



**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

**Guidelines for applying to the public call for financial subsidies for SMEs and
the criteria for applicants**

Grant Scheme

**Support of micro, small and medium-sized enterprises for the purchase of
production/processing machinery according to Lot I, Lot II and Lot III categories**

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

Implementing authority: KIESA

Deadline for submitting the application and supporting documents:
From 09.06.2023 to 29.06.2023

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1. Introduction

The main purpose of the grant scheme (production and processing machinery) for the private sector is to enable the achievement of industrial policy objectives, with the goal that by 2030, the economy of Kosovo will reach the structural transformation into a more globally integrated industry able to produce products with high added value.

According to the assessments of the analysis of industrial performance and the value chain studies for industrial development and business support, in order to achieve this goal, the sectors with the highest potential to accomplish the implementation of the objectives of the industrial policy, which contribute to the expansion of production, reduction of the trade deficit, increase in export, increase in investment and inclusive employment, have been identified. Therefore, the Ministry of Industry, Entrepreneurship and Trade, through the KIESA Agency, invites SMEs to apply for financial support under this scheme for the sub-sectors in accordance with the NACE Rev2 classification where the primary or secondary activity is under one of the following codes:

- Code 10 Manufacture of food products
- Code 11 Manufacture of beverages
- Codes 13,14 and 15 Manufacture of textiles, apparel and leather
- Codes 16 and 31 Manufacture of wood and furniture
- Code 22 Manufacture of rubber and plastics products
- Code 23 Manufacture of non-metallic mineral products
- Codes 24 and 25 Manufacture of basic metals and fabricated metal products

2. Financial support provided by MIET/KIESA

The total amount of this call is €1,000,000.00. The contracting authority reserves the right not to distribute all available funds. Grants will be distributed through three categories as follows:

- Lot 1 – Micro enterprises, employing up to 9 workers can benefit in a maximum amount of up to €20,000. The budget for this category is €400,000. The number of beneficiary enterprises is 20, however it remains at the discretion of the contracting authority to finalize this number according to the call and its needs.
- Lot 2 – Small enterprises, employing 10 to 49 workers, can benefit in a maximum amount of up to €35,000. The budget for this category is €400,000. The number of beneficiary enterprises is 11, however it remains at the discretion of the contracting authority to finalize this number according to the call and its needs.
- Lot 3 – Medium-sized enterprises, employing 50 to 249 workers, can benefit in a maximum amount of up to €50,000. The budget for this category is €200,000. The

number of beneficiary enterprises is 4, however it remains at the discretion of the contracting authority to finalize this number according to the call and its needs.

Note:

The budget surplus in any of the Lots can be transferred to other Lots.

Grant beneficiaries must co-finance the implementation of the project as follows:

- Lot 1 not less than 30%
- Lot 2 not less than 40% and
- Lot 3 not 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 legislation in force in the Republic of Kosovo;
- Fiscal Number Certificate (not applicable for businesses having the Business Registration Number and Fiscal Number in one certificate);
- Tax Confirmation whereby confirming that the applicant has no current outstanding tax debts or other tax obligations, or it has an agreement with TAK for debt settlement;
- The list of workers for 2022 issued by TAK (can be downloaded online from TAK's website). Based on this list, the enterprises will be categorized and evaluated as: micro, small or medium-sized, and the points for the employment of the female gender will be evaluated.¹
- Copy of the Identification Card of the person(s) under whose name the Applicant is registered;
- Proof from the Applicant, that he is not in bankruptcy or court administration issued by the Basic Court- original, not older than 30 days.
- Proof of active bank account of the Applicant in one of the banks licensed by the Central Bank of Kosovo;
- Status of the Applicant's bank account for the last year (2022). This shall not apply for newly established Applicants;
- Draft proposal including: purpose, project activities, financial costs and the timeline for project implementation, as well as organizational structure of the Applicant²
- Has not received means from other funding sources for the same activities (proved with the statement under oath);
- Has fulfilled all liabilities deriving from the previous financial support, if they have benefited from public funding sources of MIET for the last two years (proved with the statement under oath);
- The offer for the production / processing machinery must not be older than the date of the announcement of this call.

¹ The list of workers for 2022 issued by TAK with the name of the applying entity in accordance with the UIN.

² The project proposal form that must be completed can be downloaded from the e-Kosova portal.

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

-  Annex A - Application
-  Annex B - Budget
-  Annex C - Applicant declaration
-  Annex D - Project proposal

Clarification:

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

4. Business entities that do not qualify

Business entities that went bankrupt or are closed, are under court administration, have suspended business activities, or have been subject 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 financed by MIET/KIESA cannot exceed four (4) months from the signing of the contract between the two parties (unless otherwise provided by the terms of the contract or the report of the monitoring commission).

6. Additional clarifications

- Applications can be completed in Albanian, Serbian and English.
- SMEs that have benefited financial subsidies for the purchase of production and processing machinery during 2021 and 2022 from MIET and KIESA are not entitled to benefit from this public call.
- In case the enterprise will be a beneficiary, then a bilateral agreement will be signed (MIET/KIESA and the enterprise), and part of which will also include the declarations made during the application.
- The field of activity of the enterprises must be in harmony with the sub-sectors in accordance with the NACE Rev2 classification, and no amendment-supplementing is accepted after the opening of this public call.
- After signing the agreement, 80% of the approved amount will be transferred to the beneficiary company, while 20% of the remaining amount will be transferred after the project is completed. Before signing the agreement, the beneficiary companies are obliged to bring a Letter of Guarantee from insurance companies or from banks, for the total amount of the grant.
- VAT is an eligible expense only for individuals and non-VAT declaring companies. For companies that are VAT declarants, this is an unacceptable expense.
- The production/processing machinery that is requested to be subsidized must be new and have agreement for delivery to the factory, installation, maintenance and staff training and it is not allowed to sell the machinery within three (3) years. This will be part of the co-financing agreement.

- Beneficiaries will be the enterprises that have been ranked with the highest points by the evaluation commission, depending on the planned budget limitations.
- The bid can be changed only with a special request submitted to MIET/KIESA. The request must be supported by valid reasons from the beneficiary and the same can be implemented only after the request is approved and the project concept and grant amount are not changed by the Ministry. In cases where we have bidders with higher prices than those presented in the application project, then the price changes are the obligation of the beneficiary and in no case does the value of the grant from the Ministry change.
- The list of evaluated enterprises will be published on the MIET/KIESA website.

7. How to apply?

The public call notice is published on the MIET and KIESA websites:

- ⇒ <https://mint.rks-gov.net/>
- ⇒ <http://kiesa.rks-gov.net/>

The application is made through the email address: nvm.kiesa@rks-gov.net. The deadline for submitting the application and supporting documents is until 29.06.2023, 4:00 p.m. Meanwhile, additional information can be obtained through the email address: sme.kiesa@rks-gov.net, in accordance with U.A.01/2018, no later than five (5) days before the closing of the public call.

Evaluation criteria

#	Evaluation	Maximum points		
		Lot 1 micro	Lot 2 Small	Lot 3 medium
1	Draft proposal ³	30	30	30
2	Export for 2022 ⁴	15	15	15
3	Increase in exports ⁵	15	15	15
4	Annual turnover for 2022 ⁶	10	10	10
5	Increased turnover ⁷	10	10	10
6	Percentage of female employees, one (1) point for every 10% of female employees.	10	10	10
7	Increase in employment	Five (5) points for every one (1) employee hired 10	3.33 points for every one (1) employee hired 10	Two (2) points for every one (1) employee hired 10

8. Complaints

After the publication of the preliminary results, applicants can address complaints within the deadline set by UA 01/2018 to the following email address: nvm.kiesa@rks-gov.net.

Note:

In the event that any information provided in this project/application is proven to be incorrect, the subject will not be paid and the case will be further addressed according to the relevant legislation in force.

³ Present in the project proposal, the purpose, activity of the project, financial cost, the project schedule, the organizational structure of the applicant, the current production capacities and the goals of increasing production and export, or import substitution in case of benefiting from the grant, the importance of the proposal with the priorities of the call, sectors and other specifics, how the project proposal addresses the structural obstacles of that sector, what added value the project has for the country, how feasible and sustainable the activities are in relation to the expected results and the possible risks, as well as the way of implementation.

⁴ The export for 2022 must be proven with a document issued by Kosovo Customs. This means the total business export for 2022.

⁵ Exports for 2022 and 2021 must be proven with a document issued by Kosovo Customs. This means the comparison of export growth for 2022 compared to 2021.

⁶ The annual turnover for 2022 must be proven with a document issued by TAK. This means the total turnover of the business for 2022.

⁷ Turnover for 2022 and 2021 must be proven with a document issued by TAK. This means the comparison of turnover growth for 2022 compared to 2021.