Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria-Vlada-Government

Ministria e Industrisë, Ndërmarrësisë dhe Tregtisë
Ministarstvo Industrije, Preduzetništva i Trgovine
Ministry of Industry, Entrepreneurship and Trade

Kosovo Investment and Enterprise Support Agency

GUIDE FOR APPLICATION TO THE PUBLIC CALL FOR FINANCIAL SUBSIDIES FOR SMEs AND CRITERIA FOR APPLICANTS

GRANT SCHEME

Support of micro, small and medium-sized enterprises for the purchase of manufacturing and processing machinery according to categories (Lot I, Lot II and Lot III)

Contracting authority: Ministry of Industry, Entrepreneurship and Trade (MIET)

Implementing authority: Kosovo Investment and Enterprise Support Agency (KIESA)

Deadline for submitting the application and additional documents:
From 27.03.2024 to 19.04.2024

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1. Introduction

The Ministry of Industry, Entrepreneurship and Trade, through the Kosovo Investment and Enterprise Support Agency (KIESA), launches the grant scheme for the purchase of production and processing machinery for the private sector, particularly for sectors according to the analysis of industrial policy, which aims at structural transformation into a more globally integrated industry capable of producing high value-added products.

To achieve this goal, based on the analysis of industrial performance and value chain studies for industrial development and business support, sub-sectors with the highest potential to achieve the objectives of industrial policy have been identified. Therefore, the grant scheme aims to contribute to increasing production and processing, improving the trade balance either through increasing exports or increasing the share of products in the domestic market, increasing investments and employment, including encouraging businesses to contribute to and benefit from the circular economy.

MIET, respectively KIESA invites Small and Medium-Sized Enterprises (SMEs) to apply for financial support through this scheme according to the NACE Rev2 classification where the primary or secondary field of activity should be in one of the following codes:

Code 10	Processing of food products
Code 11	Production of beverages
Code 13, 14 and 15	Production of textiles, clothing and leather
Code 16 and 31	Production of wood and furniture
Code 22	Production of rubber and plastic products
Code 23	Production of non-metallic mineral products
Code 24 and 25	Production of metals and production of fabricated metal products

2. Financial support provided by MIET/KIESA

The total amount of this call is €1,700,000.00. The contracting authority reserves the right not to allocate all the available funds. Grants will be distributed through the following three categories;

- Lot 1 – Micro enterprises, employing up to 9 workers may benefit up to a maximum value of €20,000. The budget for this category is €700,000. The number of beneficiary enterprises is 35, but it remains at the discretion of the contracting authority to finalize this number according to the call and the needs of the call.

- Lot 2 – small enterprises, employing 10 to 49 workers may benefit up to a maximum value of €35,000. The budget for this category is €700,000. The number of beneficiary enterprises is 20, but it remains at the discretion of the contracting authority to finalize this number according to the call and the needs of the call.
- Lot 3 – medium enterprises, employing 50 to 249 workers may benefit up to a maximum value of €50,000. The budget for this category is €300,000. The number of beneficiary enterprises is 6, but it remains at the discretion of the contracting authority to finalize this number according to the call and the needs of the call.

Note:
If the quota of any Lot is not met, then the budget surplus may be transferred to other Lots. Grant beneficiaries must co-fund the implementation of the project as follows:

- Lot 1- no less than 30%
- Lot 2 - no less than 40% and
- Lot 3 - no less than 50%

3. Documents required according to Administrative Instruction 01/2018

- Business registration certificate with all accompanying information according to the requirements of the applicable legislation in the Republic of Kosovo;
- Fiscal number certificate (not applicable to businesses that have their business registration number and fiscal number in a single certificate).
- Tax certificate certifying that the applicant has no outstanding tax debts or other tax liabilities or is under a debt settlement agreement with TAK.
- The list of employees for 2023 issued by TAK (it can be downloaded online from TAK's website). Based on the list, the enterprises will be categorized and evaluated as micro, small or medium and the female gender employment points will be evaluated.[1]
- A copy of the identity card of the owner/s in whose name the applicant is registered.
- The evidence from the applicant that he/she is not in bankruptcy or under violent court administration issued by the Basic Court - the original is required, not older than 30 days;
- Proof of the applicant's active account in one of the banks licensed by the Central Bank of Kosovo.
- The applicant's bank statement for the last year (2023). For newly established applicants this is not applicable.
- The project proposal including the purpose, project activity, financial cost, project implementation timeline and applicant's organizational structure.[2]

[1] The list of employees for 2023 issued by TAK with the name of the applying entity in accordance with UID.
[2] The form to be completed can be downloaded from the e-Kosova portal.

- Should not have received funds from other funding sources for the same activities (evidenced by a statement under oath).
- Have performed all obligations from the preliminary financial support, in case they have benefited from public funding sources from MIET for the last two years (evidenced by a statement under oath).
- The offer for the production and processing machinery must not be older than the announcement date of this call and must be in Euro. The applicant is obliged to provide the offer directly from the manufacturer of the machinery.

In accordance with the aforementioned criteria, the applicant's package must contain:

- Annex A – Application Form
- Annexes B - Budget
- Annex C - Draft proposal

Explanation:
In the absence of any of the documents required above, including the annexes, the applying entities will be disqualified and will not be considered for evaluation.

4. Disqualified business entities

Business entities that have gone bankrupt or are being wrapped up, are under court administration, have suspended business activities, or have been subjected to procedures related to these issues, cannot participate in the call or be beneficiaries of the grant scheme.

5. Duration

The planned duration of the project funded by MIET/KIESA cannot exceed three (6) months from the signing of the contract between the two parties (unless otherwise provided for by the terms of the contract or the monitoring commission report).

6. Additional clarifications

- Applications may be completed in Albanian, Serbian and English.
- SMEs that have received financial subsidies for the purchase of manufacturing and processing machinery during 2021, 2022 and 2023 from MIET and KIESA are not eligible to benefit from this call. Within the year 2024, the same company cannot be a parallel beneficiary in two grant schemes, that of machinery and certification.
- In case such an enterprise becomes a beneficiary, then a bilateral agreement will be signed (MIET/KIESA and the enterprise), with the statements made during the application being part thereof.

- The scope of the enterprises must be in line with the sub-sectors according to the NACE Rev2 classification and no amendments or supplementations area are accepted after the opening of this public call.
- After signing the agreement, 80% of the approved amount will be transferred to the beneficiary enterprise, while 20% of the remaining value will be transferred after the project is completed. Before signing the agreement, the beneficiary companies are obliged to bring a guarantee from insurance companies or banks, for the total grant value.
- VAT is an eligible expense only for natural persons and companies not declaring VAT. For companies that are declaring VAT, this is an ineligible expense.
- The manufacturing/processing machinery that is required to be subsidized must be new to this agreement for delivery to the factory, installation, maintenance and staff training and the machinery cannot be sold within three (3) years.
  This will be part of the co-funding agreement.
- Beneficiaries will be the enterprises that have been ranked with the highest points by the evaluation commission, depending on the planned budget limits.
- Changes to the offer can only be made with a special request submitted to MIET/KIESA, respectively to the monitoring commission. The request must be based on grounded reasons from the beneficiary and can only be implemented after the approval of the request, and the project concept and grant amount are not changed by the Ministry. In cases where we have suppliers with prices higher than those presented in the applicant project, then changes in prices are the obligation of the beneficiary and in no case does the grant amount change from the Ministry.
- The list of evaluated enterprises will be published on the MIET/KIESA website.

7. How to apply?

The public call announcement is published on the MIET and KIESA website:

- https://mint.rks-gov.net/
- http://kiesa.rks-gov.net/

The application is submitted through the e-Kosova gateway. The deadline for submitting the application and supporting documents is 19.04.2024. Whereas additional information can be obtained through the email address: sme.kiesa@rks-gov.net in accordance with AI 01/2018, no later than five (5) days before the closing of the public call.

8. Evaluation criteria

#	Evaluation	Maximum points		
		Lot 1 micro	Lot 2 small	Lot 3 medium
1	Project proposal[3]	30	30	30
2	Exports for 2023[4]	15	15	15
3	Increase in exports[5]	15	15	15
4	Annual turnover for 2023[6]	10	10	10
5	Increase in turnover[7]	10	10	10
6	The percentage of female employees, one (1) point for every 10% of female employees.	10	10	10
7	Employment growth	Five (5) points for one (1) person to be employed	3.33 points for one (1) I person to be employed	Two (2) points for one (1) person to be employed
		10	10	10

9. Appeals

Following the publication of the preliminary results, applicants may address complaints within the deadline set under AI 01/2018 via the e-Kosova platform:

Note:
Should the information provided in this application be proven to be incorrect, the entity will not be paid and the same will be held liable for all the consequences according to the relevant applicable legislation.

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[3] The project proposal should include the purpose, project activities, financial costs, project timeline, organizational structure of the applicant, current manufacturing capacities and goals for increasing production and exports or replacing imports in case of grant approval. The proposal should also address the priority areas of the call, sectors and other specifications, how the project proposal addresses the structural constraints of that sector, the added value the project brings to the country, the feasibility and sustainability of the activities regarding expected outcomes and possible risks, as well as the implementation method.

[4] Export for 2023 must be proven by a document issued by Kosovo Customs. This means the total expert of the business for 2023.

[5] Export for 2022 and 2023 must be proven by a document issued by the Kosovo Customs. This implies comparing the increase in exports for 2023 compared to 2022.

[6] The annual turnover for 2023 must be proven by a document issued by TAK. This means the total turnover of the business for 2023.

[7] Turnover for 2022 and 2023 must be proven by a document issued by TAK. This implies comparing the increase in turnover for 2023 compared to 2022.