





# Public Call for Proposals for Supporting Women and Youth Start-ups through Procurement of Equipment and Introduction of Services CFP EUPROPLUS 01-2023

# 1. Background

The European Union for Local Development Programme - EU PRO Plus will contribute to more balanced socio-economic development in Serbia by enhancing territorial development management, supporting economic growth, and improving social infrastructure and social cohesion of 99 local self-governments in two regions: Šumadija and Western Serbia and Southern and Eastern Serbia.

The European Union (EU) has provided 40 million Euros through the Instrument for Pre-Accession Assistance (IPA) 2020 to fund the Programme, which will be implemented by the United Nations Office for Project Services (UNOPS) over a period of 42 months. The support is programmed with two action documents - the EU for Local Development which includes the 30 million Euros support and the EU for COVID-19 Economic Recovery which foresees a 10 million Euros addition.

There are three result areas that the Programme will achieve in targeted municipalities:

- Result 1: Improved development planning and introduction of the Integrated Territorial Investments (ITI) concept
- Result 2: Enhanced economic growth
- Result 3: Improved social infrastructure and social cohesion

While building on the momentum created by its three predecessors<sup>1</sup> Programme also focuses on four cross cutting aspects: good governance, digitalisation and innovations, environmental and climate change aspects and gender equality. In addition, EU PRO Plus will, through its COVID assistance related activity, strengthen the capacities of the public national health system to respond to COVID-19 pandemic and other national health emergency situations.

The direct beneficiaries of the EU PRO Plus are the Ministry of European Integration, 99 local self-governments, local administration structures, regional development agencies, other business support organisations, local SMEs, and civil society organisations (CSOs). The final beneficiaries are the inhabitants of 99 municipalities.

All programme activities will be undertaken in partnership with the Government of Serbia, while respecting the national policies and priorities, in order to ensure national ownership and help develop national capacities. The EU PRO Plus is based on the National Priorities for International Assistance in the Republic of Serbia until 2025 (NAD), crucial for economic and social development and the EU integration process, while particularly contributing to preparation for the fulfilment of the requirements under Chapter 22 of the EU acquis - Regional Policy and Coordination of Structural Instruments.

<sup>&</sup>lt;sup>1</sup> EU PROGRES (2010-2014), European PROGRES (2014-2018) and EU PRO (2018-2021) Programmes





# 2. Justification

The high unemployment rate among Serbian youth and women makes them particularly vulnerable categories in Serbian society today. National Employment Service of Serbia data for 2020<sup>2</sup> show that unemployment in the Republic of Serbia is approx. at 21.39% among the young available workforce up to 30 years of age, out of which approx. 55% are women. According to the same source, the unemployment rate in the regions of Šumadija and Western Serbia and South and Eastern Serbia is even higher, approx. at 21.9%, out of which approx. 63.6% are women. The Statistical Office (SORS) of the Republic of Serbia data for 2020 show that unemployment in the Republic of Serbia is approx. at 26.6% <sup>3</sup>among the young available workforce between 15-24 years of age. According to the same source, the youth in Serbia are becoming more inactive, due mostly to poor or non-existent employment opportunities (70.4% in 2019 vs. 71.7 % in 2020 were inactive). Among the main reasons that contribute to the youth inactivity are low salaries outlooks, prejudices on integrity of recruitment processes, or even certain social policy measures that are not supportive enough for increasing youth activation (e.g. financial sustenance support). Providing opportunities for quality employment is crucial when it comes to increasing autonomy and contribution of young people. The main reasons for the migration and emigration in the Republic of Serbia are limited access to public goods and services and crucially shortage of work opportunities. Official data show that emigration is most common amongst 25 and 34 years old with higher education diplomas. Between 2011 and 2019 a total of 246,337 people (6.7%) left the two Programme regions while simultaneously a significant influx of young and working age internal migrant populations was registered in the Belgrade and Vojvodina Regions.

On the other hand, women represent approx. 44.4% of all employed in the total workforce in Serbia today, and approx. 54.7% of all unemployed, while the percentage of self-employed women is also very low. There are several reasons for this – gender based roles-casting and its consequences (time spent on housekeeping, raising children, caring for elderly in family etc.), gender "segregation" in education and profession choice, minimal percentage of property ownership and thus poor access to financial resources and markets. Gender biases such as these, result in far fewer than desired women owned and run businesses. Official data show that 20.6% of unemployed women are up to 29 years of age, 67.8% of the total number of unemployed women are long-term unemployed (looking for a job for more than 12 months), while 54.7% of unemployed women are in very long-term unemployment (looking for a job for more than 24 years), representing more unfavourable indicators compared to total unemployment. Regarding individual categories of unemployed persons, the share of women is higher compared to their share in total unemployment in the category of very long-term unemployment - 56.2% of women, long term unemployment - 55.7% of women, redundant workers - 56.3% of women and single parents - 84.8% of women.

<sup>&</sup>lt;sup>2</sup> http://www.nsz.gov.rs/live/digitalAssets/15/15659 bilten nsz decembar 2020.pdf

<sup>&</sup>lt;sup>3</sup> https://publikacije.stat.gov.rs/G2021/Pdf/G20215671.pdf



A number of strategic documents tackling unemployment of young people and women in Serbia, as well as their inactivity, have been adopted in recent years. The National Priorities for International Assistance in Serbia for 2014-2017 (with projections until 2020)<sup>4</sup>, in Priority 1 envisages to "(...) promote youth employment and entrepreneurship (especially the NEET 8 group) ...". The National Action Plan for Employment in 2020<sup>5</sup> recognises the specific situation of the youth and women in the current labour market and plans for a comprehensive approach to tackle the problem.

Support to women and youth entrepreneurship and employability is also one of the objectives for of the National Employment Strategy for the period  $2021 - 2026^6$  covered by measures 2.4 and 2.5 as well as the National Youth Strategy in the Republic of Serbia for the Period from 2023 to 2030 covered by the Measure 4.3.7

Private sector in Serbia is not in a position to open sufficient employment opportunities, and the public sector jobs opportunities are quite limited, thus starting a business is more and more seen as one of the important factors in addressing youth and women unemployment in Serbia today.

However, these categories of society are usually more than likely bound to find that starting a business in an unpredictable business environment is difficult because of a variety of reasons, such as difficult and costly access to finance or high level of parafiscal charges. This needs to be addressed through a set of measures that would include access to finance, but also entrepreneurship development aspects that would complement these opportunities and would pertain to specific training and business assistance and support. Opening perspectives for employment, or rather pointing to and piloting the possible solutions to that end, the Programme will contribute to efforts to lower inactiveness and unemployment among the youth and women in Serbia today.

Overall, this Call will contribute to implementation of the EU PRO Plus Programme Description of Action.

# 3. Objectives

**Overall objective:** To enhance competitiveness and sustainability of enterprises contributing to economic stability and social cohesion of local communities

**Specific objective:** To provide employment opportunities to women and youth through provision of equipment and services which will enable their self-employment in the extremely underdeveloped local governments of the regions of Šumadija and Western Serbia and South and Eastern Serbia

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<sup>&</sup>lt;sup>5</sup>http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2020/02/Nacionalni akcioni plan zaposljavanja 2020 eng.pdf

<sup>&</sup>lt;sup>6</sup> https://www.nsz.gov.rs/live/digitalAssets/15/15855 strategija zaposljavanja u rs 2021-2026.pdf

 $<sup>^{\</sup>rm Z}https://mto.gov.rs/extfile/sr/1829/EN%20Youth%20Strategy%20in%20the%20Republic%20of%20Serbia%20for%20the%20period%20from%20203%20to%202030.pdf$ 



# 4. Scope

The Call for Proposals includes two LOTs. Both LOTs target women and youth entrepreneurs, micro and small enterprises with the provision that LOT1 targets women and youth that are not yet registered to perform business activity. LOT2 targets women and youth entrepreneurs, micro and small enterprises (MSEs), owned by women or youth, registered in 2022 and after.

The eligible activities under this Call include:

- i. Provision of equipment<sup>8</sup> with the aim of enhancing the quality of existing or the development of new products, increased productivity, supporting development of products with higher added value, substitution of imports and enable introduction of innovations, and facilitating market expansion mandatory accounting for minimum 70% of the project value.
- ii. Provision of **services** contributing to enhancing the quality of existing, or development of new products, increased productivity, supporting development of products with higher added value, enabling introduction of innovations, and facilitating market expansion (introduction of quality standards, developing of company website and online shop, certification and attestation of procured equipment, introduction of new technological processes, trainings for usage of the equipment or enhancement of technological processes, branding of products and development of software etc.) optional accounting for a **maximum of 30% of the project value.**

While the EU PRO Plus will monitor implementation of awarded grant support agreements and provide technical assistance to awarded beneficiaries, an additional capacity building is offered to interested beneficiaries on the topics such as Marketing and Sales, Financial Management and Organisation and Strategic Planning.

# 5. Financial Allocation and Cost Share Contribution

The indicative overall amount available under this Call for Proposals is 375,000 EUR (405.000 USD). The EU PRO Plus Programme reserves the right **not to award** all available funds.

<sup>&</sup>lt;sup>8</sup>Only new equipment is eligible for procurement under this call along with the related cost of transport, customs and insurance. Of-the-shelf software are considered as equipment. Procurement of passenger and transportation vehicles is not eligible equipment. The minimum value of requested individual equipment should be at least 500,00 Euros per unit.



# Minimum and Maximum Grant Award9:

Minimum – 5.000 Euros (5,400 USD), Maximum – 10.000 Euros (10,800 USD) for both LOTs. 10

# **Applicant's cost share and VAT**

Applicants' cost share cash contribution is required with following rates:

For LOT1 an Applicants' cost share cash contribution is required in the amount of 10% of the total project eligible costs.

For LOT 2 an Applicants' cost share cash contribution is required in the amount of 15% of the total project eligible costs.

# 6. Duration

The implementation of activities for awarded grants will last six months at a maximum, counting from the day of signing the Grant Support Agreement. Applicants for LOT1 will have an **additional two months** prior to signing of the Grant Support Agreement to register the business entity.

# 7. Criteria

Assessment and evaluation of received project proposals will be conducted in line with the following criteria, including the eliminatory general eligibility criteria and the evaluation criteria for the full application.

# **General Eligibility Criteria**<sup>11</sup>

- 1) Business to be registered for production and/or provision of services will be taken into consideration, excluding the following categories:
  - a) Primary agricultural production (primary agricultural production includes cultivation of plant crops and animal breeding and other purposes in direct connection with the cultivation of plants and breeding of animals, as well as storage. Purchase of equipment for performing packaging, sorting, processing and freezing activities is not excluded, for example cold storages or green houses).

<sup>&</sup>lt;sup>9</sup> Budgeting and contracting shall be conducted in USD and the funds will be transferred to selected beneficiaries in RSD

<sup>&</sup>lt;sup>10</sup> Grantees are obliged to act in line with valid tax legislation of the Republic of Serbia whereby the VAT exemption extends to the cost share contribution provided by the beneficiary (ref. Official Gazette no. 49/22, Article 112/5). Hence, all funds should be planned without VAT.

<sup>&</sup>lt;sup>11</sup>General Eligibility Criteria refers to both LOT1 and LOT2



- b) Mining and extraction of coal, oil, gas, metals etc.
- c) Construction of buildings, bridges, tunnels, highways, pipelines and other buildings.
- d) Production of controlled substances, including:
  - i) tobacco industry,
  - ii) producers of alcoholic drinks,
  - iii) producers of weapons and military equipment,
  - iv) production and trade of oil and petroleum products
  - v) producers/dealers of any other substances/materials/products controlled by the Law
- e) Trade and transport
- f) Lotteries or betting shops
- 2) Enterprises of future entrepreneurs must be registered and operate on the territory of the 43 Programme local self-governments categorised as extremely underdeveloped (Category IV) in the two statistical regions: Šumadija and Western Serbia and South and Eastern Serbia<sup>12</sup>.
- 3) Applicant may participate in this Call only with one project proposal
- 4) If approved for funding, the owner of the business enterprise, women and youth, must be a full-time employee of the business and may not be employed elsewhere. The applicant must be actively involved in all aspects of the business on a day-to-day basis.
- 5) The business entity must be operational throughout the year and permanent in nature. Proposals for part-time or seasonal businesses will not be considered.
- 6) The business plan must demonstrate a reasonable chance of success.
- 7) The proposal needs to demonstrate a genuine need for the grant funds and explain how this source of funding will contribute to the success of their business idea through this scheme vs. commercial source of funding, or similar, etc.

# Legal issues

• The applicant has not been criminally convicted<sup>13</sup>

• The applicant is not using incentives on the same grounds<sup>14</sup> from other institutions or donors during the period of implementation of activities<sup>15</sup>

<sup>&</sup>lt;sup>12</sup> Krupanj and Mali Zvornik in Mačva District;, Ljig and Mionica in Kolubarski District; Golubac, Žabari, Žagubica, Kučevo, Malo Crniće and Petrovac na Mlavi in Braničevski District; Rekovac, in Pomoravski District; Knjaževac in Zaječarski District; Nova Varoš, Priboj, Prijepolje and Sjenica in Zlatiborski District; Raška and Tutin in Raški District; Brus and Varvarin in Rasinski District; Aleksinac, Gadžin Han, Doljevac, Merošina, Ražanj and Svrljig in Nišavski District; Blace, Žitorađa and Kuršumlija in Toplički District; Babušnica, Bela Palanka and Dimitrovgrad in Pirotski District; Bojnik, Vlasotince, Lebane, Medveđa and Crna Trava in Jablanički District; Bosilegrad, Bujanovac, Vladičin Han, Preševo, Surdulica and Trgovište in Pčinjski District.

<sup>&</sup>lt;sup>13</sup> Source of information: The certificate that owner(s) and responsible persons of legal entity have not been criminally convicted - original or certified copy of the certificate

<sup>&</sup>lt;sup>14</sup> This includes incentives for procurement of equipment and introduction of services as requested from the Programme. The applicant may be eligible to use incentives from the National Employment Service for engagement of new employees, for example.

<sup>&</sup>lt;sup>15</sup> Source of information: Statement on Acceptance of Conditions of the Call (Annex B) signed by the responsible person and stamp of the applicant's enterprise



- If approved for funding, the applicant must be able to provide adequate business premises, either in ownership or through a valid long-term leasing agreement
- The applicant does not have majority ownership in other small, medium or large enterprises
- The enterprise must not produce anything that infringes copyright, trade mark or intellectual property laws<sup>16</sup>

# **General Criteria for LOT1**

- 1) Eligible to apply in this Call are unemployed women and youth (persons between the ages of 18 and 30 years) <u>only</u> that are registered with the National Employment Service. Those applicants who will be successful in this process and sign the grant contract, will be expected to register their own business within two months after the award and run the business in the period of minimum two years.
- 2) The applicant must be a Serbian citizen, with permanent residency in one of the 43 Programme local self-governments categorised as extremely underdeveloped (Category IV) in line with the Regulation on establishing the uniform list of development of regions and local self-governments for the year 2014 on the Programme territory
- 3) If approved for funding, the applicant must be a full-time employee of the newly registered business registered in one of the 43 LSGs and may not be employed elsewhere. The applicant must be actively involved in all aspects of the business on a day-to-day basis.

## **General Criteria for LOT2**

# Registration

- 1) Entrepreneurs and Companies (hereafter 'Enterprises')<sup>17</sup> should be registered at the Serbian Business Registers Agency (SBRA) in one of the 43 targeted LSGs with an active status and, if applicable, classified into Micro Companies<sup>18</sup> in accordance with the financial statements for 2022<sup>19</sup>
- 2) Enterprises established from 1 January 2022 onward for an unlimited duration and with an active status in SBRA<sup>20</sup>
- 3) The enterprise has a majority domestic ownership (minimum 51%) by women or youth at the time of publishing the Call and onwards. <sup>21</sup>

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<sup>&</sup>lt;sup>16</sup> Source of information: Statement on Acceptance of Conditions of the Call (Annex B) signed by the responsible person

<sup>&</sup>lt;sup>17</sup> Company is defined by the Law on companies ("Official Gazette of the Republic of Serbia" No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018, 95/2018 and 91/2019)

<sup>&</sup>lt;sup>18</sup> Entrepreneurs and Micro Enterprises as defined by the Article 6 of the Law on Accounting available at <a href="http://www.parlament.gov.rs/upload/archive/files/lat/pdf/zakoni/2019/2368-19%20-%20Lat..pdf">http://www.parlament.gov.rs/upload/archive/files/lat/pdf/zakoni/2019/2368-19%20-%20Lat..pdf</a>

<sup>&</sup>lt;sup>19</sup>Source of information: Data from the Serbian Business Registers Agency (SRBA).

<sup>&</sup>lt;sup>20</sup> Source of information: Data from the Serbian Business Registers Agency (SRBA).

<sup>&</sup>lt;sup>21</sup> Source of information: Data from the Serbian Business Registers Agency (SRBA).



## **Finances**

- 1) The enterprise is not in bankruptcy or liquidation proceeding
- 2) The enterprise is regularly paying its obligations towards employees and has no outstanding debt for social contributions
- 3) The enterprise is regularly paying due taxes to both local and national tax offices<sup>22</sup>
- 4) The bank accounts of the enterprise were not blocked due to the unpaid obligations for a period longer than 30 days in 2023

NOTE: During the application process, the applicants confirm they meet these conditions by signing the *Statement on Acceptance of Conditions of the Call* (Annex B). Selected beneficiaries will be requested to provide valid certificates listed in *Section 12 Additional Considerations*. The contracting authority reserves the right to require additional proofs related to the requirements of the Call for Proposal, if needed.

<sup>&</sup>lt;sup>22</sup> Source of information: The certificate of the competent tax administration that the applicant has paid all tax obligations - original or certified copy of the certificate



# **Evaluation Criteria for LOT1**

# Evaluation Criteria for LOT 1 Applications

Area	Topic	Criteria	Max points	Total points	Weighting instructions
		A1. Is the business idea well defined?	5		<ul> <li>Up to 5 points will be awarded to applicants with clear business ideas:         <ul> <li>Is there a brief and clear description of an idea behind the planned business? (up to 2 points)</li> <li>Does it describe key consumer problems it seeks to solve? (1 point)</li> <li>Does it articulate how the idea applies to a market? (1 point)</li> <li>Does it provide a clear direction when processing a business plan? (1 point)</li> </ul> </li> </ul>
Relevance and Expected Results (45)	A. Subject of the business idea	A2. Are planned activities clear and achievable?	10	15	Up to 10 points will be awarded if results are achievable based on verifiable data:  • Is there a clear link between planned resources (equipment, people and materials) and planned production capacities. (up to 3 points)  • Is it specified what resources are needed and when to achieve each of the planned activities? (up to 3 points)  • Are the fundamental operating activities for a business clarified:  • production  • sales,  • customer service,  • administration  • marketing. (up to 4 points)

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Area	Торіс	Criteria	Max points	Total points	Weighting instructions
	B. Potential market for the business idea	B1.Is there a need for this product/service according to the market analysis?	10	15	<ul> <li>Up to 10 points will be awarded to applicants with:         <ul> <li>Clear market description (up to 2 points)</li> <li>Quantified market potential based on verifiable data (up to 2 points)</li> </ul> </li> <li>Clear linkage between market analysis and expected sales and business revenue. (up to 2 points)</li> <li>Clear and developed range of services. (up to 2 points)</li> <li>Adequate position and location of the business premises. (up to 2 points)</li> </ul>
		B2.Client/customer identification, selling strategy-and competition analysis are well defined?	5		<ul> <li>Up to 5 points will be awarded if:</li> <li>The relevant potential clients and business coverage area are listed (1 point)</li> <li>Sales performance and marketing strategy clarified (2 points)</li> <li>Competition analysis defined based on verifiable facts (1 point)</li> </ul>
	C. Innovation	C1 The proposal includes introduction of innovative technology of business processes, digitalization and enhanced use of ICT technology	5	5	Up to 5 points will be awarded if the proposal includes digitalisation of business and/or introduction and development of innovative: - products/services - technologies/processes - business models



Area	Topic	Criteria	Max points	Total points	Weighting instructions
	D. Job Creation	D1. Does the proposal envisage short and long term employment of new employees grounded in the business plan, beside the owner? Projects generating additional jobs will be awarded with additional points.		10	New jobs in the short term (within 6 months): Applicants with proven potential for hiring at least: Two and more new workers – 8 points. * One new worker - 5 points *  New jobs in the long term (within 3 years): Applicants with proven potential for hiring additional workers in the next three years will be awarded with additional 2 points.  *Maximum number of points for Job creation is 10. Number of new employees does not include the owner of the newly established business.
Operational Capacity (20)	E. Operational capacity	E1 Does the applicant have skills and expertise to realise the business idea? Is there previous work/experience related to the business idea?	15	20	Up to 15 points will be awarded to applicants with relevant experience and expertise to implement the business idea based on described references of the applicant:  The applicant has relevant academic education relevant for the business idea - 10 points  The applicant has relevant formal education (high school) or academic education - 5 points  The applicant has relevant experience for three years or more - 10 points  The applicant has relevant experience for one to three years - 5 points  The applicant has relevant experience for six to twelve months - 3 points  Up to 5 points will be awarded if the applicant has finished relevant vocational training courses.*  *Maximum number of points for skills and expertise to realise the business idea is 15.

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Area	Торіс	Criteria	Max points	Total points	Weighting instructions
		E2 Will the applicant have sufficient expertise to prepare technical specifications and conduct procurement(s) for the new equipment and services?	5		The requested equipment and services are clearly described with sufficient level of details. ( 3points)  Applicant has some experience in working with similar equipment (2 points)
	F1. Will the applicant have sufficient technical expertise to maintain equipment in operational use?	5		Applicants with adequate knowledge, relevant experience and skills to organise and run planned production activities will be awarded up to 5 points:  • The applicant has adequate technical expertise for the equipment that will be in use- up to 2 points  • The applicant has relevant experience skills to organise and run planned production/service activities - up to 3 points	
Sustainability (15)	F. Sustainability	F2. Will the applicant have sufficient funding to maintain the equipment and cover other costs deriving from its use (e.g. maintenance, repairs, tests, insurance, tax)?	5	15	Up to 5 points will be awarded to applicants with sufficient financial capacity:  - The applicant has adequately planned the costs related to business operation including cost of equipment maintenance and introduced services. (3 points)  - The projected profits for the next three years show growing trend (2 points)



Area	Торіс	Criteria	Max points	Total points	Weighting instructions
		F3. What will be the impact on environment (e.g. energy consumption, waste quantities, recycling)	5	points	Up to 5 points will be awarded if the planned business intervention has a positive impact on the environment:  The applicant sources more than 20% of their inputs from recyclable materials. (5 points) The applicant sources more than 10% of their inputs from recyclable materials. (3 points) The applicant sources more than 5% of their inputs from recyclable materials. (1 points)  New equipment reduces energy consumption and waste quantities. (up to 3)
		G1. Will the business be registered in rural areas?	5*		If most of the business facilities of the applicant are in rural areas 5 points will be awarded.
		G2. Category of development of the LSG where the business is registered	5*		Applicants registered in municipalities categorised as: - devastated – 5 points - fourth development category – 3 points
Social Impact (20)	G. Social Impact	G3. Is the applicant long term unemployed?	5*	20	5 points will be awarded if the applicant is unemployed for more than 1 year. 3 points will be awarded if the applicant is unemployed for more than 6 months. 1 point will be awarded if the applicant is unemployed for more than 3 months



Area	Topic	Criteria	Max points	Total points	Weighting instructions
		G4. Is the applicant recent graduate from High School or University?	5*		5 points will be awarded if the applicant graduated from University in the last two years. 4 points will be awarded if the applicant graduated from high school in the last two years or from the University in the period longer than two years. 3 points will be awarded if the applicant graduated from high school in the period longer than two years.
		G5. Does the proposal envisage employment or other benefits for persons with disabilities, single parents, youth that grow up without parental care, or in foster or residential care, minorities or other vulnerable groups?	5*		5 points will be awarded to applicants that are from the following categories: - persons with disabilities - single parents - youth that grow up without parental care, or in foster or residential care - minorities or other vulnerable groups.  3 points will be awarded to applicants that plan additional employment for persons from the above mentioned categories.
		G.6 Does the proposal include corporate social responsibility activities i.e. measures that make a positive impact on the local communities?	5*		Up to 5 points will be awarded to applicants that plan relevant and sustainable social responsibility activities or whose business contributes to social cohesion or inclusion of the local community.
		*Maximum number of points fo	mpact is 2 100	0 regardless if the sum of all subcriteria is more than 20.	



# Evaluation Criteria for LOT 2 Applicants

Area	Торіс	Criteria	Max points	Total points	Weighting instructions
		A1. Is the business idea and the objectives well defined?	5		<ul> <li>Up to 5 points will be awarded to applicants with clear business ideas:         <ul> <li>Is there a brief and clear description of an idea behind the planned business? (up to 2 points)</li> <li>Does it describe key consumer problems it seeks to solve? (1 point)</li> <li>Does it articulate how the idea applies to a market? (1 point)</li> <li>Does it provide a clear direction when processing a business plan? (1 point)</li> </ul> </li> </ul>
Relevance and Expected Results (50)	A. Subject of the business idea	A2. Are planned activities clear and achievable?	10	15	Up to 10 points will be awarded if results are achievable based on verifiable data:  • Is there a clear link between planned resources (equipment, people and materials) and planned production capacities. (up to 3 points)  • Is it specified what resources are needed and when to achieve each of the planned activities? (up to 3 points)  • Are the fundamental operating activities for a business clarified:  • production  • sales,  • customer service,  • administration  • Marketing. (up to 4 points)



Area	Торіс	Criteria	Max points	Total points	Weighting instructions
		B1. Proven market potential based on the market analysis and increase in business revenues	10*		<ul> <li>Up to 10 points will be awarded to applicants with:         <ul> <li>Clear market description (up to 2 points)</li> <li>Quantified market potential based on verifiable data (up to 2 points)</li> </ul> </li> <li>Clear linkage between market analysis and expected sales and business revenue. (up to 2 points)</li> <li>Clear and developed range of services. (up to 2 points)</li> <li>Adequate position and location of the business premises. (up to 2 points)</li> </ul>
	B. Market Potential and Value Chain Contribution	B2. Export orientation will be awarded with additional points	3	15	Planned export is: - 30+% of revenue – 3 points - 10+ to 20% of revenue – 2 points - 0 to 10% of revenue - 1 Realised export carries 1 additional point but up to total of 3 points for this criteria.
		B3. The projected value of contribution to the value chain in the first year after the investment	2		Up to 2 points will be awarded to applicants with a clear link between investment and contribution to the value chain in the first year after the investment measured by increased demand for inputs and increased outputs.
		B4. Position within the value chain	3		Up to 3 points will be awarded to applicants with a longer value chain in Serbia:  The applicant sources more than 50% of inputs from domestic production and sells more than 50% of products/services as inputs to domestic industries. (3 points)  The applicant sources more than 50% of inputs from domestic production

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Area	Торіс	Criteria	Max points	Total points	Weighting instructions
					or sells more than 50% of products/services as inputs to domestic industries. (2 points)
					The applicant sources more than 30% of inputs from domestic production or sells more than 30% of products/services as inputs to domestic industries. (1 points)
		*Maximum number of points fo	r Market	potential i	s 15 regardless if the sum of all subcriteria is more.
	C.Increased Efficiency	C1. Projects contributing to increased efficiency will be awarded with additional points. The efficiency will be assessed through relation of outputs and inputs needed for production of products or provision of services	5	5	Up to 5 points will be awarded to applicants with a clear link between investment and sufficient increase in efficiency and decrease in costs supported by data in financial indicators:  - Efficiency ratio increased by more than 10% (5 points)  - Efficiency ratio increased by more than 5% (3 points)  - Efficiency ratio increased by more than 3% (1 points)



Area	Торіс	Criteria	Max points	Total points	Weighting instructions
	D.Job Creation	D1. Projects generating jobs, in addition to the owner, will be awarded with additional points. Likewise, projects with a longer-term impact on employability will be awarded with additional points.	10	10	Applicants that will hire: Three and more new workers – 8 points. * Two new workers - 5 points * One new worker - 3 points Applicants with proven potential for hiring additional workers in next three years will be awarded: 3 points for three and more new workers, 2 points for two new workers, 1 point for one new worker. Projects with a longer-term impact on employability will be awarded maximum 3 points *Maximum number of points for Job creation is 10. Number of new employees does not include the owners of the newly established business.
	E. Innovation	E1. The proposal includes development of innovative products/services, digitalization and enhanced use of ICT technology and/or enhancement and optimization of business processes	5	5	Up to 5 points will be awarded if the proposal includes digitalisation of business and/or introduction and development of innovative:  • products/services  • technologies/processes  • business models  The applicant introduces a completely new product/service or technology process. (5 points)  The applicant improves an existing product/service or technology process. (3 points).  Additional 2 points will be awarded to the applicants introducing digitalisation of their businesses with a maximum of 5 points for this category.

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Area	Topic	Criteria	Max points	Total points	Weighting instructions
Operational Capacity (20)	F. Operational capacity	F1 Does the applicant have skills, expertise and organisational structure to realise the business idea?	15	20	Up to 15 points will be awarded to applicants where owner or key employees have relevant experience and expertise to implement the business idea based on described references of the applicant:  The owner or key employees have relevant academic education relevant for the business idea - 10 points  The owner or key employees have relevant formal education (high school) or academic education - 5 points  The owner or key employees have relevant experience for five years or more - 10 points  The owner or key employees have relevant experience for three to five years - 5 points  The owner or key employees have relevant experience for one to three years - 3 points  Up to 5 points will be awarded for applicants with defined organisational structure and clear division of business roles and responsibilities.*  *Maximum number of points for skills and expertise to realise the business idea is 15.



Area	Торіс	Criteria	Max points	Total points	Weighting instructions
		F2 Will the applicant have sufficient expertise to prepare technical specifications and conduct procurement(s) for the new equipment and services?	5		The requested equipment and services are clearly described with sufficient level of details. (3 points)  Applicant has sufficient knowledge and relevant experience in the industry (2 points).
		G1. Will the applicant have sufficient funding to maintain increased level of employment as well as new equipment and services and cover other costs deriving from its use (e.g. maintenance, repairs, tests, insurance, and tax)?	5		Up to 5 points will be awarded to applicants with sufficient financial capacity:  The applicant has adequately planned the costs related to business operation including cost of equipment maintenance and introduced services. (3 points)  The projected profits for the next three years show growing trend (2 points)
Sustainability (10)	insurance, and tax)?	5	10	Up to 5 points will be awarded if the planned business intervention has a positive impact on the environment:  The applicant sources more than 20% of their inputs from recyclable materials. (5 points) The applicant sources more than 10% of their inputs from recyclable materials. (3 points) The applicant sources more than 5% of their inputs from recyclable materials. (1 point) New equipment reduces energy consumption and waste quantities. (up to 3 points)	



Area	Торіс	Criteria	Max points	Total points	Weighting instructions
		H1. Does the applicant have production facilities in rural areas?	5*		If most of the business facilities of the applicant are in rural areas 5 points will be awarded.
		H2. Category of development of the LSG where the business is registered	5	20	Applicants registered in municipalities categorised as: - devastated – 5 points - fourth development category – 3 points
Social Impact (20)	H. Social Impact	H3. Does the proposal envisage additional employment or other benefits for women, youth, persons with disabilities, single parents, youth without parental care leaving in foster or residential care, minorities or other vulnerable groups?	7		5 points will be awarded to applicants that are from the following categories: - persons with disabilities - single parents - youth that grow up without parental care, or in foster or residential care - minorities or other vulnerable groups.  2 points will be awarded to applicants that plan additional employment for persons from the above mentioned categories.  Additional 3 points (but not more than a total of 7 points for this subcriteria) will be awarded if the applicants already employ persons from the vulnerable categories.



Area	Торіс	Criteria	Max points	Total points	Weighting instructions		
		H4. Does the proposal include corporate social responsibility activities i.e. measures that make a positive impact on the local communities?	5		Up to 5 points will be awarded to applicants that plan relevant and sustainable social responsibility activities or whose business contributes to social cohesion or inclusion of the local community.		
		*Maximum number of points for Social impact is 20 regardless if the sum of all subcriteria is more than 20.					
TOTAL				100			

Applications that have been given a total score of a **minimum 60 points** will be considered for the award. The Programme reserves the right to lower the threshold upon receipt of applications.

The Programme reserves the right to conduct a site validation visit, to validate information related to applicants' eligibility and validate the project proposal and data provided by the applicant. A site validation might also be conducted online via video conference calls, depending on the conditions, and should include meetings with responsible persons and key operational and business personnel and visits or video stream from any part of the premises/sites for the purposes related to the application.



# 8. Application procedure

**Application procedure** includes submission of the **Application Form and related statement** based on which assessment of eligibility of the applicant will be conducted in relation to General Eligibility Criteria and technical evaluation of the project proposal in line with evaluation criteria given in the previous section of this document.

- a) Applicant submits following documents in Serbian language:
  - Printed ID cards or photocopy of the first page of passport for all applicants for LOT1 and all owners of the legal entity for LOT2
  - ♦ Filled-in Application Form (Annex A) in the original word format and an identical copy with signature of the responsible person and stamp of the applicant's enterprise<sup>23</sup>,scanned and transferred into PDF format.
  - ♦ Filled-in Statement on Acceptance of Conditions of the Call (Annex B) with signature of the responsible person and stamp of the applicant's enterprise, scanned and transferred into PDF format
  - ♦ Filled- in Application Checklist (Annex C) enclosed
  - ☐ Applicants for LOT1 also submit:
    - ♦ Confirmation of unemployment status from National Employment Service
  - ☐ Applicants for LOT2 also submit:
    - ♦ Balance Sheets and Income Statements for year 2022 (Entrepreneurs who are in the flat-rate taxation system, instead of the balance sheet and income statement, must submit Turnover according to the current account (accounts) registered in banks, for 2022and Decision on flat-rate taxation.
    - ♦ Statistical Annexes for year 2022 (if available).
    - ♦ Three to five photos of the business facilities and products if applicable
- b) The Programme evaluation commission appraises the proposals and informs the candidates on the decisions taken

<sup>&</sup>lt;sup>23</sup> Stamped Application Form (Annex A),and Filled-in Statement on Acceptance of Conditions of the Call (Annex B) is needed only for LOT2 applicants



- c) In due time, the candidates whose project proposals are appraised positively are being invited to an interview with the evaluation panel. The candidate will be expected to justify and verbally elaborate the proposal and to answer additional question asked by the panel
- d) Only after this stage is completed, the final decision on who the actual awardees are will be made
- e) The candidate is informed that the grant has been approved. The grantee signs the contract with UNOPS/EU PRO Plus
- f) Additional professional training for the grantees related to accounting and taxation, business registration, marketing, management and networking skills, will be provided by EU PRO Plus
- g) Only then, the LOT1 grantees starts with registration process with the APR (the costs of the registration will be paid by the grantee and will be considered as the grantee's financial contribution) and registers himself (and others) as full-time employee(s)

# Instructions for submission of the applications

The Application documents must be submitted in the following manner:

- Applications must be submitted exclusively via online application form at <a href="https://www.euproplus.org.rs/">https://www.euproplus.org.rs/</a> in PDF format (signed, stamped and scanned) and in original editable format (MS Excel). Signed, stamped and scanned versions must contain exactly the same application documents as the electronic versions in original editable format. Automatic email notification of the delivery would follow upon successful submission of the application at the address left in the online submission form. In order to fill in the online form applicants must register with their google or google suite account.<sup>24</sup>
- Applications sent by any other means (e.g. by fax or by post or by hand delivery) or delivered to emails will be rejected. Hand-written applications will not be accepted.
- All required fields in the application form must be filled in before submitting the applications
- The applicant should submit application forms and supporting documents in Serbian language.
- The total size of the application documents should not exceed 100 MB.
- Automatic notification of the delivery to the entered contact email address of the applicant would follow upon successful submission of application form.
- The deadline for the submission of applications is **24:00 (CET) on 12 September 2023**. Any application submitted after the deadline will be rejected.
- Applications must be received before 24:00 (CET) on the closing date of the Call for Proposal.
   Applicants are kindly advised to submit the application timely, as late deliveries due to slow internet connection or other network/hardware/software related problems may lead to disqualification of the application. Only applications received by UNOPS server before the deadline would be accepted.

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https://support.google.com/accounts/answer/27441?hl=en



- Requests for clarification should be submitted through the online form on the internet page
  of the Call or via e-mail address below: rsoc.cfp.clarifications@unops.org by 25 August 2023,
  the latest.
- UNOPS reserves the right to request the original versions of submitted documents from applicants where/when original documentation is required by the Evaluation Team.

# 9. Monitoring, Reporting and Evaluation

The grantees must monitor their own projects and make relevant records, including documentations, photos and other materials. The grantee will be expected to submit the final report on the carried out activities at the end of the project.

The EU PRO Plus Programme will monitor implementation of the projects. The grantee can be audited at any time during the project implementation or in the period of five years after the project completion and subsequent actions may be taken according to the assessment's findings.

# 10. Visibility

The Applicants must take all steps prescribed in the <u>EU PRO Plus Communication Guidelines</u><sup>25</sup> to promote the European Union (EU) financial contribution to the Action.

These activities include but are not limited to clear visual identification of the action at site, partaking in various media activities and events including activities designed to raise the awareness of specific or general audiences of the overall EU support to Serbia. These refer to but are not limited to on-camera and other media interviews, participation in high level events and relevant on-line and in person surveys on Programme related topics. These applicants must comply with the objectives and priorities agreed with the EU PRO Plus Programme and guarantee the visibility of the action.

As it is stated among other things in the above mentioned Guidelines, it is mandatory to have a web banner, provided by the Programme to all approved projects, on the internet pages of the beneficiaries.

# 11. Additional Considerations

Selected beneficiaries will be required to provide project proposals and budget forms (Annex A) in English language.

Selected beneficiaries will be required to provide proofs on meeting the requirements of the Call for Proposal, including originals or certified copies of:

• The certificates of the local and national tax administration that the applicant has paid all tax obligations - original or certified copy of the certificate.

Serbia in partnership with the Ministry of European Integration

<sup>&</sup>lt;sup>25</sup> See the European Commission Manual for <u>Communication and Visibility in EU-financed external actions</u> as well as <u>Visibility</u> Guidelines for <u>EU funded projects in Serbia</u>



• The certificate shows that the owner(s) and responsible person(s) of the legal entity have not been criminally convicted – original or certified copy of the certificate.

In case that Applicant does not submit the requested Certificates or the Certificates are not consistent with the Statements submitted (Annex B), the application will be rejected and contract will not be signed.

The contracting authority reserves the right to require additional proofs related to the requirements of the Call for Proposal, if needed.

The grantee will be obligated to keep all the records related to the project implementation for five years after the project completion.

The grantee will be obligated to keep the same or higher level of employment for two years after the project completion.

The grantee cannot sell or in any other way transfer ownership over the equipment obtained through the implementation of the project for at least three years after completion of the project.

The grantee beneficiaries will need to conduct a competitive procurement process for the equipment and services covered by the grant following the guidelines for procurement provided by UNOPS.

# 12. Indicative Timeframe

Activity	Timeframe/ Deadline	
Publishing the Call for Proposals	27 July 2023	
Implementation of the Info Sessions for the Call and Online business plan writing training	August 2023	
Deadline for Submission of the Project Proposal	12 September 2023	
Evaluation of the Project Proposals	September - October 2023	
Site Validation Visits	October 2023	
Endorsement of results by the Programme Steering Committee	December 2023	
Information on the Evaluation Results	December 2023	
Signing of Agreement	December 2023	



# **Data Protection**

UNOPS shall ensure an appropriate protection of received data subject provided by the Applicant in accordance with the applicable UNOPS Key Privacy Principles (ref. UNOPS Executive Office Directive Ref. EOD.ED.2019.01). Data subject shall therefore be managed carefully by UNOPS and in a coherent manner across the organisation, particularly ensuring respect for human rights and fundamental freedoms of individuals, in particular the right to privacy.

## **Annexes**

Annex A Application Form

Annex B Statement on Acceptance of Conditions of the Call

Annex C Application Checklist