**APPLICATION GUIDELINE**

**GRANTS COMPETITION**

**development of export competencies**

**of the business support organizations or business associations**

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

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# **Background**

The MSMEs in the region have been significantly affected by a combination of factors, including a decrease in demand for their products and services, restricted access to neighbouring markets, and disruptions in supply and distribution chains due to limited access to raw materials. These challenges have hindered the growth and development of businesses, making it difficult for them to export and enter new markets.

By shifting the emphasis to export capacities and promotion, the AdTrade Project seeks to empower MSMEs on both banks of the Nistru River to tap into new markets, expand their export potential, and enhance their competitiveness. Through targeted support and collaboration, the project aims to create an enabling environment that fosters the growth and development of MSMEs, ultimately contributing to the economic recovery and prosperity of the region.

As part of the UNDP AdTrade Project, a grants competition is being launched to enhance the export capacities of BAs/BSOs and promote the interests of MSMEs on both banks of the Nistru River. The initiative specifically aims to strengthen the capabilities of Business Associations (BAs)/ Business Support Organisations (BAs/BSOs) in facilitating export activities for their members and other MSMEs, improving the overall business environment, also empowering MSMEs with valuable knowledge and skills, and helping them to effectively navigate the challenges and opportunities offered by the Deep and Comprehensive Free Trade Agreement (DCFTA) and the UK-Moldova Strategic Partnership, Trade, and Cooperation Agreement (SPTCA) arrangements, the project aims to foster an environment of trust and cooperation across the river.

It is important to recognize that strong and capable BAs/BSOs are crucial for effectively supporting and facilitating the export activities of MSMEs. Therefore, the grants competition includes capacity building activities for BAs/BAs/BSOs BAs/BSOs to ensure high level expertise to provide valuable services to their members. One key activity of BAs/BSOs capacity building is the implementation of an export readiness assessment methodology. This methodology aims to evaluate the readiness of MSMEs to engage in export activities. Through a comprehensive assessment process, BAs/BSOs will be able to identify the strengths, weaknesses, and areas for improvement of individual enterprises. This assessment will provide valuable insights for developing targeted support and assistance programs tailored to the specific needs of each MSME.

Furthermore, the grants competition also emphasizes the importance of export promotion planning. BAs/BSOs will be supported to develop robust export promotion plans for their MSMEs members that outline strategies, activities, and resources needed to effectively promote the products and services of MSMEs in domestic and international markets. These plans will serve as roadmaps for BAs/BSOs in implementing tailored export promotion initiatives, such as participation in trade exhibitions, organizing business-to-business (B2B) meetings, and leveraging digital marketing platforms.

**Overall, the grant competition under the Export Accelerator initiative aims to enable BAs/BSOs to provide valuable and tailored services to their members.** By equipping BAs/BSOs with the necessary tools, methodologies, and support, **the initiative aims to foster a conducive environment for MSMEs to thrive, grow their export potential, and contribute to the region's economic development.**

The AdTrade Project, implemented by UNDP with the financial assistance of Sweden and the United Kingdom, aims to improve individuals' livelihoods and living conditions on both banks of the Nistru River. Through the development of Bas/BSOs capacities, the establishment of partnerships, and the promotion of exports, the project aims to create sustainable growth opportunities, generate new jobs, and contribute to the economic recovery and development of the region.

# **Goals and objectives of the initiative**

The Export Support BAs/BSOs Grants initiative aims to empower up to 5 selected business support associations (BAs/BSOs) from both banks of the Nistru River. The main focus of the respective grant call is to strengthen the capacities of BAs/BSOs through learning by doing principle, thus selected BSA/BAs/BSOs will be guided by qualified experts to learn the methodology of export readiness assessment and export plan.

Each selected BA/BSO will receive a budget of up to 10,000 USD for a period of 15 months to implement various activities aimed at enhancing the export capacities of MSMEs and offering new services to their members.

The primary goals and objectives of the initiative are to:

* **Enhance BAs/BSOs services to be provided for members**

*Enable BSOs to develop and provide new and improved services tailored to the specific needs of their members, with a particular focus on export-related support.*

* **Strengthen the export capacities of MSMEs**

*Provide valuable assistance to beneficiaries of the Export Accelerator Programme to enhance their export capabilities, enabling them to expand their presence in international markets and seize export opportunities.* ***Thus, within implementing period each BAs/BSOs will provide 2 main export enhancing instruments namely export readiness assessment and export development plan, for up to 6 MSMEs beneficiaries of UNDP/AdTrade projects.*** *Both instruments will be provided through learning by doing process being guided by qualified experts contracted by AdTrade.*

* **Facilitate business growth through export promotion**

*Empower BAs/BSOs to play a crucial role in promoting the growth of their members' businesses, particularly by facilitating their export activities and connecting them with relevant resources and networks.*

* **Expand market opportunities through exhibitions, B2B meetings, others**

*Enable businesses to participate in exhibitions and business-to-business meetings, creating opportunities for collaboration, trade partnerships, and market expansion, thereby fostering their growth in international markets.*

By aligning the objectives of the Export Accelerator Grants with these expected outcomes, the initiative can effectively support the development and advancement of export capacities, services, and opportunities for businesses in the region. These outcomes will contribute to the overall goal of strengthening the export capabilities of businesses on both banks of the Nistru River and fostering economic growth in the region.

# **Timeframe and projects size**

**The implementation timeframe** for the project proposal is up to 15 months, but not less than 5 months.

The maximum amount the applicants can request under the submitted project proposals will not exceed **10,000 USD**.

# **eligible projects proposals**

The Export Accelerator BAs/BSOs Grants aim to enhance export capacities and promote the growth of businesses. 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.

There are several mandatory activities: to be considered:

* **Enhancing capacities of business support associations:** Each of selected BAs/BSOs under this call will participate in trainings sessions on export planning and export readiness assessment provided by UNDP/AdTrade. Thus, organizations will delegate at least 2 representatives to be trained.
* **Conduct Export Readiness Assessment:** The BAs/BSOs will conduct comprehensive export readiness assessments for up to 6 MSMEs (identified by AdTrade) to identify the strengths, weaknesses, and areas for improvement of export capacities of MSMEs. This assessment will serve as a foundation for developing targeted support programs to enhance their export capabilities. UNDP/AdTrade will provide clear methodology of export readiness assessment instrument, BAs/BSOs being guided and mentored in this process by qualified experts.
* **Develop Export Plans:** The BAs/BSOs will work closely with up to 6 MSMEs (identified by AdTrade) to develop robust export plans that outline strategies and activities for entering and expanding into domestic and international markets. These plans will provide a roadmap for MSMEs to navigate the complexities of export and identify market opportunities. UNDP/AdTrade will provide clear methodology of export planning, BAs/BSOs being guided and mentored in this process by qualified experts.

Other potential activities could refer to the below:

* **Enhance BAs/BSOs Capacities**: The initiative will focus on enhancing the capacities of the BAs/BSOs themselves. This includes strengthening their strategic planning abilities and technical understanding related to external trade, Deep and Comprehensive Free Trade Agreement (DCFTA), and the UK-Moldova Strategic Partnership, Trade, and Cooperation Agreement (SPTCA). With improved capacities, BAs/BSOs will be able to provide informed arguments and recommendations to the public sector for policy and regulatory improvements.
* **Offer New Services to Members:** The grants will enable BAs/BSOs to offer new and valuable services to their members, including specialized training programs, market intelligence and research, and trade facilitation support. These services will empower MSMEs to overcome export-related challenges and seize market opportunities.
* **Participation in Exhibitions, B2B Meetings, etc:** The initiative will facilitate the participation of MSMEs, members of BAs/BAs/BSOs, in trade exhibitions and business-to-business (B2B) meetings. These platforms will provide opportunities for MSMEs to showcase their products and services, establish valuable connections, and explore potential partnerships and export opportunities.

# **Eligibility of the applicants**

The application process will adhere to the following principles:

1. **Eligible applicants:** The applicant must be registered legal entity, a business support organization (BSO) or Business Association (BAs), registered as non-profit, non-governmental organizations, with a demonstrated, minimum one year history, working with micro, small, and medium-sized enterprises (MSMEs). The applicant should possess the capacity to effectively work with businesses. BAs/BSOs that have MSMEs as its members will have a priority.

*Business Associations (BAs):  are organizations formed by groups of businesses within a specific industry or sector. The main purpose of these associations is to represent and advocate for the collective interests of the member businesses. BAs play a crucial role in promoting cooperation, sharing knowledge, and addressing common challenges within the industry. They may engage in lobbying efforts, policy advocacy, networking events, educational programs, and research initiatives to enhance the growth and competitiveness of their member businesses. By providing a unified voice, business associations can influence regulations, legislation, and industry standards that affect their members.*

*Business Support Organizations (BSOs) are entities that offer various services, resources, and assistance to businesses, entrepreneurs, and startups. The primary goal of BSOs is to provide support, guidance, and tools to help businesses succeed and thrive. These organizations can offer a wide range of services, including mentorship, training, access to funding, business planning, marketing support, legal and regulatory advice, market research, and networking opportunities. BSOs play a crucial role in fostering a supportive ecosystem for business growth and development.*

1. **Cross-river partnerships:** Although only one organization can be the main applicant, cross-river partnerships/consortiums between BAs/BSOs from different banks are encouraged.
2. **Experience requirement:** The main applicant should have a minimum one year of relevant experience in activities related to the thematic area of the application. The presence of full time key experts from staff of BAs/BSOs are encouraged.

The application process aims to ensure the involvement of qualified BAs/BSOs with a track record of working with MSMEs, while also fostering cross-bank partnerships and leveraging the expertise of BAs/BSOs from both banks of the Nistru river.

**Non-eligibility criteria**

* The applicant was found liable for serious professional or financial mismanagement, proven by such evidence as recognized by UNDP Moldova.
* The applicant has a history of failing to comply with contractual obligations arising from previous arrangements with donor organizations.
* The applicant is a private entity.
* The applicant is a legal entity under the state property or founded by public authorities
* The project proposal implementation period is less than 5 months or exceeds 15 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%.

Eligible expenses include:

* Expenses for salary of (non-administrative) permanent staff to conduct comprehensive export readiness assessments and export plans
* Costs associated with data collection, analysis, and reporting.
* Software or tools for conducting assessment.
* Expenses for conducting market research and analysis.
* Printing or design of export plan documents.
* Workshops or training sessions for MSMEs to participate in the export planning process.
* Costs for organizing capacity-building workshops, seminars, or training programs for BAs/BSO staff.
* Expenses for hiring experts or trainers to provide specialized knowledge and guidance.
* Costs associated with research materials or publications to enhance technical understanding.
* Software or tools for strategic planning and analysis.
* Costs related to market intelligence and research, such as data subscriptions or market reports.
* Expenses for trade facilitation support, including logistics, documentation, and customs-related services.
* Printing or design of informational materials or guides for MSMEs.
* Participation in Exhibitions and B2B Meetings:

Ineligible expenses for the Export Accelerator program for BAs/BSOs may include, but are not limited to:

* Personal or individual expenses unrelated to the program activities.
* General administrative expenses that exceed the specified limit (e.g., office rent, utilities) or are not well justified.
* Capital investments or expenses for the purchase of real estate.
* Expenses incurred before the project start date or after the project end date.
* Costs related to activities or services not directly relevant to the objectives of the Export Accelerator program.
* Entertainment expenses, such as hospitality or leisure activities.
* Legal fees or expenses associated with litigation or disputes.
* Debt servicing costs or loan repayments.
* Political or lobbying activities.
* Any expenses that violate local laws or regulations or go against ethical guidelines.
* Fines and penalties.

# **evaluation criteria of the project proposals**

The evaluation of grant applications will be based on the following criteria:

1. **Proposed project interventions (40%):**
	1. Demonstrate how the proposed interventions will strengthen the capacities of the association and develop new services.
	2. Explain how the interventions will expand the association's expertise and enlarge the list of provided services.
	3. Describe how the project will create new job opportunities within the association.
2. **Experience of the applicant (20%):**
	1. Provide information on the qualifications and expertise of the project staff responsible for developing new services.
	2. Highlight relevant experience that demonstrates the applicant's ability to successfully execute the proposed project.
3. **Sustainability (20%):**
	1. Describe how the newly added services will increase the resilience and financial sustainability of the association.
	2. Explain how the association plans to ensure the long-term viability of the services beyond the grant period.
4. **Strengthened export capacities of association members (20%):**
	1. Clearly outline the impact the grant implementation will have on the export capacities of the association's members.
	2. Provide examples of how the grant will benefit the businesses associated with the applicant**.**

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# **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.
* Registration documents, Copy of the Statute
* CVs of key staff to be involved in project’s implementation.

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 Ms. Elena Veselovscaia at the following e-mail: elena.veselovscaia@undp.org

The Application will be sent in electronic format via email at the following addresses: elena.veselovscaia@undp.org and cc dorina.ciobanu@undp.org before the deadline 22st October 2023,23.59. Message subject: Export Accelerator BA. Confirmation of application documents receiving will be sent in short time.

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 “Export Accelerator BA”, as mentioned above.

Clarifications regarding the application may be requested from elena.veselovscaia@undp.org.

# **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 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