



## Public Call for Proposals for Procurement of Equipment and Introduction of Services for Entrepreneurs, Micro and Small Enterprises (CFP EUPROPLUS 02-2022)

### 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.

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

## 2. Justification

The SMEs sector represents an important segment of the Serbian economy. It is estimated that SMEs represent 99.5% of active business entities, they provide 57% of employment and participate with 50% in the GVA of Serbia.<sup>2</sup> The average number of employees per SME is 2.4, which indicates one of the key weaknesses of this sector compared to the European Union member countries, where the average number of employees is 4.2. This additionally points out high fragmentation and low competitiveness of the Serbian SMEs. Furthermore, every third enterprise operates in the retail and wholesale sector, while SMEs in processing industries work in low technological areas, creating low value added products, which in turn means weaker market position and lower profit margins. SMEs are insufficiently export oriented: from the total number of registered SMEs only 4.3% are exporters.

The SMEs in South and East Serbia have half of the productivity compared to the Belgrade Region, while those in Šumadija and Western Serbia are 1.7 times less productive than the ones in Belgrade Region.<sup>3</sup> The conditions for the start-up activities and enterprise development are equally uneven with significant differences in the survival rates. Lack of new technologies and development of new products are among the key obstacles to the development of the SME sector. Furthermore, many enterprises are missing specific skills and expertise that can be obtained only outside of the companies. Even when an SME develops or upgrades their products, they lack international connections, quality certifications and visibility to monetize their products.

The Government's Economic Reform Programme (ERP) for the period 2021-2023<sup>4</sup> recognises progress that Serbia has made to improve the business environment and to reduce the grey economy. It acknowledges that numerous obstacles remained in place, such as limited access to finances for SMEs and entrepreneurs. It also recognised advancements related to industrial development and establishment of a more efficient state system for promotion of investments and export. The ERP indicated, however, that for further development there was a need to technologically upgrade the production, especially in sectors where the country has the competitive advantages. The focus should shift towards creation of products with higher added value. Considering these analyses, the ERP, among other, recommends further improvement of the business environment and effective and transparent support to businesses affected by the crisis, in particular micro, small and medium-sized enterprises in mitigating the economic consequences of Covid-19 pandemic and stimulating economic recovery.

Younger SMEs are especially at risk and have greater limitations to technologically upgrade their production, among other things, due to limited access to finances.

Creating a SME-friendly environment for companies and entrepreneurs is one of the EU's main objectives. In the Cohesion Policy 2021-2027, support to SMEs is identified as one of the key components in creating a more competitive and smarter Europe.<sup>5</sup> European policy frameworks for SME policy includes Small Business Act (SBA)<sup>6</sup>, the Entrepreneurship 2020 Action Plan<sup>7</sup> and in March

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<sup>2</sup> <https://www.stat.gov.rs/sr-latn/oblasti/strukturne-poslovne-statistike/godisnji-pokazatelji-poslovanja-preduzeca/>

<sup>3</sup> <https://publikacije.stat.gov.rs/G2020/pdf/G202013047.pdf>

<sup>4</sup> <https://rsjp.gov.rs/wp-content/uploads/Economic-Reform-Programme-2021-2023.pdf>

<sup>5</sup> [https://ec.europa.eu/regional\\_policy/en/2021\\_2027/](https://ec.europa.eu/regional_policy/en/2021_2027/)

<sup>6</sup> <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0394:FIN:en:PDF>

<sup>7</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52012DC0795>

2020, the European Commission (EC) reconfirmed its commitment to an SME-friendly environment with the presentation of the Communication “An SME Strategy for a sustainable and digital Europe”.<sup>8</sup>

The COVID-19 pandemic has influenced the SMEs severely, changing the market, disrupting supply chains and the demand for different products and services. Micro and small companies were impacted the most, but they were also more agile to adapt their business model or products to the new situation. More than two thirds of SMEs were interrupted by COVID-19. Fifth of SMEs had to restrict almost their entire operations, and almost half of these SMEs worked with significantly reduced capacity and significantly lacked resources.<sup>9</sup> Challenges of COVID-19 pandemic have been felt more severely in certain sectors, both as a threat as well as opportunity for growth. Continued investment in small and medium sized enterprises is needed in order to enhance their operational and financial resilience.<sup>10</sup> The epidemic has negatively affected the income projections for most service oriented SMEs, but the tourism sector has suffered a drastic decline in revenue.<sup>11</sup>

The Programme will therefore support the entrepreneurs and enterprises to acquire or introduce new production technologies, which will result in increased productivity, lowered costs of production, improved quality of the products and add to the value of the products. This should lead to improvement of their export competitiveness, and enable creation of new jobs.

The Public Call has been designed in cooperation with the relevant stakeholders, including the Ministry of Economy and Development Agency of Serbia, to be complementary to existing Government programmes and enable access to financing to the target SMEs that are not sufficiently covered by other programmes.

Implementation of grants awarded through this Call should also contribute to building of administrative capacities of the beneficiary SMEs, along with overall enhancement of competitiveness which will position them better to apply for other development programmes and, more importantly, commercial loans.

The Programme will also provide an opportunity for the SMEs to contribute to greater social impact by integrating social responsibility measures that make a positive impact on the local communities into their business models.

### 3. Objectives

**Overall objective:** To contribute to enhanced competitiveness of micro and small enterprises (MSEs) in the Šumadija and Western Serbia and South and Eastern Serbia.

**Specific objective:** Enhanced market potentials, value chain contribution, technological, green and digital transformation and job creation in beneficiary MSEs and their ability to recover from the negative impact of COVID-19.

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<sup>8</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0103>

<sup>9</sup> [https://ceves.org.rs/wp-content/uploads/2020/11/WB-Covid-19\\_Report-final.pdf](https://ceves.org.rs/wp-content/uploads/2020/11/WB-Covid-19_Report-final.pdf)

<sup>10</sup> [https://www.rs.undp.org/content/serbia/en/home/library/crisis\\_prevention\\_and\\_recovery/covid-19-socio-economic-responses-plan.html](https://www.rs.undp.org/content/serbia/en/home/library/crisis_prevention_and_recovery/covid-19-socio-economic-responses-plan.html)

<sup>11</sup> [https://naled.rs/htdocs/Files/06839/Analiza\\_efekata\\_ekonomskih\\_mera\\_za\\_ublazavanje\\_negativnih\\_posledica\\_COVID-19\\_na\\_privrednu.pdf](https://naled.rs/htdocs/Files/06839/Analiza_efekata_ekonomskih_mera_za_ublazavanje_negativnih_posledica_COVID-19_na_privrednu.pdf)

## 4. Scope

This Call aims to support enterprises in the second investment cycle, registered in the period from 1 January 2016 to 31 December 2020 from the Šumadija and Western Serbia and South and Eastern Serbia region.

The scope of support is divided into two LOTs differentiating between entrepreneurs, micro and small enterprises (MSEs) registered for production (LOT1) and MSEs registered for provision of services (LOT2).<sup>12</sup>

Activities proposed under both LOTs of this call need to contribute to technological, green and digital transformation, improvement of market potentials, value chain contribution and job creation in beneficiary MSEs. This may include but not limited to improving existing and/or development of new products with higher added value, increasing productivity and energy efficiency, decreasing waste, substitution of imports, enabling introduction of innovations and facilitating market expansion. In addition, all proposals under LOT2 must include enhancement of the ability to recover from the negative impact of COVID-19.

The eligible activities under this Call include:

- i. Provision of **equipment**<sup>13</sup> that contributes to achieving objectives of the Public Call – mandatory accounting for minimum 70% of the grant value.
- ii. Provision of **services**<sup>14</sup> contributing to achieving that contributes to achieving objectives of the Public Call – optional, accounting for a maximum of 30% of the grant value.

## 5. Financial Allocation and Cost Share Contribution

The indicative overall amount available under this Call for Proposals is 3.000.000 Euros (3.300.000 USD) out of which 2.000.000 Euros (2.200.000 USD) for LOT1 and 1.000.000 Euros (1.100.000 USD) for LOT2. The EU PRO Plus Programme reserves the right **not to award** all available funds.

### Minimum and Maximum Grant Award<sup>15</sup>:

LOT1: Minimum – 10.000 Euros (10.500 USD), Maximum – 40.000 Euros (42.000 USD)

LOT2: Minimum - 10.000 Euros (10.500 USD), Maximum – 30.000 Euros (31.500 USD)

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<sup>12</sup> MSEs registered for both production and provision of services eligible under general condition, can apply for one of the LOTs depending on the nature of the investment. Applying for LOT1 for Investments predominantly dealing with production or for LOT2 for investments predominantly dealing with services.

<sup>13</sup> Only **new** equipment is eligible for procurement under this call along with the related cost of transport, customs and insurance. Off-the-shelf software is considered as equipment. Procurement of passenger and transportation vehicles is not eligible equipment. The minimum value of requested equipment should be at least 1,000 Euros per unit.

<sup>14</sup> The eligible services under this Call include introduction of international quality standards, 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. The minimum value of requested service should be at least 500 Euros per unit.

<sup>15</sup> Budgeting and contracting shall be conducted in USD and the funds will be transferred to selected beneficiaries in RSD

## Applicant's cost share

Minimum of **20%** cost share cash contribution by the applicant is required for both LOTS.

Minimum required cost share cash contribution for the applicants registered in LSGs from the 4th development category, including "devastated LSGs", is **15%**.<sup>16</sup>

## 6. Duration

The planned duration of the intervention may not exceed 9 (nine) months. This period includes procurement and installation of equipment and, if planned, the provision of services as well as capturing projected results and acceptance of the final report.

## 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 application.

### General Eligibility Criteria

#### Registration (for both LOTS)

- Entrepreneurs and Companies (hereafter 'Enterprises')<sup>17</sup> registered at the Serbian Business Registers Agency (SBRA) with an active status<sup>18</sup> and classified into Micro and Small Companies<sup>19</sup> in accordance with the financial statements for 2020<sup>20</sup>
- Enterprises registered on the territory of the 99 Programme local self-governments<sup>21</sup> in the two statistical regions: Šumadija and Western Serbia and South and Eastern Serbia.
- Enterprises established between 1 January 2016 and 31 December 2020 for an unlimited duration and with an active status in SBRA<sup>22</sup>

<sup>16</sup> <https://ras.gov.rs/uploads/2019/01/uredba-o-utvrdivanju-jedinstvene-liste-razvijenosti-regiona-i-jedinica-l-2.pdf>

<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>18</sup> The enterprises that were temporarily closed during the year 2020 for no more than six months are also eligible. The enterprises that were temporarily closed during 2021 are not eligible.

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

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

<sup>21</sup> Bogatić, Vladimirci, Koceljeva, Krupanj, Loznica, Ljubovija, Mali Zvornik and Šabac in Mačva District; Valjevo, Lajkovac, Ljig, Mionica, Osečina and Ub in Kolubarski District; Velika Plana, Smederevo and Smederevska Palanka in Podunavski District; Veliko Gradište, Golubac, Žabari, Žagubica, Kučevo, Malo Crniče, Petrovac and Požarevac in Braničevski District; Aranđelovac, Batočina, Knić, Lapovo, Rača, Topola and Kragujevac in Šumadijski District; Despotovac, Jagodina, Paraćin, Rekovac, Svilajnac and Čuprija in Pomoravski District; Bor, Kladovo, Majdanpek and Negotin in Borski District; Boljevac, Zaječar, Knjaževac and Sokobanja in Zaječarski District; Arilje, Bajina Bašta, Kosjerić, Nova Varoš, Požega, Priboj, Prijepolje, Sjenica, Užice and Čajetina in Zlatiborski District; Gornji Milanovac, Ivanjica, Lučani and Čačak in Moravički District; Vrnjačka Banja, Kraljevo, Novi Pazar, Raška and Tutin in Raški District; Aleksandrovac, Brus, Varvarin, Kruševac, Trstenik and Čičevac in Rasinski District; Aleksinac, Gadžin Han, Doljevac, Merošina, Ražanj Svrlijig and Niš in Nišavski District; Blace, Žitorađa, Kuršumlija and Prokuplje in Toplički District; Babušnica, Bela Palanka, Dimitrovgrad and Piroćin in Piroćki District; Bojnik, Vlasotince, Lebane, Leskovac, Medveđa and Crna Trava in Jablanički District; Bosilegrad, Bujanovac, Vladičin Han, Vranje, Preševo, Surdulica and Trgovište in Pčinjski District

<sup>22</sup> Source of information: *Data from the Serbian Business Registers Agency (SRBA)*.

### Registration - LOT 1

- The eligible enterprises under **LOT1** need to be registered for **production**,<sup>23</sup> 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 equipment for cold storages).
  - 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. Production of steel and synthetic fibres

### Registration - LOT 2

- The eligible enterprises under **LOT2** need to be registered for **provision of following services**<sup>24</sup>:
  - a. Information Technology
  - b. Architectural and Engineering Services
  - c. Health Care and Social Protection Services
  - d. Tourism related services including accommodation, catering and travel.\*
  - e. Maintenance and repair services

\* *The activity of the restaurants and cafes is not covered by this public call.*

### Ownership

- The enterprise has a majority domestic ownership (minimum 51%) at the time of publishing the Call and onwards.<sup>25</sup>
- The enterprise has a private ownership at the time of publishing the Call and onwards.<sup>26</sup>
- The enterprise is founded and owned by other commercial companies.

### Number of employees

- At least 1 employee at the end of 2020 and onwards. If the owner is a full-time employee of the enterprise, this criteria is met.<sup>27</sup>

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<sup>23</sup> Entrepreneurs and companies that have registered production as additional business activity in the Business Registry before 31 December 2020 are also eligible.

<sup>24</sup> Entrepreneurs and companies that have registered these services as additional business activity in the Business Registry before 31 December 2020 are also eligible.

<sup>25</sup> Source of information: *Data from the Serbian Business Registers Agency (SRBA).*

<sup>26</sup> Source of information: *Data from the Serbian Business Registers Agency (SRBA).*

<sup>27</sup> Source of information: Data from Central Registry of Mandatory Social Security

## Finances

- The enterprise has a net profit at the end of year 2019 (This does not apply for enterprises founded after 30.6.2019)<sup>28</sup>
- The enterprise does not have negative equity<sup>29</sup>
- The enterprise is not in bankruptcy or liquidation proceeding
- The enterprise is regularly paying its obligations towards employees and has no outstanding debt for social contributions
- The enterprise is regularly paying due taxes to both local and national tax offices<sup>30</sup>
- The bank accounts of the enterprise were not blocked due to the unpaid obligations for a period longer than 30 days during the year 2021

## Legal issues

- The owner(s) and responsible persons of the Applicant have not been criminally convicted<sup>31</sup>
- The enterprise has not been issued with prohibition of performing their activities within two years before submitting the application
- Is not using incentives on the same grounds<sup>32</sup> from other institutions or donors during the period of implementation of activities<sup>33</sup>
- The enterprise owns adequate business premises or has a valid long-term leasing agreement
- The enterprise is not majority owned by medium or large companies and the owner does not have majority ownership in other medium or large enterprises
- The enterprise is not producing anything that infringes copyright, trade mark or intellectual property laws<sup>34</sup>

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*. UNOPS reserves the right to require additional proofs related to the requirements of the Call for Proposal, if needed.

## Other

- Purpose of provisioning of equipment is in line with the current business activity
- The enterprise has not received grants for equipment through UNOPS implemented programmes or projects over the past 36 months.<sup>35</sup>
- Applicant may participate in this Call only with one project proposal

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<sup>28</sup> Source of information: Income Statement (Profit and Loss Account) for 2019

<sup>29</sup> Source of information: Balance Sheet for 2019 and Statement on Acceptance of Conditions of the Call (Annex B) signed by the responsible person and stamp of the applicant's enterprise.

<sup>30</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

<sup>31</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>32</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>33</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

<sup>34</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

<sup>35</sup> Through EU PRO and NfY Programmes implemented by UNOPS in the past three years.

## Evaluation Criteria

The Project Proposals submitted by eligible applicants will be evaluated based on the following criteria assessing expected results and effects, sustainability, social impact and cost.

### Evaluation criteria for LOT1:

Area	Criteria	Maximum points
<b>Relevance and Expected Results (50)</b>	<b>Market Potential</b> <ul style="list-style-type: none"> <li>Market Extension - Proven market potential based on the market analysis and increase in business revenues</li> <li>Export orientation will be awarded with additional points</li> </ul>	<b>15</b>
	<b>Value Chain Contribution</b> The value chain contribution will be assessed through several factors: <ul style="list-style-type: none"> <li>The projected value of contribution to the value chain in the first year after the investment</li> <li>Position within the value chain</li> <li>Establishing cooperation between the applicant and larger companies and investors</li> <li>Percentage of input from local partners and domestic production</li> </ul>	<b>10</b>
	<b>Increased Efficiency</b> Projects contributing to increased efficiency will be awarded with additional points. The efficiency will be assessed through relation of outputs and inputs for production and ratio of proven lessened costs of production (in %).	<b>10</b>
	<b>Job Creation</b> A minimum of one new job created is mandatory. Projects generating more than one new job will be awarded with additional points. Likewise, projects creating jobs for a highly educated workforce and with a longer-term impact on employability will be awarded with additional points.	<b>10</b>
	<b>Innovation</b> Projects with an innovation component will be awarded with additional points. Innovation will be assessed through the following factors: <ul style="list-style-type: none"> <li>The proposal includes digitalization and enhanced use of ICT</li> <li>The proposal envisages enhancement and optimization of business processes</li> <li>Introducing or enhancing business processes to overcome challenges caused by COVID19 pandemic</li> </ul>	<b>5</b>

European Union for Local Development Programme - EU PRO PLUS

Implemented by UNOPS in 99 local self-governments in the regions of Šumadija and Western Serbia and Southern and Eastern Serbia in partnership with the Ministry of European Integration

<b>Operational Capacity (10)</b>	<p>Operational capacity will be assessed through the applicant's ability to properly implement the planned investment and maintain its results. The following factors will be considered:</p> <ul style="list-style-type: none"> <li>• Will the applicant have sufficient expertise to prepare technical specifications and conduct procurement(s) for the new equipment and services?</li> <li>• Will the applicant have sufficient technical expertise to maintain equipment in operation and services in use?</li> </ul>	<b>10</b>
<b>Sustainability (10)</b>	<p>Sustainability will be assessed through the applicant's ability to use and maintain the equipment, maintain services and achieve the set targets in a post project period. The following factors will be considered:</p> <ul style="list-style-type: none"> <li>• Will the applicant have sufficient funding to maintain the equipment and services and cover other costs deriving from its use (e.g. maintenance, repairs, tests, insurance, and tax)?</li> <li>• Will the investment increase resilience of the applicant to market disruptions in the future?</li> <li>• Does the proposal include greening of business and implementation of circular economy principles (e.g. energy efficiency, green technology, waste management, recycling)<sup>36</sup></li> </ul>	<b>10</b>
<b>Social Impact<sup>37</sup> (20)</b>	<ul style="list-style-type: none"> <li>• Does the applicant have production facilities in rural areas?</li> <li>• Category of development of the LSG where the business is registered and where the new employment will be generated.</li> <li>• Is the owner of the applicant enterprise a woman or youth?</li> <li>• Does the proposal envisage employment or other benefits for women, youth, persons with disabilities, or minorities?</li> <li>• Does the proposal include corporate social responsibility activities i.e. measures that make a positive impact on the local communities?</li> </ul>	<b>20</b>
<b>Cost Effectiveness (10)</b>	<p>An assessment of cost-effectiveness will take into account the benefits arising from the activities compared to the projected budget of the activity. More specifically, the assessment will include the ratio between EU PRO Plus investment and number of new jobs created.</p>	<b>10</b>
<b>TOTAL</b>		<b>100</b>

<sup>36</sup>The projects must be environmentally friendly in terms of compliance with the current environmental policy. Thus, ecological impact will be assessed through a scope wider than the minimum legal requirements.

<sup>37</sup> Social impact parameters will also be assessed based on past performance as well as projections

**Evaluation criteria for LOT2:**

Area	Criteria	Maximum points
<b>Relevance and Expected Results (50)</b>	<b>Market Potential</b> <ul style="list-style-type: none"> <li>● Market Extension - Proven market potential based on the market analysis and increase in business revenues</li> <li>● Market position and competitive advantage</li> <li>● Export oriented services will be awarded with additional points</li> </ul>	<b>15</b>
	<b>COVID19 related economic recovery</b> <ul style="list-style-type: none"> <li>● To what extent COVID19 pandemic impacted the businesses operations of the applicant</li> <li>● What is the expected impact of the investment on the business recovery</li> </ul>	<b>10</b>
	<b>Increased Efficiency</b> Projects contributing to increased efficiency will be awarded with additional points. The efficiency will be assessed through relation of outputs and inputs needed for provision of services and ratio of proven lessened costs (in %).	<b>10</b>
	<b>Job Creation</b> A minimum of one new job created is mandatory. Projects generating additional jobs will be awarded with additional points. Likewise, projects with a longer-term impact on employability will be awarded with additional points.	<b>5</b>
	<b>Innovation</b> Projects with an innovation component will be awarded with additional points. Innovation will be assessed through the following factors: <ul style="list-style-type: none"> <li>● The proposal includes digitalization and enhanced use of ICT technology</li> <li>● The proposal envisages enhancement and optimization of business processes</li> <li>● Introducing or enhancing business processes to overcome challenges caused by COVID19 pandemic</li> </ul>	<b>10</b>

<b>Operational Capacity (10)</b>	<p>Operational capacity will be assessed through the applicant's ability to properly implement the planned investment and maintain its results. The following factors will be considered:</p> <ul style="list-style-type: none"> <li>• Will the applicant have sufficient expertise to prepare technical specifications and conduct procurement(s) for the new equipment and services?</li> <li>• Will the applicant have sufficient technical expertise to maintain equipment in operation and services in use?</li> </ul>	<b>10</b>
<b>Sustainability (10)</b>	<p>Sustainability will be assessed through the applicant's ability to use and maintain the equipment, maintain services and achieve the set targets in a post project period. . The following factors will be considered:</p> <ul style="list-style-type: none"> <li>• Will the applicant have sufficient funding to maintain the equipment and services and cover other costs deriving from its use (e.g. maintenance, repairs, tests, insurance, and tax)?</li> <li>• Will the investment increase resilience of the applicant to market disruptions in the future?</li> <li>• What will be the impact on environment (e.g. energy efficiency, green technology, waste quantities, recycling)<sup>38</sup></li> </ul>	<b>10</b>
<b>Social Impact<sup>39</sup> (20)</b>	<ul style="list-style-type: none"> <li>• Does the applicant have production facilities in rural areas?</li> <li>• Category of development of the LSG where the business is registered and where the new employment will be generated.</li> <li>• Is the owner of the applicant enterprise a woman or youth?</li> <li>• Does the proposal envisage employment or other benefits for women, youth, persons with disabilities, or minorities?</li> <li>• Does the proposal include corporate social responsibility activities i.e. measures that make a positive impact on the local communities?</li> </ul>	<b>20</b>
<b>Cost Effectiveness (10)</b>	<p>An assessment of cost-effectiveness will take into account the benefits arising from the activities compared to the projected budget of the activity. More specifically, the assessment will include the ratio between EU PRO Plus investment and number of new jobs created.</p>	<b>10</b>
<b>TOTAL</b>		<b>100</b>

<sup>38</sup> The projects must be environmentally friendly in terms of compliance with the current environmental policy. Thus, ecological impact will be assessed through a scope wider than the minimum legal requirements

<sup>39</sup> Social impact parameters will also be assessed based on past performance as well as projections

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 epidemiological measures and recommendations, 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 documents/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. Forms for submission of the Applications

The applicant must submit the following documents in Serbian language:

- Filled-in **Application Form (Annex A)** for the relevant LOT (LOT1 for production and LOT2 for service MSEs) in the original **MS EXCEL** format and an identical copy with signature of the responsible person and stamp of the applicant's enterprise, 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
- Supporting documents as listed in Annex C:
  - ✓ Printed **ID cards** or photocopy of the first page of passport for all owners of the legal entity
  - ✓ **Balance Sheets and Income Statements for years 2019 and 2020** ( 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 each business year and Decision on flat-rate taxation.
  - ✓ **Statistical Annexes for years 2019 and 2020 (if available).**
- Three to five photos of the business facilities and products if applicable.

### b. 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 <https://www.euproplus.org.rs/> 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 notification of the delivery would follow upon successful submission of the email application. In order to fill in the online form applicants must register with their google account.<sup>40</sup>

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<sup>40</sup> <https://support.google.com/accounts/answer/27441?hl=en>

- 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 the 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 30 June 2022. 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.
- 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](mailto:rsoc.cfp.clarifications@unops.org) **by 17 June 2022**, 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 [EU PRO Plus Communication Guidelines](#)<sup>41</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, publishing EU PRO Plus web banner on the internet page of the beneficiary, 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.

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<sup>41</sup> See the European Commission Manual for [Communication and Visibility in EU-financed external actions](#) as well as [Visibility Guidelines for EU funded projects in Serbia](#)

## 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.
- 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.

UNOPS 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.

### Data Protection

UNOPS shall ensure an appropriate protection of the 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 subjects 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.

## 12. Indicative Timeframe

Activity	Timeframe/ Deadline
Publishing the Call for Proposals	04 May 2022
Implementation of the Info Sessions for the Call	May-June 2022
Deadline for Submission of the Project Proposal	30 June 2022
Evaluation of the Project Proposals	July - October 2022
Site Validation Visits	Sep - Oct 2022
Information on the Evaluation Results	October 2022
Signing of Agreement and start of implementation	November 2022

**European Union for Local Development Programme - EU PRO PLUS**

Implemented by UNOPS in 99 local self-governments in the regions of Šumadija and Western Serbia and Southern and Eastern Serbia in partnership with the Ministry of European Integration

## Annexes

- Annex A Application Form (Version 1 of Annex A is for LOT1 and Version 2 of Annex A for LOT2)
- Annex B Statement on Acceptance of Conditions of the Call
- Annex C Application Checklist