**APPLICANTION GUIDE**

**GRANT COMPETITION**

**EoI24/02831 : Strengthen Capacities of NGOs Working on Private Sector Development**

**under the European Union - Confidence Building Measures Programme**

dead-line for applications: 22 April 2024

April 2024

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# **Context**

Considering the new socio-economic context, the goal of Component 1 of the Programme is to create employment opportunities and livelihoods across the Nistru river by stimulating economic activity according to new business models and cross-river cooperation. Business support programs would help both sides to resolve common problems together, because the nature of their economic challenges is similar, as are the risks and structural shortcomings that the business environment is facing in conditions of multiple crises. At the same time, it will aim to reduce the growing economic development gap between the two banks, inclusively through getting access to the opportunities offered by the status of EU candidate country (i.e., EU Single Market, EU Digital Market, EU Green Deal, business advocacy for MSMEs, etc.).

According to Eurochambres, their member organizations have identified **financing conditions,** [**skills shortages**](https://www.facebook.com/hashtag/skillsshortages?__eep__=6&__cft__%5b0%5d=AZWDaMVpN2WUfSvZGp4GqLofkLeUqdjKkrlXoSR7qC7roRNa2rvrapfFIudleT6mvn0UH4QQM7eIEdOTp7c-JcEIXV-il1W0-SohHFrSLUeHd8YXrBo7w4S2G-nPHGdm6D5QFSH-vrSx35Rt8CrzynxO53Q0sE42YtOEn0wbGt2WmoLF_cxNXlBe5DPWMJacN8A&__tn__=*NK-R)**, and** [**supply chain**](https://www.facebook.com/hashtag/supplychain?__eep__=6&__cft__%5b0%5d=AZWDaMVpN2WUfSvZGp4GqLofkLeUqdjKkrlXoSR7qC7roRNa2rvrapfFIudleT6mvn0UH4QQM7eIEdOTp7c-JcEIXV-il1W0-SohHFrSLUeHd8YXrBo7w4S2G-nPHGdm6D5QFSH-vrSx35Rt8CrzynxO53Q0sE42YtOEn0wbGt2WmoLF_cxNXlBe5DPWMJacN8A&__tn__=*NK-R) **disruption as the 3 main challenges** **for 2024**. Thus, the competition will seek to encourage work in areas with high potential to address these challenges and produce confidence building effect, by providing equal opportunities to entrepreneurs of all levels through cross-river business platforms on Nistru river.

# **Project scope**

Through this activity in EU-CBM 6th phase, business support organizations from two banks of the river Nistru will be supported in their intention to implement activities that would contribute to the competitiveness enhancement of the business environment on both banks of the Nistru river.

Cross-river, common projects create conditions for all business actors to adapt to new working realities and equip vulnerable and underprivileged groups with employment skills, to allow a just transition and fair-trade competitions rules in the accelerated process where the Republic of Moldova has become a candidate country for EU accession and is quickly aligning it’s legislative and normative framework.

**Two grants of up to 40 000 USD will be awarded for two organizations** that would strengthen the collaborative relationships with academia, industry, government, civil society, and/or private sector **to address actual challenges and promote future-proof ‘green’ business models or trade facilitation solutions for business environment competitiveness enhancement on both banks of the river Nistru.**

As women, youth, active elders, refugees, or workers in the agricultural sector, are particularly hit by the multiple crises, they will be the target groups, but also final beneficiaries of the development services provided by winning organizations. Hence, the proposed projects by the applicant organizations should be in support to businesses owned or actively employing the vulnerable groups mentioned above.

# **Timeframe and projects size**

Applications to be submitted under this call shall include activities to be implemented in a timeframe of **up to 15 months** after the grant agreement will be awarded.

Each of the 2 (two) successful organizations can rely on a **non-refundable financial support not exceeding 40,000 USD** **per project (to be awarded in equivalent MDL amount, calculated on the UNORE exchange rate at signature)**. If budgets of two proposed projects will be significantly below 40,000 USD one additional application could be awarded, subject of funds availability.

Own or crowd-contributions are encouraged, being considered an advantage in the selection process. The budget application form should include co-financing from the lead partner of at least 7% of the overall budget.

# **Terms and conditions**

**[A] General**

All projects should strive to solve an existing problem for the target group in the business community on both banks of the river Nistru. 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 implementing partners in several projects.

There is considerable flexibility in identifying the actual needs and priorities of respective business areas or target groups of beneficiaries, core requirement being for submitted project proposals to target socio-economic inclusiveness and green transition topics on both banks of the river Nistru through multiplied cooperation opportunities between BSOs.

Under this call the partnership should define a stringent problem and propose an innovative solution for the benefit of the stakeholders from both banks of the river Nistru.

Successful projects will have a high impact on both banks, solving core issues for doing business in respective areas and having a positive impact on a significant number of MSMEs all along the sectorial value chain, consumers, and their livelihoods. Applicants should search to engaging with local and international stakeholders. They should also seek to reach out to wider society including grass roots organizations, local governments, or academia, where applicable, to create premises for systemic change. Thus, it may present advocacy measures or capacity building activities to enable entrepreneurs from both banks to cooperate and benefit from common tools for business resilience and adaptability, provided by the opportunities created by the new trade/green agreements the Republic of Moldova is part of now.

Projects to be submitted should prove their long-term sustainability, by describing a consistent and logic set of actions with clearly defined problem that it will solve, operational objectives, actions, stakeholders (direct and indirect beneficiaries), budgets, resilience to disruptions and crises as well as scalability. Interested applicants shall make sure that the project will be integrated, and the outcomes endorsed by the target beneficiaries and their communities (i.e. LPAs, professional schools, youth centers, producers’ associations, communities of MSMEs, etc.) and continue to work effectively after project closure date by presenting a detailed roadmap, showing how set objectives will be attained.

Prospective applicants are strongly encouraged to consider following **principles** when defining their project proposals: confidence building, inclusiveness, human rights, gender equality, environmental sustainability, and the impact it will have on building capacities of other business support organizations for enhanced advisory services.

The EU-CBM VI Programme is strongly committed to gender mainstreaming and UNDP, the implementing body, is a pioneer organization which pleads for gender balanced approach in all aspects of life, therefore under this call we strongly encourage organizations led by women to apply their project proposals. Also, one of the objectives is to ensure that at least 40% of project beneficiaries will be women.

**[B] Only organizations fitting below criteria will be eligible**

* Cross-river partnerships consisting of at least one main BSO and other associations, NGOs with private sector development portfolio or relevant business advisory services company, from both banks of the river Nistru. The lead partner can be only the non-governmental or not-for-profit organization that will legally be responsible for the implementation of the low value grant agreement with its partner organization from the opposite bank of the river Nistru and if applicable - the involvement of the private sector (big companies) other stakeholders (i.e. local professional schools, the LPAs, network of youth centers, academia, other business associations and NGOs, producer unions, employers' associations, chambers of commerce, non-commercial partnerships, etc.).
* Organizations directly involved in carrying out activities related to the areas stipulated in the project proposal, these being responsible for project management, avoiding intermediaries for their implementation. At least one of the partners will have sufficient experience in carrying out similar activities in the transnistrian region, in accordance with the objectives set out in the project proposal;
* Legal entities, which at the time of submission of the project proposal do not have debts or arrears in the payment of taxes, fees, and fines.
* Organizations not having benefited from EU-CBM Programme earlier support will be encouraged to apply.

**Non-eligibility criteria**

* Organizations responsible for serious management errors, including financial ones, in projects previously implemented for the benefit of UNDP Moldova;
* In the past, they have not fulfilled their contractual obligations according to the arrangements established with the donor organizations;
* The lead partner cannot represent an entity owned by the State and / or a commercial one.

 **[C] Budget**

* The project proposal shall include a budget estimate in US dollars ($), with detailed information about each cost line, as per the template from Annex 3. Source of funding shall be explained per each cost line: [a] from the allocated grant, [b] own contribution, [c] other sources (any financial support granted by international organizations, private sector, others). The budget application form should include an own *financial* contribution of at least 7 % of the overall budget***. In kind contributions*** are not actual costs and cannot be considered as co-financing from the partner for project implementation and will be indicated in the project description.
* Expenses for experts and personnel who will be involved in project implementation.
* Expenses for communication and visibility campaigns (including content creation for social media marketing materials and adds)
* Proposed budget and costs estimates will cover full duration of project implementation (up to 15 months);
* Proposed budget and costs estimates will be realistic and will comply with the action plan described in the project proposal;
* Goods and/or services procured under this Programme shall be subject to zero VAT taxation (0% - as per the Government Decision) on the right bank and shall be exempted from any taxes on the left bank, being qualified as technical assistance.

**Eligible costs**

* Expenses for consultants and service providers (including digital marketing, IT developers, technical sectorial experts, etc.);
* Expenses for developing materials for masterclasses, workshops, webinars, and video production of success stories (temporary membership fees (up to 15 months) for online resources and applications, information campaigns and awareness raising, copying, printing, interpretation, and translation etc.), study visits, participation at national / international fairs and exhibitions.
* Logistic expenses (including rent of venues, translation, catering, transport, gasoline, transportation for participants etc.);
* Expenses for the purchase of equipment, software and applications can only be included in the budget if they are necessary for the efficiency of project implementation. Expenses for the purchase of expendables and other materials required for the project;
* Administrative expenses should be minimized (should not exceed 10% of the budget), for instance by rewarding supporting personnel for provided deliverables, instead of paying monthly wages;
* Other expenses which are necessary for efficient implementation of the project.

**Ineligible costs**

* Expenses incurred before the contract has been signed (including expenses related to project submission) or activities already financially covered by another grant programme/other persons providing financial support and/or those which already received funding from other sources;
* Individual sponsorship for participation at workshops, seminars, conferences or educational scholarship;
* Fines, penalties and exchange rate losses;
* Current costs of an organization which are not related to the project goals.

# **Application procedure**

Applicants for the grant competition “Strengthen capacities of Business Support Organizations (BSO) to deliver Development Services” shall submit the following set of documents in Romanian, Russian or English:

1. Application form (Annex 1), project proposal (Annex 2) and budget covering costs estimates for the entire implementation period (up to 15 months) (Annex 3), where sources of funding shall be specified per each cost line: [a] from the allocated grant, [b] own sources, [c] other sources (clearly stating supporting organization), if any. All procured goods and/or services under this project will be subject to 0 VAT tax (0% - as per the Government Decision) on the right bank and shall be exempted of any taxes on the left bank, being qualified as technical assistance.
2. Qualifications of the project team (CVs of team members using same template) including resumes of the project coordinator and involved staff of partner organizations.
3. Registration certificate issued by the Agency of Public Services, for organizations from the right bank and proof of an MDL bank account operated specially for the project. Similar certificate for organizations registered on the left bank and proof of existing MDL bank account should be included (by both, main applicant, and partner organization).
4. Upon submission of the project proposal the applicant shall demonstrate that there are no financial debts (unpaid taxes and fines) to the public authorities.

The deadline for submission of project proposals is **16.30 (local time),22 April 2024**.

Applications will be accepted only before the deadline and shall be delivered to the e-mail address(incomplete or handwritten proposals, including annexes will not qualify): elena.cabac@undp.org and corina.bargan@undp.org

The project proposal shall be titled as follows: **EU-CBM EOI24/02831: BSO CAPACITY BUILDING**

Applications will be selected based on a thorough evaluation according to the established evaluation criteria process described in the chapter VI and awarded accordingly with a grant. If selected, the partnering parties will have to sign and present a detailed partnership Agreement stating clear milestones, implementation deadline and responsibilities of parties to reach the project objectives in due time.

# **Evaluation criteria**

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| --- | --- | --- |
| **Evaluation criteria for cross-river project proposals:** | **Score** | **Weight** |
| **Impact and relevance on improving business sophistication on both banks of the river Nistru** *(cross-river cooperation for the development of solutions that would contribute to addressing business community problems)* | 40 | 20% |
| **Implementation logic -** *contains a) formulation of the problem for the target beneficiaries; b) proposed solution; c) training/integration module, c) communication, awareness raising plan and follow up); d) ICT component* | 30 | 15% |
| **Quality and sustainability** *(e.g. best possible returns on investment (economically, socially (jobs and inclusiveness) and environmentally) proven by, for example: number of SMEs supported, degree of community endorsement, improved the competitiveness of SMEs within targeted value chains proposed (i.e. textile, aromatic herbs, tourism, agri-food, etc.); increased cross-river trade; increased ability to comply with EU standards; take better advantage of EU trade arrangements in the region; integration of women empowerment principles (WEPs), green and energy efficiency activities promoted, etc.)* | 30 | 15% |
| **Financial reliability** *(e.g. management fees should not exceed 20% of the budget, own financial contribution of at least 7% of total budget from the lead partner, co-financing of other partners will be strongly encouraged)* | 30 | 15% |
| **Confidence building** *(generate and advocate for cross-river synergies in economic growth and bring together business communities across the two banks and beyond, to work on mutual problems)* | 30 | 15% |
| **Experience of the consortium partners in implementing development projects for the business community** *(e.g. portfolio and CVs of the involved experts and technical specialists, as well as communication partners, etc.)* | 20 | 10% |
| **Level of involvement of implementing partners** *(e.g. clear description of responsibilities of partners, implementation deadlines, proportional distribution of tasks and responsibilities between implementing partners according to the share of administered funds, etc.)* | 20 | 10% |
| **TOTAL:** | **200** | **100%** |

# **Selection procedure**

**Note**: Project proposals can accumulate max. 200 points. Only projects that will pile a minimum of 140 points will be recommended for financing. Incomplete and/or hand-written project proposals (including annexes), as well as projects that do not meet the eligibility criteria will not be admitted.

Selection shall be based on such principles as merit, transparency, equality, and rational use of funds.

Assisted by the Responsible party contracted by EU-CBM VI, the UNDP will review proposals through a five-step process: (i) determination of eligibility of the applicant; (ii) technical review of eligible proposals; Only the projects that passed the administrative verification stage shall be admitted for the next evaluation stage, (iii) scoring and ranking of the eligible proposals by the Evaluation Committee based on the evaluation criteria outlined hereafter to identify highest ranking proposal; (iv) round of clarification and discussion within the Evaluation Committee Meeting; and (v) Grant agreement signature between UNDP Moldova and the Beneficiary.

Selection of project proposals commences upon termination of the submission procedure. Extension of the deadline could be considered, but it’s not guaranteed, thus all applicants are encouraged to fit proposed deadlines. Selection will be based on principles of merit, transparency, equality, and rational use of funds. Evaluation of project proposals includes two stages:

Stage I: EU-CBM VI team will check compliance of submitted documents and eligibility of applicants. They will also evaluate available expertise, experience of applicants, but also budget relevance and financial reliability. Project proposals which comply with eligibility criteria will be admitted to the second stage of the selection procedure.

Stage II: Selection Committee will examine qualified applications in the 1st stage as per the evaluation criteria described above and will approve 2 grant awards to project proposals with best scores as well as 2 projects for the reserve list.

# **Project Implementation Process. Monitoring**

Once the selection procedure is over, the applicants will be informed whether their project proposals have been selected for funding. Low Value Grant Agreements (LVGAs) will be signed with main organization of the partnership, representing winning project proposals. Awarded grants will be disbursed in 3-5 tranches, depending on the complexity of submitted projects.

The first tranche will be disbursed at signature of the LVGA for the implementation of actions embedded in the inception phase of the project. The following tranches will be disbursed after previous deliverable will be provided, to be confirmed through financial and detailed narrative reports provided by benefiting organization (main applicant). All submitted reports will be endorsed by a representative of the EU-CBM VI Programme.

Beneficiaries of the Programme will assume the responsibility to participate or to delegate a representative to attend training, roundtables, and public events (forums, exhibitions) organized in the frame of EU-CBM VI Programme. Granted organizations will ensure that all written and visual content on project activities is compliant with EU-UNDP communication and visibility rules.

The last tranche (10% of the grant value) will be transferred upon finalization of the project, but not later than in the 15th month from the date of commencement of the project. Upon disbursement of the last tranche, the following conditions shall be valid:

* Committed activities and agreed deliverables (in-line with the grant agreement to be signed) will be fully provided, being seconded by required narrative and financial reports;
* The established partnership will prove its long-term sustainability, continuing to implement activities described in the roadmap (submitted in the initial phase of the project);
* All trainings and public events related to the business component, organized by EU-CBM VI Programme have been attended by benefiting organizations (main applicant and partner organizations).

Upon finalization of the project, beneficiaries will assume responsibility for provided high quality deliverables and services, facilitating at the same time monitoring visits, communication products and tight cooperation with representatives of the EU-CBM VI Programme, EU Delegation, other relevant stakeholders (audit missions, media, etc.) when necessary.