



## EU for Economic Growth (EU4EG) Project

Contracting Authority:  
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)

CALL FOR PROPOSALS FOR NEWLY ESTABLISHED ENTERPRISES (START-UPS)  
CALL REF: EU4EG\_Start-ups\_5  
**(ONLY FOR SOUTH-WEST REGION)**

### GUIDELINES FOR APPLICANTS

**Deadline for submission of Applications: 22.07.2024, 12:00 hours local time**

*Note: Start-ups which are interested in applying to this Call for Proposals (CfP) are kindly requested to download the electronic version of the Guidelines for Applicants (GfA) at the EU4EG Academy page containing the Application Package with the mandatory application templates<sup>1</sup>.*

Version 2.0  
18 June 2024

**NOTICE: This is a restricted Call for Proposals. This Call for Proposals has a specific geographic focus on South-West region, and only for start-ups which successfully graduated Ohrid Blue Economy Accelerator managed by Prime Blue Institute.**

*Disclaimer: By applying under this Call for Proposals, the Applicant agrees to all the Terms and Conditions outlined in these Guidelines. Furthermore, by submitting an application, the Applicant agrees that GIZ EU4EG project cannot be held liable for any of the costs incurred by it prior to and/or during the application and selection process.*

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<sup>1</sup> If after the publication of these Guidelines for Applicants or its Annexes errors are found in its content, the corresponding correction/s shall be uploaded on the EU4EG Academy page in the form of numbered corrigendum.



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## ABBREVIATIONS

AF	Application Form
a.m.	above mentioned
ASP	Area Science Park
BMWK	German Federal Ministry for Economic Affairs and Climate Action
BIC	Business Innovation Center
BSO	Business Support Organisation
BSS	Business Support Service
CE	Circular Economy
CD	Capacity Development
CEI	Central European Initiative
CfP	Call for Proposals
CA	Contracting Authority
CV	Curriculum Vitae
EE	Energy Efficiency
EEA	European Economic Area
EDF	European Development Fund
EU	European Union
EU4EG	EU for Economic Growth project
EUR	Euro
GfA	Guidelines for Applicants
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IT	Information Technology
ICT	Information and Communication Technology
KPI	Key Performance Indicator
LFM	Log Frame Matrix
LS	Local Subsidy
MSME	Micro, Small and Medium Enterprise
PP	Project Proposal
PPF	Preda Plus Foundation
RES	Renewable Energy Sources
SEEU	University of South-East Europe - Tetovo
VAT	Value Added Tax
WP	Work Package



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## I. BACKGROUND INFORMATION

The project “EU for Economic Growth (EU4EG)” aims at increasing the local economic activity and competitiveness in four target areas: North-East, Polog, and South-West planning regions and Prespa area (Municipality of Resen) by improving access of start-ups and Micro, Small and Medium Sized Enterprises (MSMEs) to financing and high value-added services. The duration of the project is four years until 01/2025. The EU4EG project is co-funded by the European Union Delegation to North Macedonia and the German Federal Ministry for Economic Affairs and Climate Action (BMWK). The project is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) in partnership with Area Science Park (ASP) from Trieste, Italy and supported by the BMWK and the Central European Initiative (CEI) as Associates.

The project achieves its objective by implementing work packages under 3 major components:

- (i) working on the business advisory services for start-ups and different segments of MSMEs by size and sector
- (ii) improving business support infrastructure in the targeted areas
- (iii) by disbursing local subsidy, targeting start-ups and high value-added business initiatives including those related to the green and circular economy

The target groups for the EU4EG project include businesses owned or majority employing people under 40 years old; women; and vulnerable groups. The types of economic activities include the Circular economy and green economy; Innovation and IT; and Highly competitive/growth potential economic sectors. In the frame of the Component 3 “Support selected high value-added business initiatives” it is planned to provide non-reimbursable financial support to start-ups and newly established businesses with high growth potential complementary to the expert support provided to the applicant companies under other project components.

In the frame of the project Component 2 “Improve business support infrastructure” four acceleration programmes for start-up companies are established, in each of the 4 a.m. target areas.

At the beginning of the EU4EG project, “business acceleration” trainings for start-ups providing were not available in the target areas. At that moment, strong links with existing providers and developing networks were not existing, while sufficient volume of investments were not available to start-up companies at the end of the acceleration programmes. Namely, at the end of the existing acceleration programmes, start-ups had very limited opportunities to pitch to third party private investors (e.g. diaspora representatives, venture capitalists, impact investors, business angels, private investors and national and international corporates). However, all of those had been considered as key areas for success of the supported acceleration programmes and their client start-ups.

For that purpose the EU4EG project designed and published open Calls for Proposals (CfP), to identify individual BSOs and/or partnerships led by BSOs which shall be provided with advisory and financial support to develop and implement regional business acceleration programmes to support start-ups and enhance entrepreneurship, innovation and employment generation in 4 target areas in North Macedonia (North-East, Polog and South-West planning regions and Prespa area (Municipality of Resen)).

That former Call for Proposals targeted individual Business Support Organisations (BSOs) and/or partnerships led by BSOs established in the Republic of North Macedonia with physical office/premises and staff in the four target areas. At that moment, the local BSOs had limited capacities and knowledge to



support start-ups with growth potential. Through the a.m. open CfPs for BSOs, EU4EG project has identified the following either individual BSOs or partnerships led by BSOs in 4 target areas in North Macedonia (North-East, Polog and South-West planning regions and Prespa area (Municipality of Resen)):

- (1) Business Innovation Centre (BIC)/ SEEU Tech Park at SEEU – Tetovo in Polog region
- (2) University St. Paul the Apostle / Prime Point Partners Consulting in Ohrid – South-West region
- (3) Preda Plus Foundation – Bitola with Office in Resen – Prespa region. In addition, MoU has been signed with Municipality of Resen which provided premises for acceleration activities in the secondary school.

(4) Albiz Foundation/ Dauti Komerc – Skopje for North-East region. In addition, MoU has been signed with Municipality of Kumanovo which provided premises for acceleration activities.

Those organisations are provided with advisory and financial support by GIZ to develop and implement regional business acceleration programmes to support start-ups and enhance entrepreneurship, innovation and employment generation in the target areas.

Following the selection process, a specific Capacity Development (CD) programme for selected accelerators' management and staff was organized by GIZ and ASP to acquire technical know-how and skills. The CD Programme is additionally supported by the EU4EG Regional Advisor based full time within each of the a.m. local BSOs hosting the 4 regional acceleration programmes.

Afterwards, the a.m. local BSOs that are hosting regional acceleration programmes were supported in the definition of their Strategic Development Plans for the upcoming years. Special attention was paid to their business models and sustainability plans in order to ensure continuation of activities after the end of the project (sustainability). In order to secure long-term sustainability of operations after the end of the project the accelerators need to stay in touch with quadruple helix actors during and especially after project implementation. The regional advisors of the EU4EG project are already assisting regional acceleration programmes in a “learning-by-doing” process in order to provide management and operational staff with coaching in line with each accelerator's specific features.

In addition, a network of Business Mentors is currently in process of development, in the frame of the a.m. 4 regional acceleration programmes, who will mentor entrepreneurs starting-up and those wishing to scale her/his business and by this enhance entrepreneurship, innovation and employment generation in 4 target areas. For that reason another Call for Business Mentors<sup>2</sup> was published with an objective to identify individuals (natural persons) with experience in mentoring entrepreneurs and business owners (also in initiatives addressing women, young people and the most vulnerable groups/ minorities) as well as experience in developing skills, knowledge and networks that enhance entrepreneurs' personal and professional growth (confidence, mindset, etc.). It is planned that those mentors participate and successfully complete a training for mentors. Those mentors are put on disposal to the a.m. local BSOs hosting the 4 regional acceleration programmes and their start-ups. In addition, the local BSOs shall also mobilise additional business mentors who shall also participate and successfully complete the mentioned training.

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<sup>2</sup> GIZ differentiates between Business Mentors and Business Advisors (Consultants). The Business Mentor should have “soft” and “hard” skills, and typically provides guidance to the entrepreneur who in turn develops solution on his/her own. In the case of the Mentor, it is the entrepreneur who defines the Work Agenda. Business Mentor spends limited amount of time with the entrepreneur (e.g. 1 – 2 hours per month) and typically provides those services pro-bono. The Advisor should have “hard” skills, and typically offers solution to the entrepreneur. In the case of the Advisor, it is her/him who defines the Work Agenda. Advisor spends extended amount of time with the entrepreneur as needed (e.g. 1 – 2 days per week) and typically provides those services against payment.



## II. OBJECTIVES OF THE CALL FOR PROPOSALS

### II.1. Objectives

The **Overall Objective** of this Call for Proposals is to contribute in increasing the local economic activity and competitiveness in the target area of the South-West region by improving access of start-ups<sup>3</sup> to high value-added business support services and financing.

The **Specific Objectives** of this Call for Proposals are to:

- provide non-reimbursable financial support (local subsidy) to start-ups with growth potential complemented with BSSs provided by regional acceleration programme.
- support high value-added business initiatives including those related to the green and circular economy.
- mobilise external private investments (individuals or legal entities) in the start-ups.

This Call for Proposals has a **specific geographic focus** on one of the target area, namely South-West region in the Republic of North Macedonia.

The Call for Proposals targets innovative<sup>4</sup> **start-ups with growth/ scaling potential** established in the Republic of North Macedonia with physical office/premises and staff in the South-West region which successfully graduated the 1<sup>st</sup> Cohort of the regional acceleration programme “Ohrid Blue Economy Accelerator”.

Through this Call for Proposals, EU4EG project shall identify start-ups with economic activity in the target area of South-West region in North Macedonia which shall be provided with non-reimbursable financial support - grant (local subsidy<sup>5</sup>). The local subsidy provided by GIZ shall minimize the risk of the third-party private investors which will express its intention to invest in the start-ups, so their investment can be used for operational costs during growth/ scaling-up phase.

Support will be provided to innovative projects underpinned by a sound **Business Plan which shall be significantly improved as a result of the support provided during the regional acceleration programme** (Annex B.2).

The concentration of advisory and financial support will therefore increase significantly the chances for the start-ups' survival and growth.

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<sup>3</sup> it is a newly formed business with particular momentum behind it based on perceived demand for its innovative product or service that addresses a particular market gap and is easily scalable.

<sup>4</sup> "Innovation" is the application of a new or significantly improved product, technology, process or service, including technical specifications, components and materials, embedded software, customer orientation or other functional characteristics, marketing method or new organizational method in operations, in the organization of labor relations or the relations of the legal entity with the environment.

<sup>5</sup> Local subsidies are payments (grants) made for a stipulated purpose out of project funds to a local recipient that does not have sufficient capacity to handle a local subsidy agreement, i.e. in cases where the recipient does not yet have a sufficient level of organisational, sectoral/technical, financial and/or administrative capacity to properly manage the measures being funded without support from GIZ.



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## II.2. Target Group

The **Target Group** of this Call for Proposals are newly established enterprises (start-ups) with economic activity in the target area of South-West region in North Macedonia, with high-growth potential, owned by people under 40 years old and/or women and/or vulnerable groups/minorities.

## II.3. Final beneficiaries

The **Final beneficiaries** of this Call for Proposals is the population in the target area of the South-West region in the Republic of North Macedonia, and in particular people below 40 years of age and/or women and/or people belonging to vulnerable groups and minorities.

Unemployed persons will benefit from improved job offers / jobs created in the supported start-ups, and in particular in start-ups owned by women and/or young people (U40) and/or people belonging to vulnerable groups and minorities. Population in South-West region benefits from improved environment due to investments in green / circular economy, increased income due to new job offers, faster economic development and better standard of living.

## III. FINANCIAL ALLOCATION

The overall indicative amount made available under this Call for Proposals is 300.000,00 EUR. The GIZ as Contracting Authority reserves the right not to award all available funds if there are not sufficient number of applications with the required quality. The GIZ as Contracting Authority reserves also the right to publish additional Calls if there is not sufficient number of applications.

### Size of local subsidy

Any local subsidy requested under this Call for Proposals must fall between the following minimum and maximum amounts of total eligible costs of the action:

- **Minimum: 15.000 EUR and**
- **Maximum: 50.000 EUR.**

Any local subsidy requested under this Call for Proposals must fall between the following minimum and maximum percentages of total eligible costs of the action:

- **Minimum: 50%**
- **Maximum: 80%.**

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from sources other than the European Union Budget or the European Development Fund<sup>6</sup> or BMWK.

Selected Applicants will sign Local Subsidy (LS) Agreement (Annex G) with GIZ which shall stipulate the roles and responsibilities of the Applicant and the GIZ including their respective financial contribution. In

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<sup>6</sup> Where a local subsidy/ grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to European Development Fund financing.



this regard, both GIZ and the Applicant shall have full responsibility for ensuring that their respective contribution to the action is implemented in accordance with the LS Agreement.

#### **IV. ELIGIBILITY CRITERIA**

There are three sets of eligibility criteria, relating to:

(1) the Applicant:

- The Applicant, i.e. the entity submitting the Application Form (IV.1.),

(2) the Actions:

- Actions for which a local subsidy may be awarded (IV.2.);

(3) the Costs:

- Types of cost that may be considered in setting the amount of the local subsidy (IV.3.).

#### **IV.1. Eligibility of Applicants**

##### **IV.1.1. Eligibility of the Applicant: Who may apply?**

(1) In order to be eligible for funding, Applicants **must meet** all of the below mentioned criteria:

- be a legal person established in the Republic of North Macedonia as per the Law on trade companies and registered in the Central registry; and
- is established and operating after 03.05.2020; and
- is majority owned (min. 50,1%) by a person below 40 years of age and/or women and/or people belonging to vulnerable groups and minorities<sup>7</sup>; and
- has physical office/premises and staff in South-West region in the Republic of North Macedonia; and
- has sufficient technical, financial and managerial capacity to implement the project proposal; and
- be directly responsible for the preparation and management of the action, not acting as an intermediary; and
- has successfully graduated the 1<sup>st</sup> Cohort of the regional acceleration programme of “Ohrid Blue Economy Accelerator” managed by Prime Blue Institute in 2023/2024.

In addition to the listed criteria, and in order to avoid conflict of interests and double funding, the following **may not participate** in this CfP:

- Start-ups established in the Republic of North Macedonia and have shareholders which are either German commercial (non-public-benefit) corporation under private law or foreign legal entities with registered office in the EU/EEA that are subject to limited tax liability in Germany<sup>8</sup>.

##### **IV.1.2. Eligibility of the Co-applicants**

Participation of Co-applicants is NOT foreseen under this Call for Proposals.

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<sup>7</sup> EU Cohesion Policy defines vulnerable groups as people with disabilities, younger and older workers, low-skilled workers, migrants and ethnic minorities such as the Roma, people who live in deprived areas, and women in the labour market. For the purpose of this Action, ethnic minorities are those as stated in the Constitution of the Republic of North Macedonia. (Albanians, Turks, Vlachs, Romanies and other nationalities living in the Republic of North Macedonia) [https://www.sobranie.mk/the-constitution-of-the-republic-of-macedonia-ns\\_article-constitution-of-the-republic-of-north-macedonia.nspx](https://www.sobranie.mk/the-constitution-of-the-republic-of-macedonia-ns_article-constitution-of-the-republic-of-north-macedonia.nspx)

<sup>8</sup> Foreign corporations are subject to limited tax liability in Germany if they generate taxable income in Germany (§ 49 German Income Tax Act (EStG))





### **IV.1.3. Affiliated entities**

Participation of Affiliated entities is NOT foreseen under this Call for Proposals.

### **IV.1.4. Associates and Contractors**

The following entities are not Applicants and do not have to sign any mandate:

- Associates

Other organisations or individuals may be involved in the action. Such Associates play a real role in the action but may not receive funding from the local subsidy. Associates do not have to meet the eligibility criteria referred to in section IV.1.1. Associates must be mentioned in the Application Form (Annex A.1.), Section 5 “Associates participating in the action”.

- Contractors

The Beneficiaries are permitted to award contracts. Associates cannot be Contractors in the project. Contractors are subject to the procurement rules which apply in the beneficiary country and shall in any case comply with the provisions in the Article 4 of the Standard LS contract as well as the Procurement Guidelines (Annex 2 of the Standard LS contract), which are its integral part. The contract award procedure, including but not limited to all decisions in this context, shall be adequately documented in accordance with the best practices.

## **IV.2. Eligibility of Actions**

### **Definition**

An action (or project) is composed of a set of activities.

### **IV.2.1. Duration**

The expected overall duration of the Project Proposals may not exceed **4 months**.

### **IV.2.2. Location**

The actions must be implemented in the Republic of North Macedonia, and in the following target area:

- South-West region.

### **IV.2.3. Type of Actions**

Indicative types of actions which may be supported under this Call for Proposals shall include those leading to the sophistication and innovation of start-up's processes, systems and products. The following list is not exhaustive and appropriate innovative actions that are not mentioned below may also be considered for support:

- 1) Introducing of NEW innovative technologies, technology lines, machinery and equipment, digital tools and services, production methods with an impact in scaling-up, improving business processes, product quality and production efficiency;
- 2) Reconstruction of production/storage facilities *provided that the amount does not exceed 10% of the total local subsidy requested*;
- 3) Small reconstruction works linked to the installation of movable equipment purchased under the Call (see the limitation under 2);
- 4) Prototyping of new products and services (e.g. cost for purchasing materials and equipment, costs for experimenting in labs, etc.);
- 5) Commercialisation of new products and services;
- 6) Expanding and improving products or services for exports;
- 7) Introduction of measures to improve marketing/packaging of products/export strategies;



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- 8) Upgrade the product/service by purchasing and installing equipment and/or ICT solutions;
- 9) Introduction of environmental measures in line with the EU Green Deal;
- 10) Upgrading businesses to meet food/product safety standards and/or products market quality;
- 11) Measures that facilitate the commercial exploitation of innovative investments (standardisation processes, Intellectual Property Rights (IPR), legal issues, Energy Efficiency (EE) and Renewable Energy Sources (RES), Circular Economy (CE), ICT improvement, etc.)
- 12) Conformity certification leading to EU Standards only as part of the action and not the sole activity;
- 13) Specialised training, but only if related to the above-mentioned investments.

The following types of actions are ineligible:

- actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
- one-off events such as conferences, round tables, seminars and similar events. Such events may be financed if they are part of a wider action;
- actions concerned only or mainly with individual scholarships for studies or training courses;
- actions already totally or partially financed by another donor;
- preparatory studies or the preparation of preliminary / main designs for works to be carried out as part of the project.
- actions with negative impacts on the environment.
- actions linked to political parties.

#### **IV.2.4. Type of Activities**

The following types of activities are eligible:

- Purchase of new modern machinery and equipment, production lines, digital tools and services, tools and measurement instruments for scaling-up, purchase of ICT products (e.g. Hardware, Hardware installations and maintenance; Back-up solutions; Network security; software products/software modules for development of products/services; on-site technology training, Platform as a Service (PaaS), etc.); improving business processes; product quality and production efficiency; etc.
- Small reconstruction works provided that the amount does not exceed 10% of the total local subsidy requested;
- Purchase of business support services such as legal, ICT services (e.g. Business process analysis; Cloud services, Monitoring; Information reporting; Software as a Service (SaaS); Troubleshooting and technical support; On-line technology training; etc.); prototyping and commercialisation services, services from the EU4EG Catalogue (e.g. Innovation audit, Energy audit for industrial processes, Digital maturity assessment model, Circular business model assessment, Product development roadmap, Intellectual Property Rights (IPR), Export Audit, Export Plan, Quality readiness assessment, etc.) and other services, but only as part of the action and not the sole activity and/or only if related to the above-mentioned investments and provided that the amount does not exceed 30% of the total local subsidy requested.

#### **IV.2.5. Financial support to third parties**

Applicants shall NOT propose financial support to third parties<sup>9</sup> in order to help in achieving the objectives of the action.

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<sup>9</sup> These third parties are neither Associates nor Contractors.

### IV.3. Eligibility of Costs

Only “eligible costs” can be covered by a LS. The categories of costs that are eligible and non-eligible are indicated below. The budget is both a cost estimate and an overall ceiling for “eligible costs”.

The budget (Annex B.1) must contain sufficient information about the financing of the project as a whole. The budget must be presented in local currency (MKD) only. For each measure, the budget must clearly show the anticipated cost types and amounts and that part of the total financing package attributable to each financier (including the recipient). This is essential in order to control the use of the funds and allocate costs to each financier.

The following rules apply to all individual items costed in the budget. As a rule, only individual project-specific expenditures may be financed out of the local subsidy.

Important considerations:

- All budget costs must be specified clearly. This is to ensure that costs can be allocated when invoices are checked at a later stage. It may be helpful to insert a budget column in which the recipient specifies that all budget lines must be settled against evidence. This helps to avoid any misunderstandings right from the start.
- The budget should be neither too detailed nor too vague. Aim for a balance.
- Lump-sums and overheads are not permitted, and all costs must be evidenced by appropriate documentation/vouchers (direct costs).
- Another important factor is value for money (e.g. reasonable prices and fees based on the local market conditions).

The amounts or rates must be based on estimates using objective data such as statistical data or any other objective means or with reference to certified or auditable historical data of the applicants. The methods used to determine the amounts or rates of unit costs must comply with the criteria established in Annex G and associated annexes, and especially ensure that the costs correspond fairly to the actual costs incurred by the beneficiary, are in line with their accounting practices, no profit is made and the costs are not already covered by other sources of funding (no double funding). Refer to Annex G and associated annexes for directions and a checklist of controls to assess the minimum necessary conditions that provide reasonable assurance for the acceptance of the proposed amounts.

The **total amount of financing for the following budget categories:**

- **2. External services**
- **5. Other costs and consumables**

that can be authorised by the GIZ as the Contracting Authority under this Call for Proposals **cannot exceed 30% of the total LS amount requested.**

**Cost for reconstruction works (as part of budget item 5) such as reconstruction of production/storage facilities, installation of movable equipment purchased under the call, etc., must not exceed 10% of the total LS requested.**

The Applicant must provide supporting documents related to construction works as specified in the Section VI.2.6.1. Supporting documents. Failure to submit the document may lead to rejection of the proposal.



Overview of the sources of financing must be provided in the section 2.1.6 of the Application, as well as in the budget (Annex B.1), and in particular must clearly indicate the amount requested from the GIZ as the Contracting Authority and own funds/ third party financing<sup>10</sup> for the action for its total duration.

Recommendations to award a LS are always subject to the condition that the checks preceding the signing of the LS contract do not reveal problems requiring changes to the budget (such as arithmetical errors, inaccuracies, unrealistic costs and ineligible costs). The checks may give rise to requests for clarification and may lead the Contracting Authority to impose modifications or reductions to address such mistakes or inaccuracies. It is not possible to increase the local subsidy or the percentage of donor co-financing as a result of these corrections.

**It is therefore in the applicants' interest to provide a realistic and cost-effective budget.**

If the actual costs for the Project are to be financed by the various parties amount to less than the estimated costs, GIZ is entitled to reduce its local subsidy in the same proportion as the actual costs are reduced in relation to the estimated costs.

#### **IV.3.1. Eligible direct costs**

To be eligible under this Call for Proposals, costs must comply with the provisions of the standard GIZ Local subsidy Agreement (see Annex G of the Guidelines).

The following costs are eligible under this Call for Proposals:

- Procurement of goods (e.g. new and modern machinery and equipment, production lines, tools and measurement instruments, ICT product, software products/ software modules, etc.);
- Small reconstruction works (e.g. reconstruction of production/storage facilities, installation of movable equipment purchased under the call, etc.); *Note: must not exceed 10% of the total LS requested;*
- Procurement of services (e.g. legal, ICT services, prototyping and commercialisation services, services from the EU4EG Catalogue, etc.);
- Training costs (e.g. costs for specialised on-site and on-line trainings only if related to the investments foreseen by the project proposal: costs for the venue, materials and other logistical items);
- Promotion and visibility activities.

*Note: Costs for services - external experts / consultants, training costs, and other "soft" costs must not exceed 30% of the total LS requested.*

#### **IV.3.2. Contingency reserve**

The budget may NOT include a contingency reserve of the estimated direct eligible costs.

#### **IV.3.3. Eligible indirect costs**

Indirect costs will NOT be covered under this Call for Proposals.

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<sup>10</sup> It refers to other donors rather than EU/ German Government. It shall not be confused with the third-party private investor (individual or legal entity) who has declared clearly its intention to invest in the start-up (e.g. equity, convertible note).



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#### **IV.3.4. Contributions in kind**

Contributions in kind mean the provision of goods or services to beneficiaries free of charge by a third party. As contributions in kind do not involve any expenditure for beneficiaries, they are NOT eligible costs.

#### **IV.3.5. Ineligible costs**

The following costs are not eligible (the list is not exhaustive):

- a) salary costs of the staff of the Applicant
- b) office costs for the premises of the Applicant
- c) utility costs (electricity, heating, water supply, Internet...)
- d) administrative/ operating/ indirect costs of the Applicant
- e) salary costs for external software developers
- f) debts and debt service charges (interest)
- g) provisions for losses or potential future liabilities
- h) costs declared by the Beneficiary(ies) and financed by another action or work programme receiving EU (including through EDF) local subsidy, support from the German Government or any other donor (no double funding)
- i) purchases of land or buildings
- j) cost of rent of land, buildings and offices
- k) costs of works, infrastructure and renovation/refurbishment of buildings if not related to the investment under the Call
- l) currency exchange losses
- m) credits to third parties
- n) taxes, including Value Added Taxes (VAT)
- o) financial penalties and litigation expenses
- p) costs for repair and maintenance of used items or equipment
- q) purchase of second-hand machines and equipment
- r) contributions in kind
- s) costs for preparatory studies or the preparation of preliminary / main designs for works
- t) contingency reserve.

#### **IV.4. Specific instructions**

All project proposals **must demonstrate** that they:

- have Term sheet or Letter of commitment or Letter of intent or Letter of expression of interest of third-party private investor (individual or legal entity) who has declared clearly its intention to invest in the start-up (e.g. equity, convertible note)<sup>11</sup>
- ensure the highest impact on the local economies in terms of additional income and profit, exports, innovation, job creation (especially of people below 40 years of age, women and vulnerable people) and contribution to green economy, circular economy; and
- demonstrate a strong commitment for the green and circular economy and takes measures towards a zero pollution and zero waste model to prevent negative impact on the environment and climate change (e.g. using advanced / clean / climate friendly technology for production; using less

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<sup>11</sup> If the legal entity of the regional accelerator intends to invest itself in a particular start-up, it will be considered as a third-part investment.



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materials and ensure that products can be reused, recycled; taking measures to prevent waste and pollution being generated as well as measures to clean and remedy it; environment friendly packaging of products; commitment for efficient energy use, promoting green energy, etc.).

Important note: Each project proposal must contribute (OBLIGATORY) to the achievement of some of the following EU4EG project indicators:

1. Number of new jobs created by the start-up (of which women/under 40s/vulnerable groups/minorities)
2. Number of new products/services provided by supported start-ups
3. Improved performance of supported start-ups (turnover, profit and exports)
4. Number of business support services used by start-ups from BSOs
5. Decreased emission of CO<sub>2</sub> gasses (tons/year)

Those indicators must be considered when defining the results and the Key Performance Indicators (KPIs) of the action (See Sections 2.1.1. and 2.1.4. of the Application Form (Annex A.1.)). Those KPIs should be clearly specified in a Logical Framework Matrix (LFM) for the Project Proposal (PP). The template of the LFM is provided in Annex C. In preparation of the LFM, please consult the provided example.

## V. VISIBILITY AND PROMOTION

The EU4EG project is co-funded by the European Union (EU) Delegation to North Macedonia and the German Federal Ministry for Economic Affairs and Climate Action (BMWK). The Applicants are obliged to publicize the funding provided by the donors, namely EU and BMWK. All deliverables, documents developed during the action, as well as reports, must comply with the objectives and priorities, and guarantee the visibility of the donors EU and BMWK. In doing so, they must follow strictly the instruction that will be provided by EU4EG Project, deriving from the Communication and Visibility Plan of the Project.

## VI. APPLICATION PROCEDURE

### VI.1. Number of applications

Under the this Call for Proposals a legal entity of the:

- The Applicant may NOT submit more than one (1) application under this Call for Proposals.
- A person can only be enrolled in one application.

### VI.2. Application

#### VI.2.1. Application package

The text of the Call for Proposals is published on several platforms:

- EU4EG project web site: [LINK](#)
- EU4EG Academy page: [LINK](#)
- GIZ North Macedonia Facebook page: [GIZ North Macedonia | Facebook](#)
- GIZ North Macedonia LinkedIn page: [GIZ North Macedonia: My Company | LinkedIn](#)
- the EU Delegation to North Macedonia web page: [Republic of North Macedonia | EEAS Website \(europa.eu\)](#)



The Guidelines for Applicants (GfA) and the Application Package are published on the EU4EG project web site: [LINK](#) and the EU4EG Academy page: [LINK](#).

Potential Applicants have thus several options to acquire the Guidelines for Applicants (GfA) and the Application Package:

- 1) Download the application package from the EU4EG web site; OR
- 2) Request from local BSO hosting regional acceleration programme which can download for them from the EU4EG Academy page; OR
- 3) Request can be made on the following e-mail: [EU4EG@giz.de](mailto:EU4EG@giz.de) with Subject: Request for obtaining at the GfA and Application Package;  
OR
- 4) Request can be made by contacting GIZ Regional Adviser on the following e-mails:
  - o South-West region: [jovan.gavrilovski@giz.de](mailto:jovan.gavrilovski@giz.de)

The Application by the start-up shall be made in ONE step: Application Form.

### **VI.2.2. Application**

Applicants must submit an Application by using the Application Form annexed to these Guidelines (Annex A.1).

Applications must be submitted in accordance with the application instructions provided in the Annex A.1. Applicants must submit their Application Forms in English language.

In their submission, Applicants must also provide the following information in their Application Form (AF):

- Explicitly explain how the action supports and contributes to the achievement of the Overall Objective and the Specific Objectives of the Call, stated in Section II.1 of this document;
- Provide a thorough strategy on how the Specific Objectives will be achieved;
- Provide the overall design of the project Proposal, including a set of diverse activities oriented to the achievement of measurable results in line with the abovementioned Specific Objectives, and a realistic Action Plan;
- Provide realistic budget based on market research, with well justified activities and taking into consideration eligibility of all costs according to the CfP.

The Application Form (Annex A.1) should be accompanied with:

- Certificate for successful graduation of the regional acceleration programme of Ohrid Blue economy Accelerator managed by Prime Blue Institute;
- Term sheet or Letter of commitment or Letter of intent or Letter of expression of interest from of an external private investor (individual or legal entity) to invest in the start-up (e.g. equity, convertible note);
- Self-declaration (Annex A.2);
- Budget (Annex B.1);
- Business Plan as a result of the support provided during regional acceleration programme



(Annex B.2)<sup>12</sup>;

- Logical Framework Matrix (Annex C);
- Other supporting documents (see Section VI.2.2.1. for description).

The Applicants must also submit signed Self-declaration (Annex A.2) accompanied with the following documents in pdf format not older than 6 months from the submission deadline:

- a) Copy of the legal representative's identification documents (signed and stamped);
- b) Copy of the Registration certificate issued by the Central Registry of the Republic of North Macedonia.

*IMPORTANT NOTE: Information across all documents shall be harmonised (for ex. titles of the planned activities shall be identical in all documents, costs shall be identical, etc.)*

### **Further information about the Applications**

Information events related to this Call for Proposals will be held as follows:

- Online event on 27.06.2024, 10.00 – 11.30 h using MS Teams platform on the following link: [Click here to join the meeting](#)
- Physical events (individual sessions with start-ups) in the target areas:
  - South-West region:
    - 08.07.2024 in Ohrid, 10:00 – 11:30 h.

The locations of Information events will be also published in advance on the following [LINK](#) at the EU4EG web page and on the following [LINK](#) of the EU4EG Academy page and will be also sent via e-mail to the potential applicants which requested the GfA and Application Package.

#### **VI.2.2.1. Other supporting documents**

The following supporting documents (Originals or certified copies) must be submitted together with the Application in order to allow the Contracting Authority to verify the eligibility of the Applicant:

1. The statutes or articles of association of the Applicant. Registration documents shall also be submitted as proof of establishment. *Note: Teams were also allowed to participate in Ohrid Blue Economy Accelerator Call for start-ups. However, in case the Local Subsidy is approved, the start-up team shall establish a legal entity before signing the Contract.*
2. Applicant's accounts (the profit and loss account and the balance sheet for financial years for which the accounts have been closed (where applicable)) issued by the Central Registry of the Republic of North Macedonia. If the company does not have any financial statements it shall submit supporting financial documents that will prove the potential of the business (e.g. valuation, patent or other IPR properties, proof of market demand, proof of traction, etc.).
3. Acknowledgement on the number of employees issued by the Pension and Disability Fund of North Macedonia or Employment Service Agency, not older than 3 months, from the deadline for submission of Applications;

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<sup>12</sup> Please check the assessment criteria for quality assessment of the project proposal related to the Business Plan. It shall contain information on the following aspects: (1) Product/Service; (2) Market size; (3) Competition; (4) Business model; (5) Traction; (6) Financial statements and projections; and (7) Team.





4. Order form for registration (see Annex D of these guidelines) duly completed and signed by the Applicant.<sup>13</sup>
5. Confirmation of bank details of the Applicant (Annex E of these Guidelines), certified by the bank to which the payments will be made.<sup>14</sup> This bank should be in the country where the Applicant is established. If the Applicant has already submitted the same form in the past for a contract where the GIZ was in charge of the payments and intends to use the same bank account, a copy of the form may be provided instead.

*Important note:*

*All funds made available under the LS Agreement (when awarded) must be accounted separately from any funds provided by other donors. The Recipient shall open a separate sub-account with its bank or a separate cost unit in its own accounts to settle the financial transactions involved in this Agreement and shall confirm to GIZ that this has been done when submitting its first request for pre-financing instalments. GIZ shall issue all payments to the Recipient's account. The Recipient shall submit confirmation from the bank verifying the account number at the latest together with the first request for the pre-financing instalment and every time a different account number is used.*

6. Certificate for paid taxes and contributions from the Tax Authority of the Republic of North Macedonia not older than 6 months<sup>15</sup>.
7. Other supporting documentation not older than 6 months related to:
  - 7.1. Legal relationship to the premises/ building in which the business is/ will be located and the investment (equipment/ technology) foreseen through this Call for Proposals (copy of the deed or leasing agreement).
  - 7.2. Documents for actions involving **construction works** - All Applicants whose projects include construction works, must provide the following documents in addition to the ones:
    - 7.2.1. Positive Decision on Environmental Impact Assessment (EIA) OR a statement from the relevant public authority that the latter is not required for planned activities;
    - 7.2.2. Proof of ownership or long-term lease (10 years after signing of the contract) for the land /assets in question;
    - 7.2.3. Preliminary works design or detailed works design;
    - 7.2.4. All necessary legal authorisations (e.g. location and construction permits);
    - 7.2.5. Indicative Bill of Quantities (BoQ) with prices – either in MKD or in EUR.

The requested supporting documents must be provided in the form of originals or certified copies, as photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals. Where such documents are not in one of the official languages of the EU or in the language of the host country where the action is implemented, a translation into English of the relevant parts of these documents proving the Applicant's eligibility must be attached for the purpose of analysing the application.

Where these documents are in an official language of the EU other than English, it is strongly recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the

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<sup>13</sup> For start-up teams before signing of the local subsidy contract.

<sup>14</sup> Ibid.

<sup>15</sup> For start-up teams is not applicable.



documents, proving the Applicant's, into English. Note: Documents related to construction works (8.3. above) shall not be translated in English if available in Macedonian language.

Applicants must take into consideration the time necessary to obtain official documents from national competent authorities and to translate such documents in the authorized languages.

If the abovementioned supporting documents are not provided before the deadline indicated in the request for supporting documents sent to the Applicant by the Contracting Authority, the application may be rejected.

Please note that only the Application Form and the published annexes which have to be filled-in (Budget, Business Plan, and Logical Framework Matrix) will be transmitted to the evaluators (and assessors, if used). It is, therefore, of utmost importance that these documents contain ALL the relevant information concerning the action. No additional annexes (e.g. offers, invoices, etc.) should be sent.

Any error or any major inconsistency related to the Application instructions (e.g. if the amounts in the Budget worksheets are inconsistent) may lead to the rejection of the application.

Clarifications will only be requested when information provided is unclear and, thus, prevents the GIZ as Contracting Authority from conducting an objective assessment.

**IMPORTANT NOTE:**

*The description of the project proposal (Application Form) must provide an overview of all the measures and highlight all the technical aspects. The Project Proposal (PP) must be presented in such a way that the relevant GIZ staff can adequately determine whether the project is eligible to receive funding. In cases involving procurement of materials and equipment, the PP and consequently the LS Agreement must also specify what will happen to the procured items at the end of the project.*

*The Applicant has the obligation to ensure the sustainability of the results in terms of preserving its conditions and ownership for **not less than 5 (five) years after completion of the implementation period of the project.***

**VI.2.3. Where and how to send Applications**

**Application Form** (Annex A.1.) form together with the **Self-declaration** (Annex A.2), **Budget** (Annex B.1), **Business Plan** (Annex B.2), the **LFM** (Annex C.) and the **Other supporting documents including required certificates and letters** must be submitted online on the following e-mail: [EU4EG@giz.de](mailto:EU4EG@giz.de) within the given deadline by stating the Call reference in the subject: EU4EG\_Start-ups\_2 "Application – Name of the Applicant".

In case the documents exceed the size of 15 MB please divide them in more files and name each consecutive e-mail accordingly. In example, if the documents consist of 3 parts then add in the end of the e-mail subject "1 of 3", "2 of 3" and "3 of 3" respectively.

Upon submission of an Application online, the Applicant will receive an automatic confirmation of receipt via e-mail.

Applications sent by any other means (e.g. by hand delivery by fax) will not be accepted. Hand-written Applications will not be accepted.



Please note that incomplete Applications may be rejected. Applicants are advised to verify that their application is complete using the Checklist (Annex A.1, Section 7).

#### **VI.2.4. Deadline for submission of Applications**

The deadline for the submission of Applications is **22.07.2024, 12:00 h local time**.

Applicants are strongly advised not to wait until the last day to submit their Applications, since heavy Internet traffic or a fault with the Internet connection (including electricity failure, etc.) could lead to difficulties in submission. The Contacting Authority cannot be held responsible for any delay due to such aforementioned difficulties.

Any application submitted after the deadline will be rejected.

#### **VI.2.5. Further information about the Applications**

Questions may be sent in writing via e-mail no later than 7 days before the deadline for the submission of Applications, indicating clearly the reference of the Call for Proposals (EU4EG\_Start-ups\_2). Clarifications to questions received after this date will not be provided.

Questions should be sent to the following e-mail address: [EU4EG@giz.de](mailto:EU4EG@giz.de).

In order to ensure equal treatment of all applicants, individual replies will NOT be given to Questions. Questions and Answers will be published and updated regularly on the following [LINK](#) at the EU4EG web page and the [LINK](#) at the EU4EG Academy page and will be also sent via e-mail to the Applicants on the e-mail stated as main contact address in the application.

Answers to the Questions will be given no later than 5 days before the deadline for submission of the Applications.

It is therefore advisable to consult the abovementioned sources regularly in order to be informed of the Q&A published.

#### **LEGAL DISCLAIMER:**

*The submission of a project proposal under this Call for Proposals does not lead to a legal entitlement to receive any funding. Any possible funding through GIZ/ EU4EG project within the framework of this Call for Proposals will be local subsidy following and in accordance with an appropriate legal and commercial review, about the public-benefit purpose of each project and the non-violation of EU state-aid law. The legal compliance may also require adjustments in respect of the concept of the project proposal submitted as well as the inclusion of corresponding provisions into the contracts governing the use of funding.*

## **VII. EVALUATION AND SELECTION OF APPLICANTS**

For this Call for Proposals, the GIZ will set up a dedicated Evaluation panel composed by international/national experts with extensive expertise in start-ups' support actions and with specific knowledge of the national/local context, acting under GIZ responsibility for the selection of actions. The selection of the actions is based on the assessment of the received Applications following a standardized procedure, which safeguards the principles of transparency and equal treatment.

The assessment process will be conducted in three stages:

1. Administrative compliance check;
2. Eligibility check;
3. Quality assessment.

for each step, namely Step1: Application.

If the examination of the Application at any stage reveals that the proposed action does not meet the eligibility criteria stated in Section IV., the application will be rejected on this sole basis and the application will not be evaluated further.

## VII.1. Step 1: Opening & Administrative & Eligibility checks and evaluation of the Application

### VII.1.1. Opening and Administrative check (Application)

Opening & Administrative check will be performed by the EU4EG project team respecting administrative compliance checklist.

#### Administrative compliance checklist (Application)

#	Criteria	Description	YES	NO	N/A	Comments
A.1.	The Application has been submitted electronically to the following email address: <a href="mailto:EU4EG@giz.de">EU4EG@giz.de</a>	The Application has been submitted to the email address: <a href="mailto:EU4EG@giz.de">EU4EG@giz.de</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.2.	The Application is submitted on time.	The Application is submitted within the foreseen deadline.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.3.	All the documents of the Application phase have been duly filled-in and submitted	All the respective documents of the Application phase are correctly filled-in (no errors or missing information) and submitted: 1. Application (Annex A.1.) 2. Self-declaration (Annex A.2.) 3. Budget (Annex B.1); 4. Logical Framework Matrix (Annex C); 5. Supporting documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.4.	The Declaration has been duly signed by the legally authorized	- Self-declaration (Annex A.2.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



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	representatives of the Applicant and stamped					
A.5.	Original, official supporting documentation to the Self-declaration of the Applicant is submitted in right format (pdf).	a) Copy of the legal representative's identification documents (signed and stamped); b) Copy of the Registration certificate issued by the Central Registry of the Republic of North Macedonia (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.6.	Original, official supporting documentation of the Applicant is submitted and in right format (pdf).	Originals or certified copies of the supporting documents: 1. Certificate for successful graduation of the regional acceleration programme; 2. Term sheet or Letter of commitment or Letter of intent or Letter of expression of interest from a third-party investor (individual or legal entity); 3. The statutes or articles of association of the Applicant; Registration documents; 4. Applicant's accounts of the latest closed financial years (if applicable); Other documents proving the potential of the business. 5. Acknowledgement on the number of employees issued by the Pension and Disability Fund of North Macedonia or Employment Service Agency (not older than 3 months); 6. Order form for registration (Annex D); 7. Confirmation of bank details of the Applicant (Annex E);	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



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		8. Other supporting documentation.				
A.7.	The Application is compiled in the required language	The Application is compiled in English language.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.8.	The length of the Application is according the instructions.	The following parts of the Application have the requested length: (i) Description of the action is not exceeding 3 pages; and (ii) the Implementation approach is not exceeding 2 pages; (iii) Indicative action plan is not exceeding 2 pages; (iv) Sustainability of action is not exceeding 1 page.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.9.	Information provided in the Application follows the instructions in the application form.	Information presented in the Application is consistent with instructions in the application form (Annex A.1.) and contains all relevant sections.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.10.	The Budget is submitted in the required format and contains all relevant information	The Budget (Annex B.1.): (i) is presented in local currency (MKD); (ii) contains the required information (cost estimates); (iii) amount of requested donor contribution, (iv) percentage of this contribution in relation to the total eligible costs of the action; (iii) total budget.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.11.	The Business Plan is submitted in the required format and contains all relevant information	The Business plan (Annex B.2.) contains: - narrative part - financial part	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A.12.	The Log Frame Matrix is submitted in the required format and contains all relevant information	The LFM (Annex C.) is submitted in the required format and contains the obligatory indicators as required in Section II.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Opening & Administrative check is based on questions which can be answered with “Yes,” “No” or “Not applicable” for particular application.

### **VII.1.2. Eligibility check (Application)**

Eligibility check will be performed by the EU4EG project team respecting eligibility checklist.

#### **Eligibility checklist (Application)**

#	Criteria	Description	YES	NO	N/A	Comments
E.1.	The Applicant fulfils the criteria for number of applications	- Applicant may submit only one (1) application under this CfP. - A person can only be enrolled in one application.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.2.	The Applicant is eligible organisation	The Applicant fulfils the criteria in Section IV.1.1. of the GfA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.3.	Time limits for duration of project implementation are respected	The expected overall duration of the project proposals is max. 4 months.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.4.	The requested amount of donor contribution is within the range of allowed size of LS.	The requested amount of donor contribution is between the minimum and maximum allowed size of LS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.5.	The requested donor contribution is within the range of allowed percentages of total eligible costs of the action	The requested donor contribution is between the minimum and maximum allowed percentages of total eligible costs of the action.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.6.	The action is implemented in the target area	South-West region	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.7.	Project proposal fits the objectives of the Call and the EU4EG project	Thematically the project proposal fits the objectives of the Call and the EU4EG project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.8.	The action fulfils the obligatory requirements	The project proposal demonstrates: - intention for investment in the start-up by an	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



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		external private investor (individual or legal entity); - impact on the local economy - strong commitment for the green and circular economy to prevent negative impact on the environment and climate change. (criteria in Section IV.4. of the GfA)				
E.09.	The action is eligible	The action fits with: - priority themes and sectors - type of actions - type of activities (criteria in Section IV.2. of the GfA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.10.	The costs of the action are eligible	The costs of the action are in line with the criteria in Section IV.2. of the GfA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.11.	The amounts of financing for different budget categories are respected	Budget categories 2) and 5) - Max. 30% of the total local subsidy amount requested; Construction works (part of budget category 5) - Max 10% of the local subsidy amount requested	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.12.	There is no evidence of double funding of activities	See the statement in the Self-declaration (Annex A.2.) of the Applicant.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E.13.	The Applicant is eligible to receive funding under de minimis Regulation	See the statement in the Self-declaration (Annex A.2.) of the Applicant.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Eligibility check is based on questions which can be answered with “Yes,” “No” or “Not applicable” for application.

Clarifications regarding Application will be requested from the Applicant only when the information provided within Application is unclear or missing and thus prevents the EU4EG project team from conducting an objective assessment. If any of the requested information is missing or is incorrect, the Application may be rejected on that sole basis and the Application will not be evaluated further.





**IMPORTANT NOTE: Only Applications that satisfy all the administrative and eligibility criteria will be subject to Quality assessment.**

**VII.1.3. Quality assessment (Application)**

The Applications that pass Opening & Administrative & Eligibility checks will be further evaluated on their quality, including the proposed budget/ business plan and the capacity of the Applicants. The evaluation criteria used are presented in the evaluation grid below. There are two types of evaluation criteria: selection and award criteria.

**The selection criteria** help to evaluate the applicant's operational capacity and applicant's financial capacity and are used to verify that they:

- have sufficient sources of finance to maintain their activity throughout the proposed action and, to participate in its co-funding (with min. 20%);
- have sufficient management capacity, professional competencies and qualifications to successfully complete the proposed action.

For the purpose of the evaluation of the financial capacity, Applicants must provide relevant and up to date information and documents (i.e. accounts of the latest financial years, if applicable). If the provided information and documents are outdated and do not allow for a proper evaluation of the financial capacity, the Application may be rejected. If the company does not have any financial statements it shall submit supporting documents that will prove the potential of the business (e.g. valuation, patent or other IPR properties, proof of market demand, proof of traction, etc.).

**The award criteria** help to evaluate the quality of the applications in relation to the objectives and priorities set forth in the GfA, and to award local subsidy to projects which maximize the overall effectiveness of the CfP. They help to select applications which the Contracting Authority can be confident will comply with its objectives and priorities. They cover the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost- effectiveness.

The evaluation grid is divided into sections and subsections. Each subsection will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

**Evaluation Grid (Application)**

Section	Maximum Score
<b>1. Financial and operational capacity</b>	<b>20</b>
1.1. Does the applicant have adequate team (composition and experience of the operational and management staff)? Does the applicant have sufficient technical expertise (especially knowledge of the issues to be addressed)? Does the applicant have the sufficient management capacity (including staff, equipment and ability to handle the budget for the action)? Is distribution of tasks and responsibilities and the commitment (% of the engagement) of the management and operational staff is satisfactory?	10



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1.2. Does the applicant have sufficient sources (current or future income streams) to co-finance its part?	5
1.3. Does the applicant have secured an external private investment (individual or legal entity) - Term sheet or Letter of commitment or Letter of intent or Letter of expression of interest?	5
<b>2. Relevance of the action</b>	<b>20</b>
2.1. How relevant is the proposal to the objectives and priorities of the Call for Proposals? How relevant to the particular needs and constraints of the target country or region is the proposal?	5
2.2. What is the problem that is being solved? Is there a need for company's products/services? Is the product/service better, faster, cheaper, simpler, more efficient, more convenient, of better quality than similar ones?	5
2.3. Does this solution exist somewhere? What is the potential to protect intellectual property?	5
2.4. Does the proposal contain specific added-value elements, job creation (of people below 40 years of age and/or women and/or people belonging to vulnerable groups and minorities), equal opportunities, support environmental sustainability including EU Green Deal and Circular economy, innovation, digitalisation, potential for exports, etc?	5
<b>3. Effectiveness and feasibility of the action</b>	<b>25</b>
3.1. Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2. Is the Action Plan clear and feasible?	5
3.3. Does the proposal contain objectively verifiable indicators for the outcome of the action?	5
3.4. Is the Business Plan realistic and feasible? Does it lead to growth of the business taking into account the following aspects: (1) Product/Service; (2) Market size; (3) Competition; (4) Business model; (5) Traction; (6) Financial statements and projections; and (7) Team?	10
<b>4. Sustainability of the action</b>	<b>25</b>
4.1. Is the action likely to have a tangible impact on its target groups?	5
4.2. Is the product/service of the start-up innovative? Is the proposal likely to contribute to fast growth and scaling-up of the start-up? How is it scalable?	10



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4.3. Are the expected results of the proposed action sustainable: (1) financially (how will the activities be financed after the funding ends? what are the main conclusions of the Financial projections from the Business Plan?); (2) institutionally (will structures allowing the activities to continue be in place at the end of the action? Will there be local 'ownership' of the results of the action?); (3) environmentally (will the action have a negative/positive environmental impact?)?"	10
<b>5. Budget and cost-effectiveness of the action</b>	<b>10</b>
5.1. Are the activities appropriately reflected in the budget?	5
5.2. Is the ratio between the estimated costs and the expected results satisfactory? Are the financial ratios based on the projections in the Business Plan positive and convincing? What is the revenue model (Is there any current revenue? What are the expected revenue streams? Are they recurring or one-time?)	5
<b>Maximum total score</b>	<b>100</b>

It is advised that the Applicant provides ratio analysis based on the financial projections in the Business Plan for point 5.2.

**If the total score is less than 50 points, the application will be rejected.**

After the evaluation, applications will be ranked according to their score. The highest scoring applications will be provisionally selected until the available budget for this Call for Proposals is reached.

In addition, a reserve list will be drawn up following the same criteria. This list will be used if more funds become available during the validity period of the reserve list.

After that, the evaluation committee will make a final recommendation to the GIZ as the Contracting Authority, which will decide on the award of local subsidy.

Applicant whose application has been provisionally selected or placed on the reserve list will be informed in writing by the GIZ as the Contracting Authority.

**LEGAL DISCLAIMER:**

*Please note that this information provided by GIZ as positive content-related feedback does not lead to a legal entitlement to receive any funding. Any possible funding will only be local subsidy following and in accordance with an appropriate commercial and legal eligibility check.*

**VIII. AWARD AND IMPLEMENTATION PROCEDURE**

**VIII.1. Commercial and Legal Eligibility Check**

Before the LS Agreement between GIZ and the conditionally selected Applicant can be signed, GIZ has to perform a Commercial and Legal Eligibility Check (German abbreviation: KEP) of the Applicant.

Support of private enterprises under EU4EG aims to improve the competitiveness of local start-ups in selected target areas of the Macedonian economy with a view to EU accession. This objective is supported



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by both, BMWK's and EU's development policy. Through EU4EG, BMWK and EU thus stimulate part of North Macedonia's economic and social development which the country is unable to achieve on its own. The local subsidy scheme implemented under EU4EG is therefore clearly geared towards the objective set out in GIZ's statutes, i.e. "Promoting international cooperation for sustainable development".

The Commercial and Legal Eligibility Check (KEP) may be executed at the premises of the Applicant if deemed necessary. GIZ examines whether the potential recipient of the local subsidy is commercially, administratively and legally qualified to assume responsibility for implementing it. This evaluation is performed in line with the standard procedures that GIZ employs for this purpose. This implies checking the accounting procedures, contracting procedures, financial and administrative capacities of the Applicant, including existing manuals. Procurement and contracting procedures should be made available for GIZ. In the case the conditionally selected Applicant does not meet the commercial eligibility criteria, it will be rejected and will be replaced by the next best placed application on the reserve list that falls within the available budget for this CfP.

### **VIII.2. Content of the decision**

The Applicants will be informed in writing of the Contracting Authority's decision concerning their application and, if rejected, the reasons for the negative decision. This letter will be sent by e-mail.

An Applicant believing that it has been harmed by an error or irregularity during the award process may lodge a complaint to the Contracting Authority.

### **VIII.3. Conditions for implementation after the Contracting Authority's decision to award a Local Subsidy**

Following the decision to award a local subsidy, the Beneficiary will be offered a Contract based on the Standard LS contract (see Annex G of these guidelines). By signing the Application Form (Annex A.1.), the Applicants agree, if awarded a local subsidy, to accept the contractual conditions of the standard LS contract.

Before signing the contract, GIZ as Contracting Authority may perform on-site visit to the Applicant.

Before signing the contract, the Beneficiary must present the financial guarantee (assurance of realization) for the amount of the local subsidy which is its own contribution.

#### ***DISCLAIMER:***

*The standard LS agreement (Annex G) is aimed at assisting Applicants. It shows the full range of provisions that may be applied to this type of agreement and is provided for information purposes only. The legally binding agreement will be that which is signed by the parties.*

#### Implementation contracts

Where implementation of the action requires the beneficiary to award procurement contracts, those contracts must be awarded in accordance with the provisions in the Article 4 of the Standard LS contract as well as the Award Procedure / Procurement Guidelines (Annex 2 of the Standard LS contract), which are its integral part. The contract award procedure, including but not limited to all decisions in this context, shall be adequately documented in accordance with the best practices.

**IMPORTANT NOTE:**



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The Beneficiary can NOT award service contract from the LS Agreement to a local BSO which is hosting the regional acceleration programme if it is being in the ownership structure (e.g. owns equity).

#### Project Audit

If GIZ commissions the certified public accountant to audit the Project as agreed, GIZ will inform the Recipient as to when the audit will take place. The Recipient will be contacted by the certified public accountant in due time and will receive further information about the audit process and the documents needed. Regarding the contractually agreed audits, the Recipient shall be able at the latest two months after each of the agreed audit period(s) to present the relevant documents well-prepared and ready for the audit. The audit report must be in place not later than 12 weeks after expiry of the agreement.

Notwithstanding the foregoing, the Recipient must be prepared at any time that GIZ or any third parties authorised by GIZ require access to review the books and any other records and documents relevant for the implementation of the Project.

#### **VIII.4. Measures to prevent corruption and the financing of terrorism**

In the context of the German Government's foreign trade controls, as well as those of the EU and others, regulations have been put in place which are intended, among other things, to deter the financing of terrorist organisations, to prevent conflict or to assert political demands. This is done, among other things, by the EU directives on combating terrorism, the German Foreign Trade and Payments Act and special embargo directives on specific goods.

GIZ is therefore obliged under European and German law to check sanctions lists relevant to its own commissions and financial transactions, and to act in line with the embargo directives of the German Government and others, and not contravene these regulations. The rationale of these regulations is to prevent terrorists from receiving any financing, either directly or indirectly.

Please note that as part of the eligibility checking process (see section VIII.2) manual sanctions list check is conducted in accordance with the GIZ rules and regulations.

If the check reveals a match on the sanctions list, i.e. there is a suspicion that the potential partner is on the sanctions list: (i) the IT system generates a report during the automatic check and provisionally blocks any further processing of the transaction; (ii) the manual check may not be proceed any further.

As part of the wider effort to fight corruption in the field of development cooperation, the standard LS Agreement (Annex G) includes explicit article on Anti Money Laundering, countering the Financing of Terrorism, anti-bribery and compliance with embargoes. This article must be included in the agreement.

#### **VIII.5. Data protection**

GIZ Office in Skopje attaches great importance to responsible and transparent management of personal data. GIZ processes personal data exclusively in accordance with the EU General Data Protection Regulation (GDPR), EU Regulation 2016/679, the German Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG) and the Law on Personal Data Protection of North Macedonia.

GIZ only processes personal data to the extent necessary following the principle of minimization of data. The Applicant's replies to the questions in the Application Package are necessary to evaluate and further process the application in accordance with the specifications of the Call for Proposals. Personal data will

be processed solely for that purpose by the GIZ and ASP. Personal data may be transferred to third parties involved in the assessment process or later in the procedure for LS contract, without prejudice of transfer to the bodies in charge of monitoring and inspection tasks in accordance with EU law.

User data will not be kept any longer than is necessary for the purpose for which it is processed or as required by law.

*Note: The results of this Call for Proposals are information of public nature and will be published on the on the following [LINK](#) of the EU4EG web site and the following [LINK](#) at the EU4EG Academy and abovementioned platforms after signing the LS Agreements with the selected Applicants.*

## IX. INDICATIVE TIMETABLE

<b>CALL FOR PROPOSALS FOR NEWLY ESTABLISHED ENTERPRISES (START-UPS) CALL REF: EU4EG_Start-ups_5 (ONLY FOR SOUTH-WEST REGION)</b>	
<b>Activity</b>	<b>Timetable</b>
Launch of the Call for Proposals	20.06.2024   12:00 h
Information days in South-West planning region	<ul style="list-style-type: none"> <li>• Online event on 27.06.2024, 10.00 – 11.30 h using MS Teams platform on the following link: <a href="#">Click here to join the meeting</a></li> <li>• Physical events (individual sessions with start-ups) in the target areas:               <ul style="list-style-type: none"> <li>○ South-West region:                   <ul style="list-style-type: none"> <li>▪ 08.07.2024 in Ohrid, 10:00 – 11:30 h.</li> </ul> </li> </ul> </li> </ul> <p>The location of Information events will be also published in advance on the following <a href="#">LINK</a> of the EU4EG web site and the following <a href="#">LINK</a> at the EU4EG Academy page and will be also sent via e-mail.</p>
Requesting any clarifications related to this Call for Proposals	7 days prior the submission deadline
Publication of Questions & Answers	5 days prior the submission deadline
Deadline for submission of Applications	<b>22.07.2024   12:00 h</b>
Information to Applicants on opening, Administrative and eligibility check and the evaluation of the Applications (Step 1)	10.08.2024
Commercial Eligibility Check of the conditionally selected Applicants	20.08.2024
Final selection of the Applicants	20.08.2024
Preparation and signing of the LS Agreements (Contracts)	01.09.2024

All dates and times are expressed in local (MK) time, where it is not specified otherwise.



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This indicative timetable refers to provisional dates (**except for dates for Launch of the Call for Proposals, Info sessions and Deadline for submission of Application**) and may be updated by the GIZ as the Contracting Authority during the procedure. In such cases, the updated timetable will be published on the following [LINK](#) of the EU4EG web site and the following [LINK](#) at the EU4EG Academy and other abovementioned platforms.

## **X. ANNEXES**

### **XI.1. Application package (Documents to be completed)**

Annex A: Local Subsidy Application Form

- A.1. Application Form
- A.2. Self-declaration of the Applicant

Annex B: Financial templates

- B.1. Budget
- B.2. Business Plan

Annex C: Logical Framework Matrix

Annex D: Order form for registration

Annex E: Confirmation of bank details

### **XI.2. Additional Information**

Annex G: GIZ Standard Local Subsidy (LS) Agreement

- Annex 1: Approved Budget
- Annex 2: Approved Project Proposal