**APPLICATION GUIDELINE**

**GRANTS COMPETITION**

**development of SUPPORT AND advocacy capacities**

**of the business support organizations**

IMPLEMENTED BY ADVANCED CROSS-RIVER CAPACITIES FOR TRADE (AdTrade) PROJECT

March, 2023

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# **background**

Post-pandemic period combined to regional crisis caused by the war in Ukraine severely influenced MSMEs sector from both banks of Nistru river. The main factors affecting the work of companies have been the decrease in demand for products and services, restricted neighbouring markets, limited access to raw materials or supply and distribution chains disruptions.

Most of MSMEs cannot express their positions and promote their interests among policy makers. Business support organizations (BSOs) offer a propitious environment for building private-public dialog aiming at taking collective action aiming at addressing problems MSMEs face and ultimately improving the business environment in the pandemic context. Also, BSOs offer a great opportunity for networking among members and other stakeholders, knowledge exchange, cooperation on value chains and joint exports development.

The Advanced Cross-River Capacities for Trade Project (AdTrade) implemented by UNDP with the financial assistance of Sweden and UK, launches a Grants competition aiming at developing the BSOs institutional capacities for advocating the interests of the private sector for an improved business environment on both banks of Nistru river. The initiative would also rely on cross-river transfer of knowledge and skills through establishing partnerships between business associations from both riverbanks with a view to share knowledge and expertise on support and advocacy.

# **Goals and objectives of the initiative**

This competition is launched to identify up to 6(six) partnership initiatives in the amount of up to 50,000 USD developed and submitted by a consortium of BSOs from two banks of the Nistru river. The business support organizations (sectorial business associations, unions of producers, employers’ associations, chambers of commerce, other non-state and non-private business support organizations) from both banks of Nistru river will offer support to the private sector to deal with challenges in their entrepreneurial activity, including the ones caused by regional crisis, and improve the business environment on both banks of the Nistru river. With joint efforts, the applicant organizations will identify the needs of support for the private sector, will strengthen the public-private dialogue, propose feasible policy solutions for the improvement of the business climate.

As an ultimate result, the above-mentioned is expected to lead to supporting left bank enterprises, especially, export-led companies, overcome the negative impact of the pandemic and regional crises, to access trade mechanisms available on the right bank, to build knowledge and skills for an increased competitiveness for cross-river trade and access of abroad markets. This would include capacity building of the BSOs to improve their strategic planning and technical understanding related to external trade, DCFTA and the UK-Moldova Strategic Partnership, Trade and Cooperation Agreement (SPTCA), so that they could provide strong arguments to public sector on policy and regulatory improvements. Persistent confidence building between both banks’ business communities shall be ensured through regular business-to-business activities with mutually advantageous relationship between entrepreneurs and organizations. A particular focus of the current competition is paid to strengthen women business associations representing the needs of their members – women entrepreneurs, including women with disabilities.

# **timeframe and projects budget**

**The implementation timeframe** for the project proposal is up to 18 months, but not less than 10 months.

The maximum amount the applicants can request under the submitted project proposals will not exceed **50,000 USD**.

Own contribution within the project represents at least 10% (calculated based on requested grant amount). Co-financing from applicants and co-applicants is accepted only as cash (monetary means).

# **eligible projects proposals**

The applicants have considerable flexibility in identifying the actual needs and priorities of the respective sector of the economy and are encouraged to come up with well-grounded creative proposals. A complex approach considering more/multiple measures is recommended. Potential activities forstrengthening the organizational capacities for advocating and services provision for their members, with particular focus to the exporters from both banks of Nistru river could refer to the below:

* Conducting assessment of regional crisis impact on business activity on both banks of Nistru river and mapping sectorial needs and formulate proposals and recommendations for the public sector to take strategic decisions for the development of the sector, considering the existing National Strategies, international commitments. A replication of the approaches used for the studies already done on the right bank are welcomed.
* Development of knowledge management products (analyses, study, guidelines, manuals, research etc.).
* Development of new policies to support a specific sector of the economy, providing policy recommendations to the relevant bodies. Development of position papers, legislative and normative proposals, etc.
* Creation or strengthening of solution-oriented joint working groups with the representatives of both banks to discuss sectorial issues and to propose joint solutions. Establishing sectorial joint working groups that will facilitate the communication between the private sector and public sector is highly recommended, as well as use of existing consultation platforms.

1. Establish solution-oriented sectorial or public-private platforms for tackling issues related to: green transition, initiation of partnerships in the circular economy domains and other areas prioritized for advancing the green transition (ex. support to operationalization of the new business models - manuals, regulations, etc. - in support to EPR scheme and ESG initiatives);
2. External trade, DCFTA and SPTCA, in particular, related to technical regulations and adjustments for trade;
3. Integration of the companies from the left bank of Nistru river in the local and international value chains, etc.
4. Promotion and development of social entrepreneurship;
5. Improvement of regulatory framework for MSMEs development, increasing export opportunities, improvement of business climate;
6. Facilitation of refugees’ integration

* Capacity development activities aiming at building or strengthening advocacy capacities for the applicant organization and their members.
* Training and re-training the employees, as part of the BSO strategy to adapt to the changing realities and support its adaptation strategy (e.g. using digital solutions for doing business, learning new production patterns etc.) for the ultimate goal of advocacy services for its members.
* Address gender-based inequalities and discrimination in accessing economic opportunities, such as, but not limited to enforcing the principle of equal pay for work of equal value; access to loans and credits; repealing discriminatory legal restrictions; social protection of self-employed women etc. . Facilitation of internal assessments of BSOs in this regard.
* Improving women economic opportunities and enhancing the participation and ensuring the equal opportunities for leadership at all levels of decision-making in economic and public life. Dedicated activities to motivate women to start a business. Success stories of women in business will be promoted. Successful businesswomen on both banks could be involved as coachers.

Social corporate responsibility, Gender-sensitive and participative approaches and manners in establishing the dialogue and conducting the advocacy activities are strongly recommended.

# **eligibility of the applicants**

The applications will be submitted in line with the following principles:

* Cross-river partnerships of at least two organizations from different banks. Under this competition, organizations will be able to submit only one project proposal as main applicant, at the same time being allowed to participate as co-applicant in several applications; The thematic areas covering one bank and their replicability to another bank are encouraged
* Main applicant and co-applicant will be business support organizations (profile professional association, sectorial business associations, product professional organization, unions of producers, employers’ associations, chambers of commerce, other non-state and non-private business support organizations) from the left or right bank of the Nistru river.
* Main applicant and co-applicant should be a registered legal entity.
* Main applicant will have an experience of min 2 (two) years of relevant activities related to the application thematic area.

**Non-eligibility criteria**

* The main applicant, or the partners organization was found liable for serious professional or financial mismanagement, proven by such evidence as recognized by UNDP Moldova.
* The main applicant or the partner organization has a history of failing to comply with contractual obligations arising from previous arrangements with donor organizations.
* The main applicant and / or co-applicant(s) is a private entity.
* The main applicant and/or co-applicant(s) is a legal entity under the state property or founded by public authorities
* The project proposal implementation period is less than 10 months or exceeds 18 months.

# **budget**

* The budget of the project, as part of the application form, should be in US dollars.
* The budget should contain clear information about the ways the funds will be spent and a detailed breakdown of expenses, separated by each involved organization.
* The budget should be realistic and cost-efficient.
* The budget must correspond to the activity plan as it is described in the project proposal.
* The planned costs in the budget should be presented based on a VAT of 0%.
* Financial contribution of each partner to be clearly stated in the budget of the project.
* The budget will be split with a proportion of min 30 % for one partner of the BSOs consortium.

Eligible expenses include

* Expenses for experts, consultants, personnel, and IT support.
* Expenses for the service providers to deliver services to both implementing organizations and benefiting companies.
* Expenses for trainings.
* Transportation expenses (rent of transportation, gasoline, transportation for participants etc.).
* Expenses for marketing and promotion materials.
* Expenses for the purchase of expendables and other materials required for the project.
* Expenses for events (meals, accommodation, information campaigns and awareness raising, copying, printing, interpretation and translation etc.).
* Administrative expenses (communications, office rent, postal and banking services) shall not exceed 25% of the project budget proposed and be well reasoned.
* Expenses for purchase of equipment is allowed just in case of well-grounded justification, must be strictly related with project purpose and activities and represent up to 20% of the budget

Ineligible expenses

* Expenses incurred before the contract has been signed (including expenses related to project submission).
* Fines and penalties.
* Activities already financially covered by another grant programme.
* Individual sponsorship for participation at workshops, seminars, and conferences.
* Individual educational scholarships.
* Covering the current costs of an organization unless it is clearly related to the project goals.
* Expenditures to procure or produce alcoholic beverages, tobacco items, munition, luxury products, other goods prohibited based on UN regulations, including the ones related to gambling organization, Exchange rate losses.

# **evaluation criteria of the project proposals**

**Women economic empowerment**. Emphasis will be put on strengthening and expanding women entrepreneurs’ networks on the left bank through cooperation and transfer of experience and best practices from the right bank and elsewhere. At least 2 women entrepreneurs associations from the left bank will receive support to conduct economic empowerment activities, developing their knowledge and business skills, strengthening leadership potential, etc.

**Impact on the sector**. Successful projects will have high impact on envisaged sectors of economy on both banks, solving core issues for doing business in respective areas, having a positive impact on a significant number of MSMEs. Impact should demonstrate contribution to national, regional and local strategies. Applicants should describe how they will involve different stakeholders in the project activities. They should also seek to reach out wider society including grass roots organizations, local administration, local and central authorities, and academia.

**Confidence-building approach** should be applied, so that the activities encompassed in the project proposal will enable businesses from both banks to cooperate and benefit from cross-river interaction being supported in areas of mutual interest. Confidence building between both banks business communities shall be ensured through regular business-to-business activities with mutually advantageous relationship between entrepreneurs and organizations which represent their interests. Clear roles of the partners should be described in the project proposal;

**Relevance** of the proposed project refers to the way it contributes to improvement of the institutional capacity in regard to private-public dialog. The selected measures are in line with the core competency (statute) of the organizational and the capacities of the involved staff.

**Implementation logic and development modality** will be evaluated based on the correlation of proposed activities to the expected results, but also to the feasibility of the action plan. The identified risks to achieving the grant objectives are relevant and mitigation measures that will be taken are well defined. Project Budget relevance should be well justified with clearly defined expenses. Co-financing and partner’s contributions will count when evaluating the application.

**Innovation** of the proposed measure should explain whether the project will lead to multiplication or spillover effects in other areas. Applicants are strongly encouraged to consider using innovation approaches, digital solutions and green economy, establish public-private platforms and networks in the area of circular economy and others areas prioritized for advancing the green transition;

**The** **financial sustainability**. The applicants shall make sure that the measures proposed to be implemented will continue to work effectively after project closure date by presenting of a sustainability plan. The proposal must also show whether or to what extent this project is based upon or complements other initiatives implemented by the applicant or others in the same area, as well as ways for preventing the duplication of activities. To ensure sustainability, it will also work with business associations and business development service providers, to enable them to provide improved services, knowledge, as well as advocacy support to companies on both banks.

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| Selection criteria | Description | Score |
| Impact on the sector | Clearly defined sector issues that will be addressed and number of policy recommendations developed (40 p.) | 40 |
| Women economic empowerment | The project is submitted by women business associations as primary or secondary partner (20 p)  Number of women entrepreneurs developed their knowledge and business skills, strengthening leadership potential, through economic empowerment activities and training (50 women-10 p) | 30 |
| Confidence-building | Project interventions offer development opportunities for the business communities from both banks. Clear roles of the partners should be described in the project proposal and in the budget | 30 |
| Relevance of the project | The project interventions are fully in line with the applicant’s competency according to their statute (10 p) | 30 |
| The project staff have enough qualifications and expertise for the project activities (20 p) |
| Implementation logic and development modality | There is a well-defined path for activities to be implemented with a clearly defined logic and well-defined results indicators (10 p) | 30 |
| Risk assessment and mitigation measures are well defined (10 p)  Co-financing and partner’s contributions will count when evaluating the application (10 p) |
| Innovation of the proposed measure | The project activities indicate elements of innovation, digital, green transition. The project proposal is unique in its kind and will be piloted under this call. Proposed project has multiplication or spill over potential | 20 |
| Sustainability of the proposed initiatives | Clearly defined financial sustainability approach is presented | 20 |
| Total | | **200** |

# **application procedure**

Interested organizations shall submit a package of documents, which include the:

* Application Form and the project Budget, filled in Romanian or Russian or English.
* Copy of the registration certificate to prove that the partners are registered legal entities.
* Copy of the Statute of both partner organizations.
* Partnership agreement, signed by all Business Support Organizations, envisaging the role of each partner.
* CVs of key staff and experts to be involved in project’s implementation and their written consent to participate in the project.

The Application Form and Applicant’s Guidelines are posted on the UNDP in Moldova website (https://sc.undp.md/viewtenders2/). These documents can also be received by sending a request to Mr. Roman Turcan at the following e-mail: [roman.turcan@undp.org](mailto:cornelia.panico@undp.org)

The Application will be sent in electronic format via email at the following addresses: [elena.veselovscaia@undp.org](mailto:dumitru.udrea@undp.org) and cc [roman.turcan@undp.org](mailto:cornelia.panico@undp.org), before the deadline 31 of March 2023,23.59. Message subject: EOI/ Advocacy.

The applications sent via any other means shall be rejected. The incomplete applications or those submitted after the set deadline shall not be reviewed. The applications submitted via email shall not exceed 20 MB. The applications over 20 MB shall be divided into several messages and the subject of every message should indicated “part x of y” besides “EOI/ Advocacy”, as mentioned above.

Clarifications regarding the application may be requested from [elena.veselovscaia@undp.org](mailto:dumitru.udrea@undp.org) or [roman.turcan@undp.org](mailto:cornelia.panico@undp.org).

Please note that 2 information sessions are going to be organized for potential applicants:

17 of March 2023, 11.00 (Russian language)

17 of March 2023, 14.00 (Romanian language)

Registration link [https://forms.gle/fCmHmDYagMPzYi8w9](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fforms.gle%2FfCmHmDYagMPzYi8w9&data=05%7C01%7Celena.veselovscaia%40undp.org%7C6fef5b7b23e24c9dfee308db20806247%7Cb3e5db5e2944483799f57488ace54319%7C0%7C0%7C638139507988126760%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=YTt3UtX1WbDdMIMaHsHy2rNb22hg9RX8zEEVTH4qAII%3D&reserved=0)

# **selection procedure**

Selection will be based on principles of merit, transparency, equality and rational use of funds. Evaluation of project proposals includes two stages:

Stage I: Checking eligibility of applicants and compliance of the application package. Evaluate relevance of proposed project, available expertise, proven partnership, but also budget relevance and other the completion reliability. Incomplete project proposals (including annexes), as well as projects that do not meet the evaluation criteria will not be considered.

Stage II Evaluation of project proposals and budget accuracy according to the evaluation criteria. This stage is carried out by the project’s Evaluation Committee. The projects that receive the highest total number of points will be recommended for final endorsement by the AdTrade Project Board.

Annex 1- Application Form

Annex 2- Project budget