



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*

**EXPORT FOR
KOSOVO
GROWTH**

COMPETITIVENESS AND EXPORT READINESS PROJECT

MATCHING GRANTS PROGRAM

CALL FOR PROPOSALS

June 2021



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Abbreviations and Acronyms

Applicant	Enterprise/company/business/firm, a group or business
BDS	Association Business Development Services
CERP	Competitiveness and Export Readiness Project
CITES	Convention on International Trade in Endangered Species
FM	Financial Management
GM	Grants Manual
ICT	Information and Communication Technologies
IGSP	Independent Grants Selection Panel
KBRA	Kosovo Business Registration Agency
KIESA	Kosovo Investment and Enterprise Support Agency
M&E	Monitoring and Evaluation
MGs	Matching Grants
MGA	Matching Grant Agreement
MGP	Matching Grants Program
MSME	Micro, Small and Medium Enterprises
MIET	Ministry of Industry Entrepreneurship and Trade
MOF	Ministry of Finance
MoU	Memorandum of Understanding
NGO	Non-governmental Organization
PIU	Project Implementation Unit
POM	Project Operations Manual
Project	Matching Grants Program Applicant's Project
TA	Technical Assistance
WB	The World Bank



Call for Proposals - Matching Grants Program

The Ministry of Industry, Entrepreneurship and Trade (MIET) of Kosovo is responsible for implementing the Competitiveness and Export Readiness Project (CERP), in the amount of 14.3 million euros with financing through soft loans from the World Bank. The CERP project objective is to support product certification for export markets, strengthen the capacity of export-oriented firms and reduce the cost of business inspections. The MIET has established the Matching Grants Program (MGP) and engaged a Grants Implementing Entity (the consortia “Prishtina REA & WEGlobal”) to manage implementation of the MGP.

As a result of that Grants Implementing Entity (the consortia “Prishtina REA & WEGlobal”) are launching a call for grants that will acquire product certifications and standards needed for export, business support activities for market research, package design, vocational training, marketing and promotion and for enhancing MSMEs’ export capabilities. Additional activities that will be funded under the MGP include relevant production machinery, equipment for conformity assessments, and equipment or tools dedicated specifically for digital enhancement.

The overall objective of this call is to support micro, small and medium enterprises with export potential, responding to COVID-19 pandemic such as improving e-commerce capabilities, business continuity issues, process and technology upgrading.

The *MSMEs and Business Associations* are eligible to apply for the grants and the expenses may include in their application one or more of the below *listed activities*:

- **Activity 1 - Standards and Product Certification**
- **Activity 2 –Machinery/ Equipment**
- **Activity 3 –Equipment for conformity assessment bodies**
- **Activity 4 - Access to Business Development Services and Training**
- **Activity 5 - Small Equipment for digital enhancement**

The evaluation of applications for the allocation of funds for the Matching Grants Program will be realised in accordance with the Grant Manual (GM) of the MGP project.

The Applicants must meet the following eligibility criteria to apply for the Matching Grants Program:

- The Applicant is a business legal entity, incorporated under the applicable/current Kosovo Law on Business Organizations, registered in the Kosovo Business Registration Agency (KBRA), and located in Kosovo;
- Business Associations registered according to applicable laws in Kosovo;
- MSMEs of a private ownership or of a majority of assets/shares privately owned;
- Exporting firms or those with the export potential;
- Each application shall also meet the minimum technical requirements in order to be considered for the final evaluation phase by the Independent Grants Selection Panel;
- The applicant must be directly responsible for the implementation of the Project and not act as an intermediary;



- The applicant shall address the environmental issues in the project proposal and confirm that it is in compliance with national legislation for environmental protection.

During the application process, applicants are required to provide certain standardized information and mandatory documents for an application to meet the minimum qualifying criteria. The application must meet below criteria and contain the following documents:

- The application form must be completed via Online Grants Applications and Management Platform (www.mgpkosovo.net)
- Project Proposal including:
 - (a) Business Plan (template) including purpose, project activities, financial cost as well as project implementation time and organizational structure of the Applicant;
 - b) Budget plan (template) details of estimated project costs - including application for financial support as well as self-financing.
- Top management CVs (2 CVs), plus the CV of the person who will oversee the project
- Statement under oath, ([download from the Online Grants Applications and Management Platform](#)).
- Business Registration Certificate with all accompanying information according to the requirements of the legislation in force in the Republic of Kosovo; The Business Registration Certificate is required in case of a business association application.
- List of employees - from TAK- for year 2021, not older than 30 days (based on which will be the categorization of enterprises)
- Tax Verification Document (can be downloaded from www.atk-ks.org)

Please note, failure to submit any of documents listed above may result in rejection of the application and the proposal will not be considered in respect of certain criteria listed below:

Assessment criteria:

Applications will be assessed based on the following criteria and score (total score: 100):

- | | |
|--|------------------|
| 1. Management profile and company performance | 20 points |
| 2. Project proposal | 20 points |
| 3. Market/s potential for export, including new products | 20 points |
| 4. Risk management methodology¹ | 20 points |
| 5. Manner of using funds, budget and project co-financing | 20 points |

Note: Only applications that score over 60 (sixty) points will be considered for the MGP Applications, with higher level of co-financing or women entrepreneurs will be given preference. Women Entrepreneurs who will apply for MGP will be given 10 additionally points. However,

¹ Process of identifying, categorizing, prioritizing and planning mitigation measures for risks before they become issues

one application can get above 60 points, but the number of the beneficiaries will be limited to the availability of the budget.

Matching Grants Size and Eligible Expenses

MSMEs and Business Associations are eligible to apply for grants. Eligible expenses include the implementation of standards and product certifications, purchase of the machinery/equipment, the purchase of equipment used for conformity assessment, small equipment for digital enhancement and business development services (BDS)/group training. An MSME or Business Association may apply and receive up to three (3) grants, for entire MGP, including the first call, published previously under this project by the Ministry. A single application could include several activities (product certification, standards, Equipment/Machinery, Equipment for Conformity assessment bodies, BDS/training, small equipment for digital enhancement). The total grant amount for any enterprises for all activities shall not exceed €100,000. An MSME or Business Association can submit only one application for this particular Call for Application, and shall consider the instructions for applicants.

The MSMEs and Business Associations are eligible to apply for the grants and the eligible expenses may include the following activities:

Activity 1 - Standards and Product Certification

Implementation of Standards and Product Certification MGs are defined as grants to co-finance costs for MSMEs to acquire international Standards and Product Certification. The financing to be awarded by the MGP could cover a maximum of 90 percent of the costs for obtaining these standards and certifications, up to €40,000. The minimum of 10 percent of the cost should be covered by the applicant. Eligible costs to be financed by the MGP include costs of Product Certification (testing, verification, certification, and inspection) quality audits, implementation of standards, (for example, quality, environment, training, etc.). The provider of these services can also be in a foreign country. Up to 100 percent of an application can be devoted to this activity

Activity 2 –Machinery/ Equipment

Implementation of Machinery/ Equipment are defined as grants to co-finance costs of MSMEs to purchase production equipment (machinery) in order to enhance export capabilities/readiness, for businesses affected by COVID-19. The financing to be awarded by the MGP could cover a maximum of 50 percent of the cost of machinery/equipment for medium firms and up to 70 percent for micro and small firms, as long as the grant amount does not exceed €50,000. Up to 70 percent of an application can be devoted to this activity. MSMEs must keep and maintain equipment for a period of at least two years and this will be monitored. If equipment is sold prior

to the end of the two-year period, the MSME will be required to return the matching grant portion used to pay for the equipment and will not be eligible for further matching grants.

Activity 3 –Equipment for conformity assessment bodies

Implementation for equipment for conformity assessment bodies, is defined as grants to co-finance costs for MSMEs to purchase equipment used for conformity assessment which will contribute to quality infrastructure development and indirectly contribute in conformity assessment of Kosovo products before entering internal and external markets. The financing to be awarded by the MGP could cover a maximum of 50 percent of the cost of the equipment, for medium firms and 70 percent for micro and small firms, as long as the grant amount does not exceed €50,000, as detailed on the above-mentioned table. Up to 70 percent of an application can be devoted to this activity. MSMEs must keep and maintain equipment for a period of at least two years and this will be monitored. If equipment is sold prior to the end of the two-year period, the MSME will be required to return the matching grant portion used to pay for the equipment and will not be eligible for further matching grants.

Activity 4 - Access to Business Development Services and Training

The MGP could cover a maximum of 90 percent of the cost of BDS/training, up to €10,000 for a single application from an MSME, or up to €25,000 for an association. Group training or training conducted through Business Associations would be financed up to a maximum of €25,000 for up to one year. Business Associations could also be contracted to provide specific trainings to firms (at least 3 firms among their members) or to provide linkages with international firms. Eligible costs to be financed include consultancies for various business needs, such as marketing, commissioning machinery (technical acceptance, supervision), business plan development, financial management, and skills upgrading for employees of MSMEs—for example, costs to finance trainings for MSME staff. In cases where training resources are not available with consultation in local market, options of working with potential international firms should be presented in the business plan.

Additionally, this eligible expense has been expanded to respond to the COVID-19 pandemic, which is disproportionately damaging MSMEs and, due to the fall in global demand, exporting firms. Therefore, the matching grants will continue to address investment needs with the intention of both helping firms return to pre-crisis production and employment levels and establishing foundations for longer-term productivity growth and to be prepared for future crises. The MGP will support business to procure activities that facilitate access to knowledge for critical areas for responding to COVID-19 pandemic such as commissioning service providers to build or improve e-commerce abilities, develop business continuity plans in the event of another



crisis, help diversify supplier and customer markets, and train employees on needed skills for new business modalities. Additionally, BDS that can support process and technology upgrading would also be eligible. Up to 100 percent of an application can be devoted to this activity.

Activity 5 - Small Equipment for digital enhancement

The MGP could cover a maximum of 70 percent of the cost of small equipment for digital enhancement, up to €5,000. Small equipment for digital enhancement must contribute to improving the MSME's product/service, creating a new product/service or improving the production process in the context of the approved Project. Equipment needed to complement BDS/training plans for responding to the COVID crisis will also be eligible. Eligible equipment purchases could include small machinery, software, computer systems, and tools. Vehicles would not be eligible. Costs related to renovations, already purchased equipment, maintenance and repair of equipment, and for equipment not relevant to the objectives of the Project are not eligible. MSMEs must keep and maintain equipment for a period of at least two years and this will be monitored. If equipment is sold prior to the end of the two-year period, the MSME will be required to return the matching grant portion used to pay for the equipment and will not be eligible for further matching grants. Up to 70 percent of an application can be devoted to this activity.

Disclaimer:

- **No vehicles shall be included nor considered eligible investment within this activity or any other activity of the Matching Growth Programme.**
- In none of occasions, costs related to renovations, already purchased equipment, maintenance and or repair of equipment, or purchase of equipment not relevant to the objectives of the MGP will be considered eligible.
- Potential applicants shall be on note that in case of being selected for the award by the MGP, any project purchased equipment and evidence on the implemented project activities shall be kept and maintained at the project contracted location for a period of at **least two years and shall remain available during the same period for the monitoring purposes by the GMP staff.** In case that these notes are not being respected by an awardee, the same will be on subject of reimbursing the used funds for the awarded project and will be restricted to participate in further matching grants.

Before Applying – To be considered

While preparing the Application, the Applicants should consider the following:

The applicant may submit a single application that could include several activities (product certification, standards, Equipment/Machinery, Equipment for Conformity assessment bodies,



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BDS/training, small equipment for digital enhancement). All information and documents need to be written and submitted in any of the official languages foreseen by the constitution of Kosovo or in English. **However, applicants are strongly advised to submit their applications possibly in English. Submissions of application in other languages may take longer time for the evaluation process.**

Submission of applications

Applications must be submitted **ONLY** via Online Grants Application and Management Platform at www.mgpkosovo.net

The guidance using Online Grants Application and Management Platform can be found at the following link www.mgpkosovo.net as well as to the MIET website (<https://mint.rks-gov.net/>)

Only completed Applications will be accepted for evaluation. Deadlines are absolutely firm and no application process will be available after the deadline.

It is the Applicant's responsibility to ensure the timely submission of the information/documents. Applications submitted after the deadline will not be considered for the evaluation.

Applicants are strongly advised to submit their application well in advance of the deadline to avoid last minute system overload.

*The deadline for application process is **28 of July.2021, 16:00***

During the course of evaluation process on received Application, an Applicant may be required to provide additional information or documents and may also be subject of an organized on-spot check visits by the Grants Implementing Entity.

Should an award be made, the Awardees will be asked to provide Grants Implementing Entity with certain standardized information in the quarterly reports to help Grants Implementing Entity monitor progress in the implementation of the Project, including expenditures.

Other Relevant Information

The Grants Implementing Entity will organise information session to further provide details on application process and other relevant information to the interested parties. The indicative dates of sessions are:



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Region –Launching event	Date/Venue
Prishtina- Launching event	29 June 2021 / _____
General Info Session TBD	July- 2021 _____

Additional information and clarifications can be obtained via email: info@mgpkosovo.net not later than **19 of July 2021**

The Matching Grants Program disqualifies the Applicants for the following activities:

- Branches (in full ownership or majority shareholder) of a large enterprise;
- Trade of wild animals and wildlife products
- Production, distribution and sale of forbidden pesticides and herbicides
- Fishing with mesh in the water environment
- Production, treatment and disposal of radioactive products
- Conservation, treatment and disposal of hazardous waste
- Production of products containing asbestos
- Nuclear reactors and their parts
- Raw or processed tobacco, including machineries
- Manufacture of firearms
- Distilled alcohol for consumption

Additional clarification:

- ✓ The duration of the project should not exceed 12 months, unless otherwise agreed in the agreement signed between the parties.
- ✓ VAT is an ineligible expense for enterprises that are VAT declarants.
- ✓ MSME or Business Association may apply for any number of published calls for applications and may receive/gain up to maximum €100,000 per application in respect to instructions and clarifications provided within the relevant guidelines for MGP Applicants of June 2021.

Application period:

The notice on public call is published on the website of the Grants Implementing Entity www.mgpkosovo.net, on MIET Website: (<https://mint.rks-gov.net/>), and the website of Prishtina REA www.prishtina-rea.net, and on similar blogs, portals of the grants and tenders announcements as well as social media pages of the MGP and IE. Entities wishing to apply under the public call must express their interest by submitting applications via Online Grants Applications and Management Platform www.mgpkosovo.net

The deadline for application is 28 of July 2021



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Additional information and clarifications can be obtained through Online Grants Applications and Management Platform at www.mgpkosovo.net or via email at info@mgpkosovo.net at latest 10 days before the application phase is closed – or before 19 of July 2021. All Question and Answers will be published at the Online Grants Applications and Management Platform at before 23 of July 2021

