



CALL FOR PROJECT PROPOSALS

GRANTS PROGRAMME

JOINT EXPORTS THROUGH INNOVATION AND ASSOCIATION (AGROEXPORT II)

Implemented in the frame of the Advanced Cross-River Capacities for Trade Project

July 2021

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BACKGROUND

The effects of the COVID-19 pandemic are felt by the business environment on both banks of the Nistru river. Movement restrictions, interruption of distribution channels and raw material, inability of many companies to get adjusted to the market requirements, insufficient digitalization of trade and financial operations have led to drastic decrease of revenues, reduction of personnel or even bankruptcy of some companies. SMEs are the most vulnerable, as frequently they do not have financial reserves and anti-crisis plans. Besides the direct impact on business, the COVID-19 pandemic affected the vulnerable groups, including the returned migrants and their families.

Agricultural producers and processors from both banks were affected by the pandemic as well, which amplified the big impact of draught and frosts from 2020. Immediate actions are necessary to increase the competitiveness of agri-food enterprises, to apply innovative technologies and to get producers in associations. Access to new markets may be provided only in conditions of observing quality, quantity, homogeneity parameters and competitive prices. Achievement of such performances may happen only in context of essential recovery of the sector, by attracting necessary resources of human and financial capital. The agro-food enterprises from both banks of the river need to improve their new production capacities, by carrying out new activities or implementing new investment projects, and they need financial resources for this.

Additionally, one of the main constraints of producers and processors from both banks of the Nistru River in relation to the Deep and Comprehensive Free Trade Agreement between the Republic of Moldova and European Union would be the reduced size of agricultural business. Association in agricultural cooperative would allow producers to become more competitive and to overcome easier the problems appearing in unfavorable years. The association of producers would allow, as well, compliance with volumes requested by distributors and trade networks from abroad.

As a response to the above-mentioned, the Advanced Cross-River Capacities for Trade (AdTrade) Project, financed by Sweden and United Kingdom and implemented by UNDP Moldova, is launching a new programme for supporting agricultural cooperatives with the aim to help the enterprises working in the sector to minimize the negative effects of the crisis and to provide preconditions for increasing trade and export.

I. ABOUT THE PROGRAMME

This call is launched with the aim to identify and support agricultural producers and processors from both banks of the Nistru River willing to join the efforts in **“agricultural cooperative” association form** to increase productivity and competitiveness on internal and external markets.

The Grants Programme will support financially at least **2 projects** for creating partnerships between producers and processors from both banks of the Nistru River with a maximum budget of **75,000 USD each**. The projects admitted to the call will be those which would submit the proof of interest¹ of the EU importer (network of shops, distributors, buyers, etc.) regarding the improved product of the cooperative as a result of the requested equipment/machinery. The selected projects will benefit from financial support for procuring innovative equipment and machinery, that along the knowledge and skills provided by the business support organization (specialized professional association, product professional organization, chamber of commerce and industry, other non-state and non-private business support organizations) will contribute to:

- (i) creating partnerships between companies from the right and left banks of the Nistru River with importers/distributors from abroad,
- (ii) developing the range of services provided by the cooperative by enhancing the capacities for production, post-harvest, storage, processing, and export of agro-food production,
- (iii) increasing competitiveness of agricultural products from the left and right bank of the Nistru River by reducing the production costs and modernizing the technological process,
- (iv) increasing access for producers and processors from the left bank of the Nistru River to the opportunities provided by the international agreements to which the Republic of Moldova is a part,
- (v) creating new jobs, especially for women and socially-vulnerable families
- (vi) creating and popularizing business models which will show the benefits of cooperation among producers and/or processors from both banks of the Nistru River.

A successful project proposal should provide for intervention for each of the above mentioned. The activities from the project should be correlated with the aim of the Grants Programme and should be based on the main applicant's competences and capacities of agricultural cooperative.

II. ELIGIBILITY CRITERIA

Eligible sectors

- Horticulture sector: production and processing of fruits, vegetables and table grapes.
- Phyto-technical sector: production and processing of oil, medical and seasoning plants.

¹ Intention contract, partnership agreement., sale-purchase contract, etc.

- Livestock sector: growing and harnessing apiculture products, sheep, cattle and goats, including processing of milk-derived products.

Eligible applicants and minimum qualifications

The application shall be submitted by business support organizations (sectorial professional association, product professional organization, chamber of commerce and industry, other non-state and non-private business support organizations) from the left or right bank, as the main applicant, in compliance with the following principles:

- The secondary applicant is an agricultural cooperative registered on the right or left bank;
- At least one member of the cooperative is an economic unit registered on the opposite bank or an association declaration (according to Annex No. 2) through which the agricultural cooperative and economic unit from the opposite bank provides its agreement that within maximum one month since the date of receiving the selection/grant award notification will extend the cooperative by including at least one new member from the opposite bank;
- Existence of interest from EU importer (network of markets, distributor, buyer, etc.) regarding the improved product of the cooperative as a result of requested equipment/machinery;
- The project implementation period should not exceed 8 months;
- At least 3 new jobs are created or the equivalent of those with part-time employment, especially for persons who represent vulnerable groups, on priority basis for women and recently returned migrants (on the right or left bank) or will maintain at least three existing jobs in the context of the situation provoked by the pandemic;
- Co-financing from the main and/or secondary applicants shall account for at least 20% of the total amounts of eligible costs of the investment project (total project budget);
- The budget meant for project administration, including of the coordination and consultancy team for increasing the capacities shall not exceed 10% of the total project budget;
- The main applicant will submit at most 2 (two) participation applications, involving different agricultural cooperatives and different enterprises from the opposite bank;
- The main and secondary applicant at the time of submission of the application have no debts or arrears for taxes, fees and fines.

Failure to meet at least one eligibility criteria will result in disqualification of the application.

Non-eligibility criteria

- The main and/or secondary applicant registered in the past in compliance with contractual obligations deriving from the previous arrangements with donor organizations.
- The main applicant represents a private entity
- The main and/or secondary applicants are legal entities under state property or founded by public authorities
- The main and/or secondary applicants are entities held by or among the majority shareholders of the members are public servants from both banks of the Nistru River.
- The main and/or secondary applicants are affiliated or depend financially from other companies participating in the project.

Eligible expenditures

The eligible expenditures under the project proposal will include, but not limited to the following:

- Consultancy for business development
- Project management expenditures.
- Machinery and equipment for storage, pre-cooling/cooling, maintenance of temperature regimes, humidity and controlled-atmosphere packaging.
- Technological machinery and equipment for premises meant for shipment, reception, washing, storage, and packing.
- Equipment for production of juices or juice concentrates.
- Technological equipment and machinery used in complex or separately for drying.
- Technological equipment and machinery used in complex or separately for freezing.
- Other innovative equipment for production and primary/final processing.

Non-eligible expenditures

- Procurement of seedlings and seeds, vehicles including motorcycles, pharmaceutical products, medical equipment, etc. any other equipment or activity which does not contribute to achieving the project objectives.
- Procurement of used goods and equipment.
- Expenditures for ceremonies, events, celebrations, but also for procuring or producing alcoholic beverages, tobacco items, munitions, luxury products, other goods prohibited based on UN rules, including the ones related to gambling organization.
- Costs of procurements or activities that have been previously covered or are currently financed from other sources.
- Cash-based payments.
- Costs for mass-media information campaigns.

- Costs for procuring agricultural fields, construction plots and/or agricultural holdings.
- Covering financial obligations (debts, credits, penalties, fines, etc.).
- Expenditures for obtaining approvals, endorsements or authorizations.
- Completing available cash
- Remuneration of work, other than work meant for business development consultancy and project administration incurred by the business support organization;
- Individual sponsorship for participation in conferences or congress.
- Any costs incurred before the signature of the financing contract (including costs related to preparing the project).
- Costs for carrying out the feasibility study and design services.
- Fees, including VAT, commission fees, etc.
- Losses due to fluctuation of foreign currency exchange rate.
- Patents, licenses and franchises.
- Travel costs, daily allowance.
- Expenditures for office furniture, equipment and consumables, maintenance costs for equipment procured under the project.

Financial and procurement aspects

At least 2 (two) investment projects meeting the above-mentioned eligibility criteria will be financed under this call of proposals. To carry out these projects, the current Grants Programme provides non-reimbursable financial contribution of at most USD 75.000 (seventy-five thousand US dollars) for each investment project. The submitted projects should meet additionally the following conditions:

- Co-financing from applicants and partners² (if there are any) is accepted only as cash (monetary means). Co-financing from partners may cover partially or fully the applicants' co-financing responsibility for implementation of the investment project, being considered as non-reimbursable contribution.
- If the submitted application is recommended to be financed, the main applicant (sectorial professional association, product professional organization, chamber of commerce and industry, business services' providers) will open a separate bank account where the applicants' and partners' contribution (as appropriate) will be transferred and a separate account meant for grant contribution from the respective call. The main applicant will manage the accounts.
- The equipment and machinery procured under the project will be in temporary ownership of the business supporting organization, participating as the main applicant, and will be

² Central administrative authorities, public institutions, foreign assistance projects or donors, who will cover unconditionally a part or the entire contribution of a future associate or full contribution of the associated within a project proposal.

transferred into temporary use to the secondary applicant for project implementation duration. Subsequently, after finishing the project implementation period, the machinery and equipment will be transferred unconditionally into secondary applicant's ownership (agricultural cooperative).

III. APPLICATION PROCEDURE

The potential beneficiaries who meet the conditions of the current call for proposals, may attend the competition by submitting the application file, which will include:

- The application which will be signed by the main applicant and secondary applicant, and if only economic units from one bank are members, the application should be counter-signed also by the economic unit from the opposite bank, the future member of the cooperative.
- The association declaration signed by the members of the cooperative and the new member from the opposite bank, only if the agricultural cooperative does not include already such members. If yes, the proof of membership will be submitted.
- The proof of interest from EU importer (network of shops, distributor, buyer, etc.) regarding the improved product of the cooperative as a result of the requested equipment/machinery, expressed via an intention contract, partnership agreement, sale-purchase contract, etc.
- Business plan (revenues and expenditures planning)
- Copy of the registration certificate for the main applicants and secondary applicants;
- Copies of financial reports of secondary applicants over the last 2 years.
- Certificate attesting lack of debts and arrears for taxes, fees and fines.

The participation application shall be filled in Romanian, Russian or English languages. The applications filled in by hand will not be accepted.

Under the present Grants Programme, the main applicant may lodge at most two applications, involving different agricultural cooperatives and different enterprises from the opposite bank.

The Application and the Applicant's Guide may be accessed on the web page of UNDP in Moldova (<http://www.undp.md/tenders/index.shtml>). These documents can be also received by requesting them at the following e-mail: cornelia.panico@undp.org.

The participation application shall be submitted electronically, via email to dumitru.udrea@undp.org and cornelia.panico@undp.org before the expiry of the deadline of 13 August 2021, 16.00 o'clock. Message subject: EOI /Grants Programme/AgroExport II.

The applications sent via any other means will be rejected. Incomplete applications or those submitted after the set deadline will 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/Grants Programme/Agro Export II”.

Clarifications regarding the application may be requested from dumitru.udrea@undp.org or cornelia.panico@undp.org.

IV. 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: Administrative verification. The eligibility of submitted projects and that of applicants, as well as submitted documents' compliance will be verified during this stage. Only the projects that passed the administrative verification stage shall be admitted for the next evaluation stage.

Stage II: Qualitative evaluation of projects. The evaluation activities under this stage are carried out by an Evaluation Committee based on evaluation criteria. The projects that receive the highest total number of points will be recommended for final approval by the AdTrade Project Board.

Evaluation criteria for project proposals

Evaluation criteria	Score
Project proposal aims to penetrate new export markets	30
Project proposal aims to increase the presence on internal or external market	20
Relevance and consistency of the budget	20
Business managed by women	20
Project proposal shows clear positive impact on vulnerable groups, persons with disabilities, recently returned migrants	20
Number of members from the opposite bank within the cooperative	10
• 1 member	15
• 2 members	20
• 3 and more members	

As a result of project implementation jobs will be preserved or created additionally:	
• Jobs will be preserved	10
• 1-3 newly created jobs	15
• 4 and more newly created jobs	20
The project provides for implementing a new innovative business idea, which includes new technologies, reduction of production costs, adaptation of production and/or processing to the new needs of the market in the context of COVID – 19	20
The main applicant has implemented similar projects:	
• 1 - 2 projects	5
• 3 - 4 projects	10
• 5 and more projects	15
Co-financing of the project will be provided for a share of:	
• 20%	5
• 21 - 40 %	10
• Over 40%	15
Total	200

Annexes

Annex no. 1 Application Form

Annex no.2 Association declaration

Annex no. 3 Business plan (planning the revenues and expenditures)