic notification of the delivery would follow upon successful submission of email application. One notification is sent to each sender (for the first sent e-mail only).
* The deadline for the submission of applications is 10 July 2019. Any application submitted after the deadline will be rejected.
* Applications must be received before midnight-local time on the closing date of the Call for Proposal. Applicants are kindly advised to submit the application timely, as late deliveries due to slow internet connection or other network/hardware/software related problems may lead to disqualification of the application. Only applications received by UNOPS mail server before the deadline would be accepted.
* Requests for clarification should be submitted to the e-mail address below: **rsoc.cfp.clarifications@unops.org** by 3 July 2019, the latest. UNOPS reserves the right to request the original versions of submitted documents from applicants where/when original documentation is required by the Evaluation Team.

### **Indicative Timeframe**

|  |  |
| --- | --- |
| **Activity** | **Timeframe/ Deadline** |
| Publishing the Call for Proposals | 22 May 2019 |
| Implementation of the Info Sessions for the Call | 29 May – 21 June 2019 |
| Deadline for Submission of the Project Proposal | 10 July 2019 |
| Evaluation of the Project Proposals | July - August 2019 |
| The Programme Steering Committee approves the Evaluation Results | September 2019 |
| Information on the Evaluation Results  | September 2019 |
| Signing of Agreement | October 2019 |

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1. The Programmes is based on Serbia Local Development Action Document within the Instrument for Pre-accession Assistance (IPA) 2016 <http://europa.rs/eu-assistance-to-serbia/ipa/ipa-2016/?lang=en> [↑](#footnote-ref-1)
2. Forty-five municipalities are from the third and the fourth category of development, 44 are from the first and the second. The two regions, Šumadija and Western Serbia and South and Eastern Serbia, are less developed comparing to Belgrade and Vojvodina. [↑](#footnote-ref-2)
3. The Call was organised by the Delegation of the European Union (DEU) in cooperation with the then European Integration Office of the Republic of Serbia (SEIO) in July 2016. The criteria included adequate administrative, financial and technical capacity, as well as criteria related to the quality of the Concept Note, including relevance; consistency with the objectives, results and activities of the Action, expected impact; sustainability and cost-effectiveness. [↑](#footnote-ref-3)
4. Available at: [http://www.evropa.gov.rs/Documents/Home/DACU/12/74/NAD%202014-2017%20with%20projections%20until%202020%20(english).pdf](http://www.evropa.gov.rs/Documents/Home/DACU/12/74/NAD%202014-2017%20with%20projections%20until%202020%20%28english%29.pdf) [↑](#footnote-ref-4)
5. The form of registration is further elaborated in Section 9 of this document, General Eligibility Criteria [↑](#footnote-ref-5)
6. The 99 local self-governments are listed under the section 8a – General eligibility criteria/ Registration

 [↑](#footnote-ref-6)
7. Budgeting and contracting shall be conducted in USD and the funds will be transferred to selected beneficiaries in RSD [↑](#footnote-ref-7)
8. Costs related to participation at fairs must include contribution to coverage of costs for SMEs benefiting from the intervention, and not only costs of the beneficiary BSO [↑](#footnote-ref-8)
9. See the Communication and Visibility Manual for EU external actions specified and published by the European Commission at <https://ec.europa.eu/europeaid/node/17974> [↑](#footnote-ref-9)
10. Bogatić, Vladimirci, Koceljeva, Krupanj, Loznica, Ljubovija, Mali Zvornik and Šabacin Mačva District; Valjevo, Lajkovac, Ljig, Mionica, Osečina and Ub in Kolubarski District; Velika Plana, Smederevo and Smederevska Palanka in Podunavski District; Veliko Gradište, Golubac, Žabari, Žagubica, Kučevo, Malo Crniće, Petrovac and Požarevac in Braničevski District; Aranđelovac, Batočina, Knić, Lapovo, Rača, Topola and Kragujevac in Šumadijski District; Despotovac, Jagodina, Paraćin, Rekovac, Svilajnac and Ćuprija in Pomoravski District; Bor, Kladovo, Majdanpek and Negotin in Borski District; Boljevac, Zaječar, Knjaževac and Sokobanja in Zaječarski District; Arilje, Bajina Bašta, Kosjerić, Nova Varoš, Požega, Priboj, Prijepolje, Sjenica, Užice and Čajetina in Zlatiborski District; Gornji Milanovac, Ivanjica, Lučani and Čačak in Moravički District; Vrnjačka Banja, Kraljevo, Novi Pazar, Raška and Tutin in Raški District; Aleksandrovac, Brus, Varvarin, Kruševac, Trstenik and Ćićevac in Rasinski District; Aleksinac, Gadžin Han, Doljevac, Merošina, Ražanj Svrljig and Niš in Nišavski District; Blace, Žitorađa, Kuršumlija and Prokuplje in Toplički District; Babušnica, Bela Palanka, Dimitrovgrad and Pirot in Pirotski District; Bojnik, Vlasotince, Lebane, Leskovac, Medveđa and Crna Trava in Jablanički District; Bosilegrad, Bujanovac, Vladičin Han, Vranje, Preševo, Surdulica and Trgovište in Pčinjski District [↑](#footnote-ref-10)
11. An exception to this rule of the location of registration is the eligibility of Serbian national public authorities whose area of competence, established by legal acts, extends to the eligible area of the programme, such as Chambers of Commerce. However, in such cases, it is expected that the regional office of the Chamber of Commerce from the Programme territory takes the lead in project implementation, and not the central office [↑](#footnote-ref-11)
12. This data should be provided in the Annex A of the document, the Application Form. During the evaluation process, the Programme reserves the right to ask for relevant documents proving the statement given in the Application Form [↑](#footnote-ref-12)
13. Applicable only to LOT 2 applicants [↑](#footnote-ref-13)