



APPLICATION GUIDELINE

GRANTS COMPETITION

DEVELOPMENT OF SUPPORT AND ADVOCACY

CAPACITIES

OF THE BUSINESS SUPPORT ORGANIZATIONS

IMPLEMENTED IN THE FRAME OF THE ADVANCED CROSS-RIVER CAPACITIES FOR
TRADE PROJECT (ADTRADE) PROJECT

July, 2021

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BACKGROUND

Reduction of external demand from the main partners of the Republic Moldova resulted in a 17.3% decrease in exports in 9 months 2020, where small companies bearing most of the brunt¹. As result of the pandemic restrictions, the volume of sales of the micro, small and medium enterprises (MSMEs) declined of up to 75-100%. The MSMEs on the left bank of Nistru river have been severely influenced as a result of the COVID-19 pandemic, as well. The main factors affecting the work of companies have been the decrease in demand for products and services, labour mobility restrictions, limited access to raw materials or supply disruptions (especially for imported materials) and distribution chains, decreased labour productivity².

Most of MSMEs cannot express solely their positions and promote their interests in front of the policy makers. Business support organizations (BSOs) offer a positive 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.

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 and to mitigate the impact of COVID-19 pandemic on business communities from both banks of the 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.

I. GOALS AND OBJECTIVES OF THE INITIATIVE

This competition is launched to identify up to 5 partnership initiatives 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 the opposite banks of Nistru river will offer support to the private sector to deal with challenges in their entrepreneurial activity, including the ones caused by Covid-19, and improve the business environment on both banks of the Nistru river. With joint efforts, the applicant organizations will identify the needs and will deliver the support for the private sector, will strengthen the public-private dialogue, propose feasible policy solutions for the improvement of the business climate on both banks of the Nistru river, etc.

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 crisis, 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

¹ Moldova-Economic-Update-Special-Focus- World Bank, December 22, 2020

² The socio-economic impact of the COVID-19 pandemic on Small and Medium Enterprises in the Republic of Moldova Report, developed by PWC, commissioned by UNDP Moldova, 2020

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 in the Transnistria region representing the needs of their constituencies – women entrepreneurs, including women with disabilities.

II. TIMEFRAME AND PROJECTS SIZE

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

The maximum amount the applicants can request under the submitted project proposals will not exceed **40,000 USD**. The projects will be implemented by both applicants, and the minimum responsibility of one partner should be at least 30 %.

III. 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 for strengthening the organizational capacities for advocating and services provision for their members, with particular focus to the exporters from the both banks of Nistru river could refer to the below:

- Conducting assessment of COVID 19 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. 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, researches etc.),
- Development of new policies to support a specific sector of the economy. 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:
 - a) 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 Extended Producer Responsibility scheme);
 - b) External trade, DCFTA and SPTCA, in particular, related to technical regulations and adjustments for trade;
 - c) Integration of the companies from the Transnistrian region in the local and international value chains, etc.
- Organizing capacity development activities aiming at building or strengthening advocacy capacities for the applicant organization and their members.
- raining and re-training the employees, as part of the BSO strategy to adapt to the COVID-19 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. ;

- 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 coaches.

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

IV. 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;
- 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 opposite banks.
- Legal entities registered on the right or left banks of the Nistru river.
- Main applicant will have an experience of min 2 (two) years of activities.

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 12 months or exceeds 18 months.

V. BUDGET

- The budget of the project 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 0% VAT rate;
- 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, translation etc.).
- Administrative expenses (communications, office rent, postal and banking services) shall not exceed 25% of the project budget proposed and be well reasoned.

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 project or 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.

VI. 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, their relevance in the context of COVID 19 and 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 advocacy. 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.

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) The project staff have enough qualifications and expertise for the project activities (20 p)	30
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) Risk assessment and mitigation measures are well defined (10 p) Co-financing and partner's contributions will count when evaluating the application (10 p)	30
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

VII. APPLICATION PROCEDURE

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

- Application Form, signed by all partner organisations (annex no. 1);
- Project budget, signed by all partner organisations (annex no. 2);
- Copy of the registration certificate and the statute of each organisation;
- 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 (<http://www.undp.md/tenders/index.shtml>). These documents can also be received by sending a request to Mrs. Cornelia Panico at the following e-mail: cornelia.panico@undp.org.

The Application will be sent in electronic format via email at natalia.iachimov@undp.org and cornelia.panico@undp.org before the deadline 16 of August 2021, 16.00. Message subject: EOI /BSO/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/BSO/Advocacy", as mentioned above.

Clarifications regarding the application may be requested from cornelia.panico@undp.org or natalia.iachimov@undp.org.

VIII. 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. Incomplete project proposals (including annexes) will be disqualified.

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 approval by the AdTrade Project Board.

Annex 1- Application Form

Annex 2- Project budget