**APPLICATION GUIDELINES**

**EXPORT ACCELERATOR PROGRAMME**

**SUPPORT FOR COMPANIES**

**FROM BOTH BANKS OF NISTRU RIVER IN EXPORT ACCELERATING**

**in the framework of the advanced cross-river capacities for trade (AdTrade) project**

September 2023

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# **Context**

As a result of the multiple crises and negative economic dynamics, the economy of the Republic of Moldova shrank significantly, with about 18% in 2022 on the left bank and 4,1% on the right bank.

As well, in 2022, on the right bank, the net export contributed negatively to GDP evolution and subtracted 0.7% from growth. Meanwhile, on the left bank, export and import volumes fell by around 31% and 7%, in 2022. This decline will probably persist throughout 2023.

The MSMEs on both banks of the Nistru River were influenced by the economic, energy, and security crises. This has been caused mainly by demand decrease, free movement restrictions, limited access to raw materials or supply interruptions (especially for imported raw materials), distribution chain disruptions, and labor productivity decrease.

The current export acceleration initiative aims at strengthening the export potential of the MSMEs from both banks of the Nistru River to diversify the markets and expand of exported range of products. The initiative also envisages facilitating cross-river cooperation and expanding the access of enterprises from the left bank to trade mechanisms available on the right bank. The above shall be achieved by allowing the left bank private sector to access opportunities offered by the Deep and Comprehensive Free Trade Agreement (DCFTA) and the UK-Moldova Strategic Partnership, Trade and Cooperation Agreement (SPTCA) arrangements, contributing to an environment of trust and cooperation across the river.

The current initiative is implemented in the framework of the UNDP *Advanced Cross-River Capacities for Trade* (AdTrade) Project, with the financial assistance of Sweden and the United Kingdom. The overall objective of the AdTrade Project is to secure that men and women on both banks of the Nistru River have better livelihoods and living conditions, due to improved cross-river cooperation to access the opportunities offered by Moldova’s external trade arrangements, contributing to an environment of trust and cooperation across both banks. The AdTrade Project envisages the provision of methodological and practical assistance in establishing long-term trade links and promotion of exports, by supporting existing companies or by launching new businesses, thus contributing to new jobs, especially for women and vulnerable groups.

# **Initiative overview**

The initiative is intended to enhance the capacities for cross-river trade and exports of companies from both banks of Nistru river. It offers support to MSMEs from both riverbanks to help them prepare for and establish a presence in international markets where they currently have little or no sales.

The export accelerator initiative focuses on **business development support activities,** thatwill enable companies to start the export or increase their export opportunities, by ex: complying with sanitary, phytosanitary, technical, quality, environmental and social corporate responsibility standards of the export partners. Also, the initiative will focus on export marketing activities of existing products and services in foreign markets.

The target group of the current call is MSMEs registered on both banks of Nistru river.

Overall, between 2023-2025, in the framework of export accelerator initiative will be supported about 40 companies. Current call is launched to select about 25 companies.

Exporting companies and those with export potential are invited to submit requests for support aimed to increase the company’s competitiveness to access new export markets or increase their presence on the export market. Complex support will be provided to selected companies to enhance their capacities, to overcome export barriers, allowing them to access the European markets under the DCFTA and SPTCA regulations while improving their competitive advantages.

**Export accelerator programme is focusing on two phases support:**

1. **Export plan (1month)**

In the first phase, the program offers to selected MSMEs an intensive capacity-building program that includes trainings and master classes on various topics such as export marketing, export planning and strategy, market rules and requirements, etc. Upon completing program, assisted by experts, companies will be able to develop own export action plans, addressing the key requirements to enhance or initiate their export activities. These export plans will serve as eligibility criteria for the next step.

1. **Export promotion services (18 months)**

In the second phase, based on developed export plans and identified specific measures to increase /or initiate the export, each company will identify relevant services such as coaching, mentoring, certification, B2B sessions, participation in exhibitions, promotion, etc tailored to their individual export needs for the next 18 months. **The AdTrade Project will allocate the necessary funds to cover the services costs.** Additionally, all companies will undergo an export readiness assessment and receive updated export plans and strategies, developed with the support and mentorship of AdTrade experts.

Based on identified needs upon completion of export plans and export readiness assessment, potential services for strengthening the company’s capacity, to be provided with AdTrade Project support are listed below, but not limited to:

1. **Enhance the way of doing business** – re-engineering business processes, individualized professional counseling, technological expertise, etc.;
2. **Digitalization of commerce** – integration with international marketplaces, development of online shops and web pages, implementation of CRM systems, etc.;
3. **Promotion** – establishment of effective promotion tools and communication channels (including social and digital media), brand development, development of product packaging, assistance in PR activities, production of promotional materials including multimedia and cooperation with media resources, participation at exhibitions and business events, etc.;
4. **Support for cross-river trade and access to new export markets** –partner and market research, elaboration of marketing price and cost analysis, etc.;
5. **Certification support in adopting quality management standards -** ISO 22000, ISO 9001, ISO 14 000, HACCP, GLOBAL G.A.P., Corporate Social Responsibility, Environment Sustainability Governance principles etc.;
6. **Product compliance and trade requirements –** research on sanitary/phytosanitary norms, labeling requirements, research of import duties, taxes, and import procedures, information on banking and non-banking tools for foreign trade financing, international payment tools and modalities, etc.;
7. **Other services** aiming to enhance the company’s competitiveness and export potential.

# **Eligible applicants and applications**

**Applicants that meet the minimum conditions presented below will be considered eligible:**

* Demonstrate an export potential;
* Have at least 2 years of active experience on the market;
* Is registered as a legal entity and operate on the right or left bank of Nistru River;
* Have presented the financial reports to the state authority;
* Have an average annual number of employees of up to 249;
* Have an annual turnover (sales revenue) of up to 100 million MDL or total assets (fixed assets and current assets) of up to 100 million MDL, according to the last approved financial statement.
* Have not benefited from state aid or grants from other donors of more than 2,000,000 MDL (110 000 USD) in the last 3 years.

**Ineligible applicants:**

* Third-party representatives (such as agents; promoters; consultants, trading houses and export brokers, distributors) are not eligible for funding.
* fiduciary companies and insurance companies;
* financial institutions;
* microfinance organizations, savings, and loan associations;
* foreign exchange companies and pawnshops;
* gambling enterprises;
* non-state pension funds;
* enterprises where state control has repeatedly highlighted the same violations of the legislation.

**Ineligible costs:**

* Administrative costs (salaries, rent of premises, utilities, telephone etc.);
* **Procurement of machinery, equipment, and other goods;**
* Procurement of services that have already been paid through other programs or financing instruments. However, co-financing by other organizations could be considered **if informed** in advance;
* Covering of costs, losses, taxes and penalties (including differences in exchange rates), debts to third parties;
* Procurement or rent of land or premises;
* Expenditures to procure or produce alcoholic beverages, tobacco items, munition, luxury products, and other goods prohibited based on UN regulations, including the ones related to gambling organizations;
* Cash payments.

# **APPLICATION PROCEDURES**

* 1. **Budget of the support**
* The value of the requested support will be up **to 7,000 USD**, which will represent a maximum of **80%** of the total value of the project;

**The assistance amount of 7,000 USD will not be disbursed in the form of monetary funds or cash but will be used to procure services oriented to boost export potential of companies.**

* Own contribution will represent 20% of the total value of the investment project, but not less than **1750 USD**. Co-financing from applicants is accepted only as monetary contribution.
* The financed projects will be exempt from paying VAT.
  1. **Project time frame**

The implementation period will be up to **18 months**, but no later than April 2025.

* 1. **Application procedure**

Interested companies will submit a package of documents, which include:

* + 1. Application form, according to Annex 1.
    2. Copy of the registration certificate;
    3. Export plan, export readiness assessment, **if exists**, other strategic documents ex: permits, licenses, certifications facilitating export;
    4. Copy of the financial reports for the last 2 years;
    5. Declaration on one's own responsibility about the financing of the enterprise from other sources or from state aid.

*Note*: UNDP/AdTrade will cover the costs of services/activities oriented to boost company’s export, which will be identified and included in the export plans developed under the guidance of AdTrade experts. There is no limit for the number of services/activities to be covered by AdTrade sources, however, the final decision is subject to funds availability.

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 the following e-mail: [elena.veselovscaia@undp.org](mailto:elena.veselovscaia@undp.org).

Applications will be sent in electronic format via email at [elena.veselovscaia@undp.org](mailto:elena.veselovscaia@undp.org) and cc. dorina.ciobanu@undp.org before the **deadline** October 22t 2023, 23.59. Message subject: Export Accelerator III.

Upon receiving the application, a confirmation message will be sent to your email address.

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 indicate “part x of y” besides “EOI//Export Accelerator III”, as mentioned above.

Clarifications regarding the application may be requested from elena.veselovscaia@undp.org or at +37379674765.

# **Selection Procedure**

Selection of beneficiaries shall be conducted based on UNDP selection procedures and based on such principles as merit, transparency, equality, and rational use of funds. The evaluation of project proposals includes two stages:

*Stage I: Administrative verification.* This stage will verify the eligibility of the submitted projects and that of the applicants. Only the projects that passed the administrative verification stage shall be admitted for the next evaluation stage.

*Stage II: Qualitative assessment.* This stage is carried out by the Evaluation Committee based on the evaluation criteria. The projects receiving the biggest number of total points shall be recommended for financing and approval by the Project Steering Committee.

The applications will be assessed against the following evaluation criteria:

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| --- | --- |
| Evaluation criteria | Score |
| Competitiveness of business and business potential  Will be assessed the growth potential and scalability of the applicant's business in the international market. Factors such as the uniqueness of the products/services, competitive advantage, target market size and demand, and potential for market expansion will be considered. | 30 |
| Capacity to export / availability of ready-to-export products/services | 30 |
| Commitment and Motivation  Will be assessed the applicant's commitment to the export acceleration program and their motivation to succeed in international markets. Look for a demonstrated willingness to invest time, effort, and resources into expanding their business globally. | 20 |
| Innovation and Adaptability  The applicant's ability to innovate and adapt their products/services to meet the needs and preferences of international markets will be considered. A track record of introducing new features, technologies, or business models that demonstrate their ability to stay ahead in a competitive global marketplace will be evaluated. | 20 |
| Financial Stability  The financial stability and viability of the applicant's business will be assessed. Factors such as their financial statements, cash flow projections, ability to access additional funding if required, and overall financial health will be evaluated. | 20 |
| Social and Environmental Responsibility  Factors such as ethical business practices, sustainability initiatives, and adherence to international standards and certifications will be assessed  Gender mainstreaming and HRBA principles (businesses managed by women or those which will impact the livelihoods of vulnerable groups will be prioritized) | 20 |
| Total | 140 |

# **Project Implementation Process. Monitoring**

Beneficiaries commit to attending all relevant activities organized by the AdTrade Project, dedicate time and resources to absorb the services provided in the framework of the current initiative, and share their experiences as a result of the received support. Beneficiaries will facilitate monitoring visits at their premises for the AdTrade Project team and other relevant stakeholders (audit missions, media, etc.). All information collected in the process of monitoring provided by the applicant will be subject to non-disclosure and confidentiality and shall be used solely to evaluate the results of this initiative or for visibility purposes.