



Federal Ministry
for Economic Affairs
and Climate Action

EU for Economic Growth (EU4EG)

Increasing local economic activity and competitiveness in the North-east, Polog, and South-west Regions, and Prespa area of North Macedonia

Info session on the **CALL FOR PROPOSALS FOR NEWLY ESTABLISHED COMPANIES (START-UPS)***

CALL REF: EU4EG_Start-ups_3 (only for Polog region)

CALL REF: EU4EG_Start-ups_4 (only for NE region)

CALL REF: EU4EG_Start-ups_5 (only for SW region)

Virtual Event

27th June, 2024, 10:00 - 11:30 h

Mark Barrett, Project Leader, GIZ EU4EG

Hari Shutoski, Adviser for ecosystem development, GIZ EU4EG

Implemented by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

AREA
SCIENCE PARK



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Objectives of the Info Session

- Participants from the graduated start-ups are familiar with the objectives, criteria and opportunities of the published **CALLS FOR PROPOSALS FOR NEWLY ESTABLISHED COMPANIES (START-UPS)**, CALL REF: **EU4EG_Start-ups_3 (Polog region)**; **EU4EG_Start-ups_4 (North-East region)**, and **EU4EG_Start-ups_5 (South-West region)**, published in the frame of the Project “EU for Economic Growth (EU4EG)”
- Participants from local BSO hosting regional acceleration programmes understand their role in supporting investable start-ups with growth/scalable potential.



EU for Economic Growth Commitments

1. Improving the Business Support Services for Start-ups and SMEs by supporting them to convey knowledge of the best practices in business development through capacity development activities and technical assistance.
2. Improving business support infrastructure through accelerators and mentorship programs.
3. Support existing high value-added business initiatives to introduce innovative technology, technology lines and equipment, production methods with an impact in improving business processes, and production efficiency to increase competitiveness.

Project name	EU for Economic Growth
Project region	North-East, Polog, South-West, Prespa (Municipality of Resen)
Commissioned by	Federal Ministry for Economic Affairs and Climate Action (BMWK)
Co-funded by	Delegation of the European Union to the Republic of North Macedonia
Volume	9.750.000 EUR
Duration	4 years (February 2021 - February 2025)
Implementing Partners	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Area Science Park, Trieste, Italy

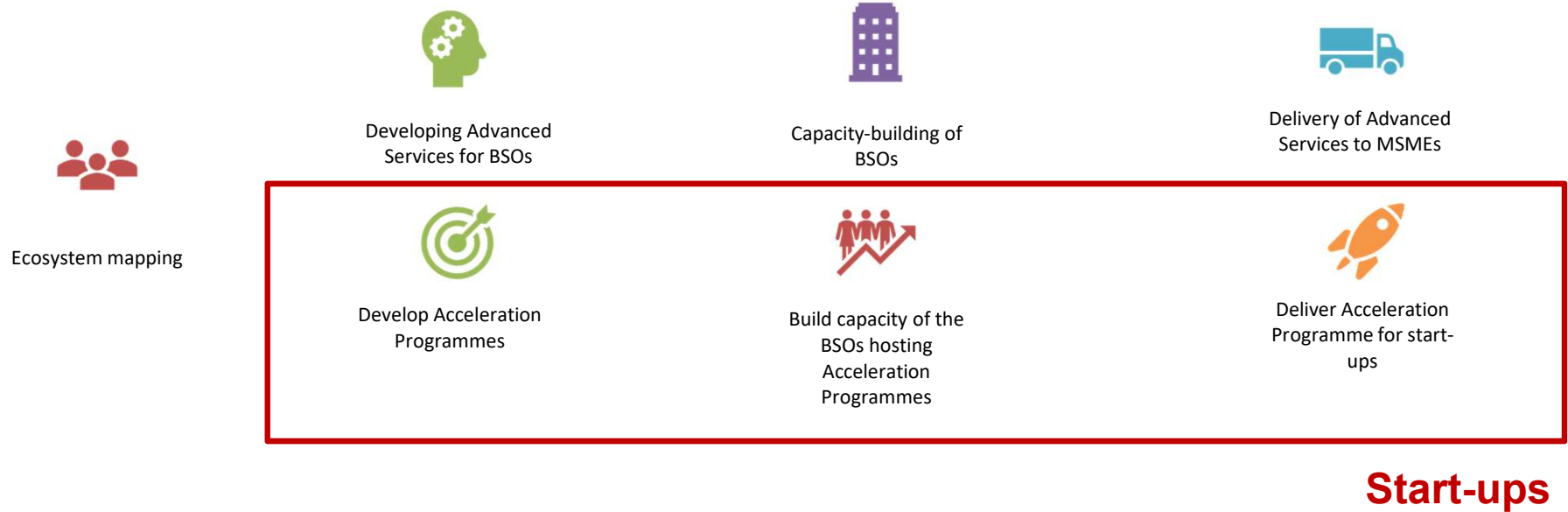


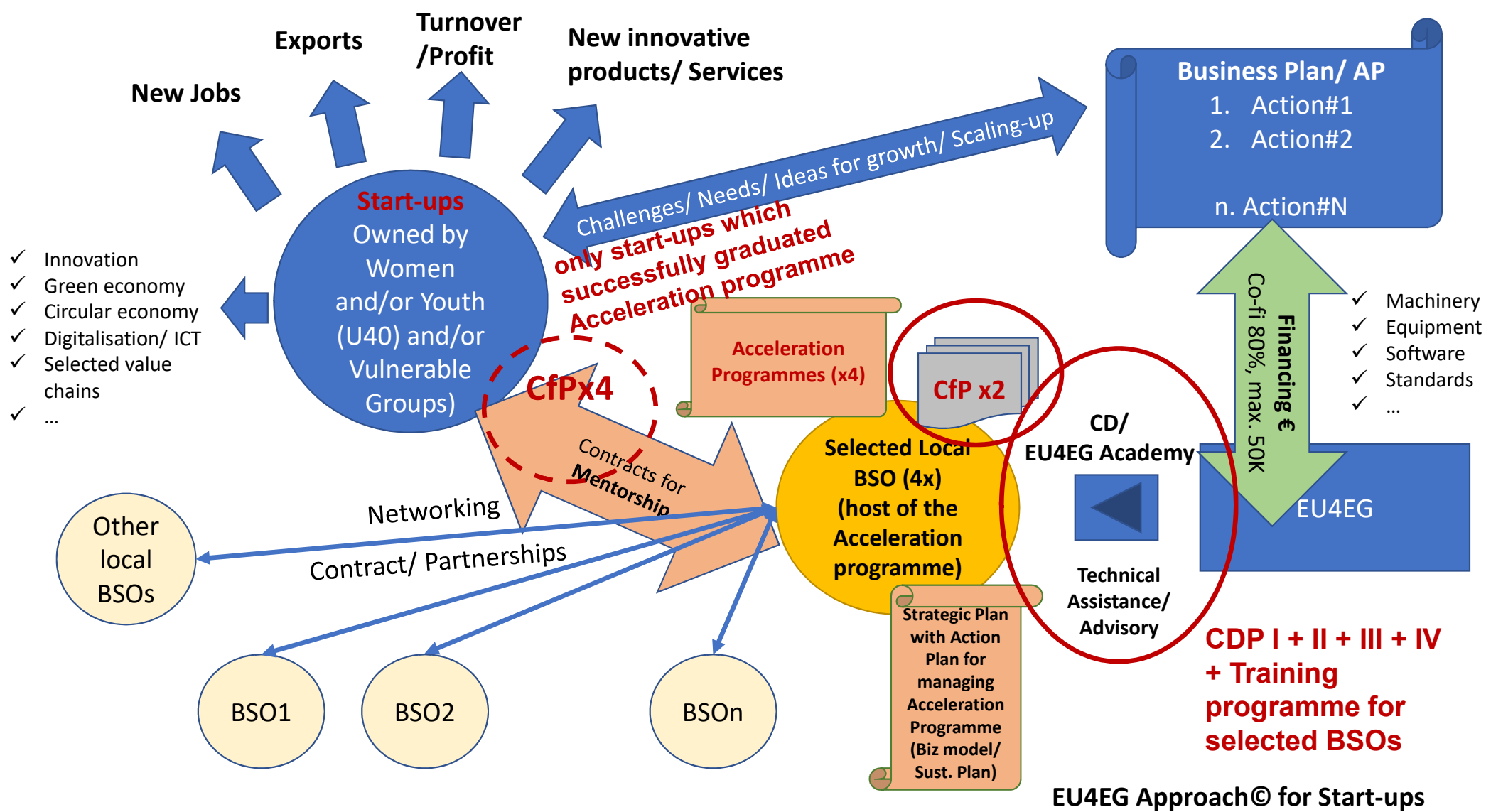
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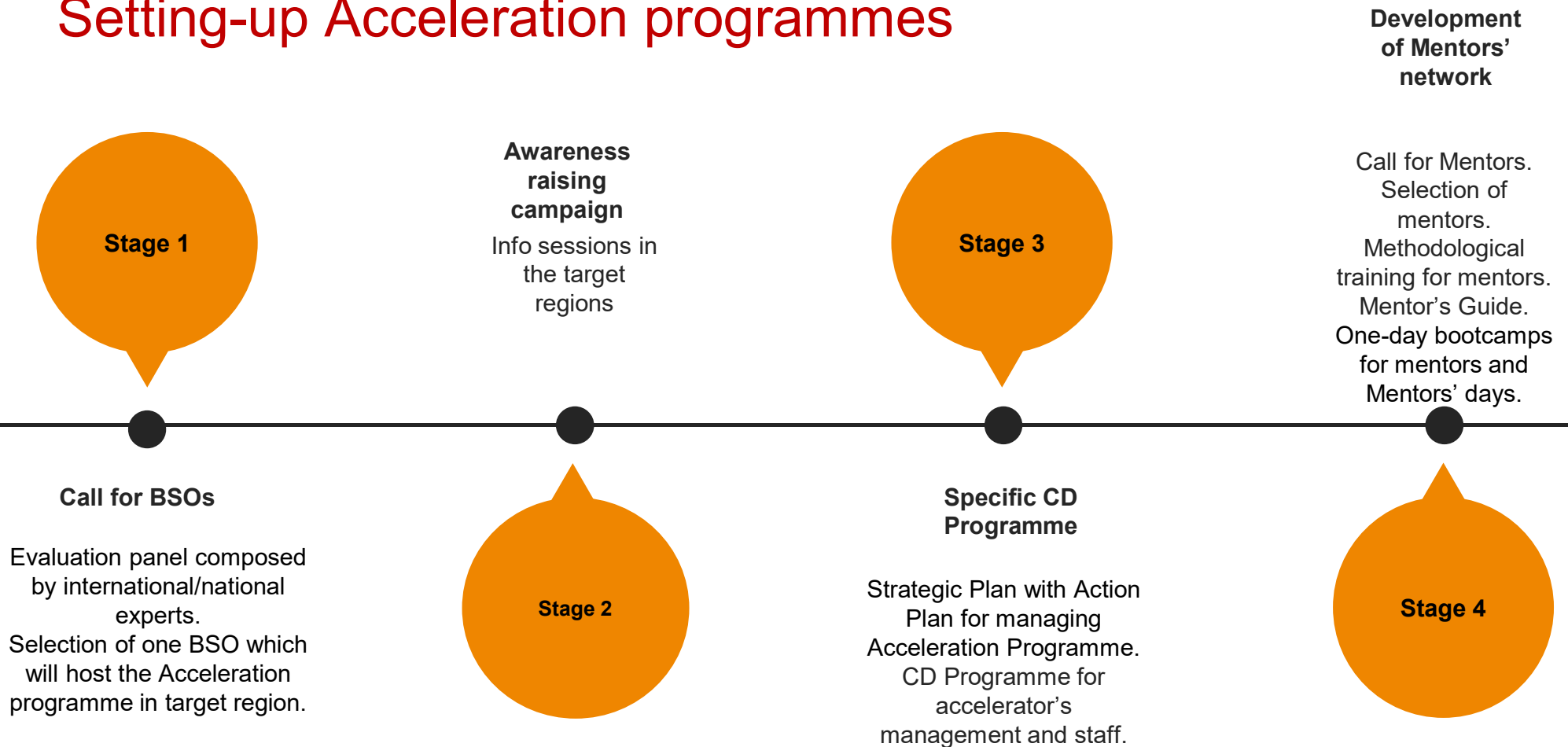
Designing the ecosystem support programme



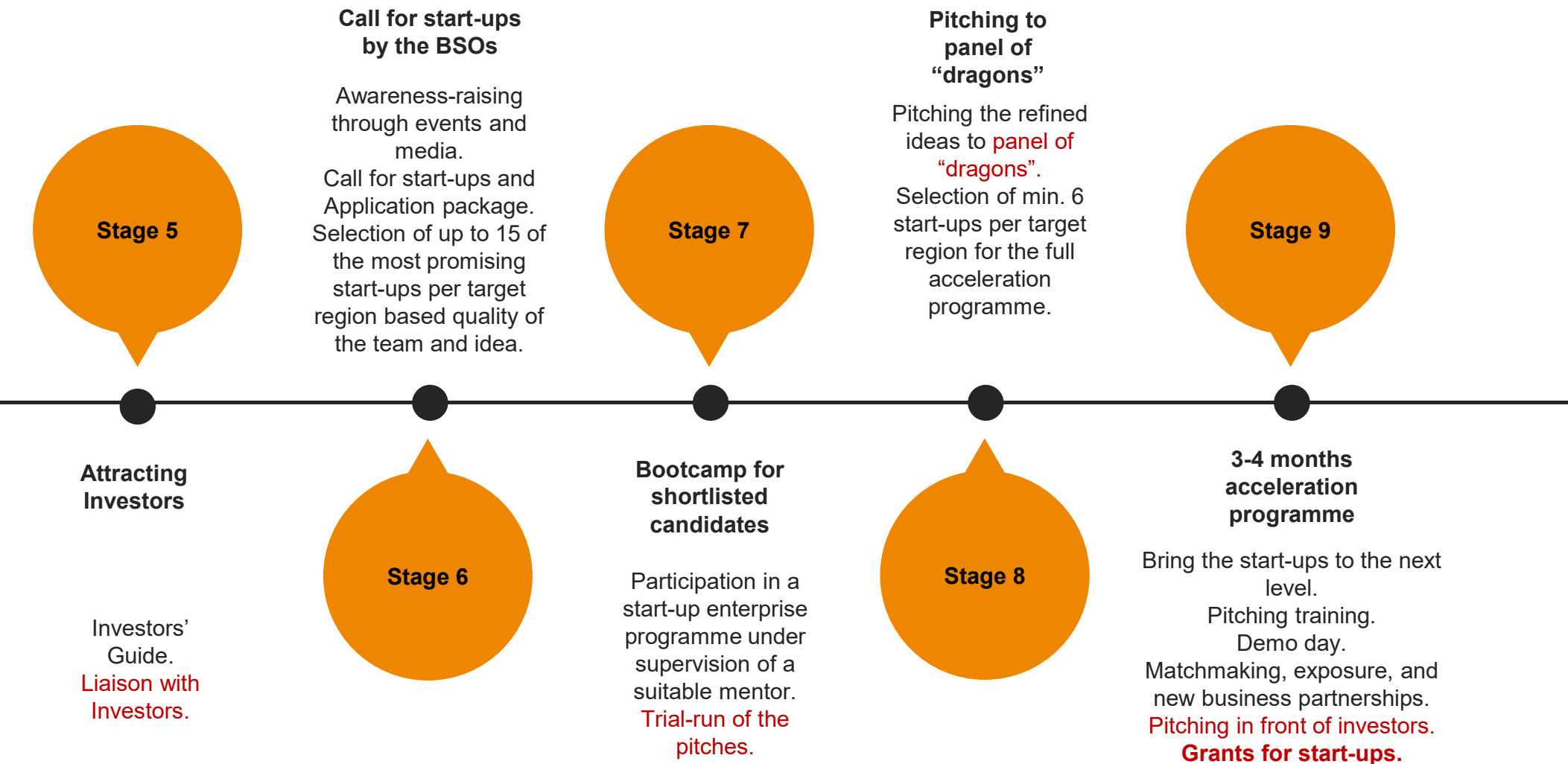


EU4EG Approach© for Start-ups

Setting-up Acceleration programmes



Implementation of Acceleration programmes





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Objectives of the CfP

Overall Objective

to contribute in increasing the local economic activity and competitiveness in the target areas of Polog, North-East and South-West regions by improving access of start-ups* to high value-added business support services and financing.

*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.

Specific Objectives

- 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.



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Target Group of the CfP

- **Innovative* Start-ups (<3 years old) with growth/ scaling potential established in the Republic of North Macedonia with physical office/premises and staff in the target areas (Polog, North-East and South-West) which successfully graduated the regional acceleration programme in the respective region.**
- **Start-ups majority owned by women and/or people under 40 years and/or vulnerable groups!**

=> concentration of **advisory and financial support** will increase significantly the chances for the start-ups' survival and growth.



"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.

Final beneficiaries of the CFP

- Population in Polog, North-East and South-West regions of the Republic of North Macedonia
 - Women and/or
 - Youth (U40) and/or
 - Vulnerable and disadvantaged groups.





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The types of economic activities of the start-ups



Circular economy and
green economy



Innovation and IT



Highly competitive
economic sectors



Scaling-up/ Growth/
Export potential



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Highly competitive economic sectors

- **Food production and processing**
- **Sustainable tourism**
- **ICT**
- **Manufacturing**
- **Leather and textiles**



Financial allocation

- **Total amount made available for all 3 CfPs is 750.000 EUR:**
 - **NE: 250.000 EUR**
 - **SW: 300.000 EUR**
 - **Polog: 200.000 EUR**
- **Size of local subsidies** (as an amount of total eligible costs of the action)
 - Min.: 15'000 EUR
 - Max.: 50'000 EUR.
- **Share of local subsidies** (as % of total eligible costs of the action):
 - Min.: 50%
 - Max.: 80%



Size of projects

Share/ Size of LS	Min. 15'000 EUR	Max. 50'000 EUR
Min. 50%	30'000 EUR (Start-up: 15'000 EUR)	100'000 EUR (Start-up: 50'000 EUR)
Max. 80%	18'750 EUR (Start-up: 3'750 EUR)	62'500 EUR (Start-up: 12'500 EUR)

Ex.: 40'000 EUR as LS (80%); 10'000 EUR co-fi by start-up (20%); TOTAL: 50'000 EUR (100%)



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Eligibility criteria - Eligibility of applicants – Polog region

- 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 28.11.2020;
- 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; and
- has physical office/premises and staff in Polog 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 2nd cohort of the regional acceleration programme of 700 Accelerator managed by Business Innovation Center (BIC)/ SEEU Tech Park – Tetovo in 2023/2024.



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Eligibility criteria - Eligibility of applicants – North-East region

- 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 01.02.2021;
- 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; and
- has physical office/premises and staff in North-East 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 regional acceleration programme of Albiz Accelerator managed by Albiz Foundation in 2024.



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Eligibility criteria - Eligibility of applicants – South-West region

- 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;
- 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; 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 regional acceleration programme of Ohrid Blue economy Accelerator managed by Prime Blue Institute in 2023/2024.



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Eligibility criteria - Eligibility of applicants

- **Co-applicants - NOT foreseen under this CfP!!!**
- **Affiliated entity(ies) - NOT foreseen under this CfP!!!**
- **Associates - may be involved in the action**
 - Do not have to fulfil the eligibility criteria
 - May NOT receive funding from the LS.
- **Contractors**
 - LS beneficiaries are permitted to award contracts.
 - Associates cannot also be Contractors in the project.
 - Are subject to the procurement rules (national + LS Contract (Annex G and its associated annexes))



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Eligibility criteria - Eligibility of actions

- **Duration** - max. 4 months (September – December 2024)
- **Locations** - target areas – Polog, North-East and South-West regions
- **Topics**
 - Specific sector focus of the 2nd Call for start-ups published by regional accelerator (e.g. Blue and green economy of Ohrid accelerator)
 - Target sectors mentioned previously
 - Innovative project proposals in other sectors are also considered given that they satisfy other eligibility and quality criteria.



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Eligibility criteria - Eligibility of actions

- **Focus of project proposals***

- 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;

* List is not exhaustive



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Eligibility criteria - Eligibility of actions

- **Focus of project proposals***

- 7) Introduction of measures to improve marketing/packaging of products/export strategies;
- 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.

* List is not exhaustive

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Eligibility criteria - Eligibility of activities

• **Activities in project proposals**

- 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*.



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Eligibility criteria - Eligibility of costs

- **Financial support to 3rd parties (sub-granting) is NOT allowed!**
- **The total amount of financing for the following budget categories is max. 30% of the total LS amount requested:**
 - 2. External services**
 - 5. Other costs and consumables**
- **Cost for construction works (as part of budget item 5) such as construction of production/storage facilities, installation of movable equipment purchased under the call, etc., must not exceed 10% of the total LS requested.**



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Eligibility criteria - Eligibility of costs

- **Eligible costs:**
 - Procurement of goods (e.g. new and modern machinery and equipment, production lines, tools&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.



Eligibility criteria - Eligibility of costs

- **Ineligible costs:**

- 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



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Eligibility criteria - Eligibility of costs

- **Ineligible costs:**

- 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.



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Specific criteria

- 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 external private investor (individual or legal entity)** who has declared clearly its intention to invest in the start-up (e.g. equity, convertible note); and
- 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 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.).

Caution!!!!

20% co-financing by start-up



External investment in equity
(small % of shares)

RISK SHARING PRINCIPLE

**FRESH MONEY FOR SCALING-
UP THE BUSINESS**

- Budget template refers to third-party sources of co-fi
- => **MUST NOT BE EU/ BMWK**



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Application procedure

- **Number of Applications**
 - Applicant may submit one (1) application;
 - A person can only be enrolled in one application.
- **Application process in 1 step: Application Form (AF)**



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Application procedure (Step 1)

- **Full Application** (Annex A.1) should be accompanied with:
 - Certificate for successful graduation of the regional acceleration programme;
 - Term sheet or Letter of commitment or Letter of intent or Letter of expression of interest from of 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 the regional acceleration programme (Annex B.2);
 - Logical Framework Matrix (Annex C);
 - Supporting documents and declarations.
- **Deadline: 22.07.2024, 12:00 h local time !!! at e-mail: EU4EG@giz.de**



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Selection procedure - Full Application (Step 1)

1. Administrative compliance check
2. Eligibility check
- 3. Quality assessment (1 - 5) - Total 100 points**
 - 3.1. Financial and Operational Capacity - 20 points
 - 3.2. Relevance of the action - 20 points
 - 3.3. Effectiveness and feasibility of the action - 25 points
 - 3.4. Sustainability of the action - 25 points
 - 3.5. Budget and cost-effectiveness of the action - 10 points

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



Award and implementation procedure

- **Conditionally selected Applicants**
- **Commercial Eligibility Check (KEP)!!!**
- **LS Agreement (Sample - Annex G)**



Award and implementation procedure

- **Complaint**
- **Visibility & Promotion**
- **Data Protection**
- **Measures to prevent corruption and the financing of terrorism**



Impact

Each action must contribute (OBLIGATORY) to the achievement of some of the following EU4EG project indicators => **Project Log Frame Matrix (Annex C.) => review and follow the example!!!**

- Number of new jobs created by the start-up (of which women/under 40s/vulnerable groups/minorities)
- Number of new products/services provided by supported start-ups
- Improved performance of supported start-ups (turnover, profit and exports)
- Number of business support services used by start-ups from BSOs
- Decreased emission of CO₂ gasses (tons/year)



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OBTAINING INFORMATION

- The **text of the CfP** is published on several platforms:
 - EU4EG project web site
 - EU4EG Academy page ([accessible only to registered users from BSOs](#))
 - 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)



OBTAINING INFORMATION (...)

- The **GfA and the Application Package** is published on the EU4EG web page and the EU4EG Academy page
- Potential Applicants (start-ups) have thus several options to acquire the GfA and the Application Package:
 - 1) Download the application package from the EU4EG web site
 - 2) Request from BIC, Albiz and Prime Blue Institute (UIST/ Prime Point) to download for them from the EU4EG Academy page; OR
 - 3) Request on the following e-mail: EU4EG@giz.de with Subject: Request for obtaining of the GfA and Application Package; OR
 - 4) Request by contacting GIZ Regional Adviser on the following e-mail:
 - Polog region: evzi.hani@giz.de
 - NE region: filip.nelkovski@giz.de
 - SW region: jovan.gavrilovski@giz.de



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IN-PERSON INFO SESSIONS

- **North-East region**
 - **01.07.2024 in Kumanovo, 10 – 11:30 h, Secondary school Sami Frasheri - Kumanovo**
- **South-West region**
 - **08.07.2024 in Ohrid at UIST, 10 – 11:30 h, Co-work space of the Ohrid Blue Economy accelerator**
- **Polog region**
 - **09.07.2024 in Tetovo, 10 – 11:30 h, at SEEU Rectorate building**



Tips for successful application

- **Submit all documents required**
- **Submit Certificate for successful completion of the Acceleration programme**
- **Submit letter of commitment/ interest of external investor**
- **Do spell check and formatting before sending to GIZ**
- **Check consistency of all documents (Project proposal (AF), Budget and Log frame)**
- **Application Form**
 - Follow the instructions for length of particular sections
 - Delete the instructions and guiding questions
 - Do not mention personal names, brands, GIZ, etc.
 - Answer the guiding questions
 - Do not repeat text
 - KISS = Keep It Simple and Stupid



Tips for successful application

• Budget

- Number the budget items and relate it to activities (e.g. 4.1. Purchase of a machine – A.2.)
- Shall be in MKD
- Co-financing is expected in all activities (e.g. $0,8 \times 1.200.000$ (machine price) = 960.000 MKD)
- Staff and Project management costs are not eligible

• Log frame

- Follow the example provided
- Baseline (before investment) - Target (after investment)
- Outputs are direct results of activities (deliverables)
- Outcomes is the direct positive change for the target group
- Impact is contribution to higher goals (employment, CO2 reduction, waste reduction, etc.)

• Business Plan

- Prepare well since every investor/ bank will ask you to provide



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Time is short for implementation so prepare on time

- **After the deadline (22.07.2024) while waiting for results:**
 - Prepare a Procurement Plan
 - Prepare Terms of Reference (ToRs) for services
 - Prepare Technical specifications for supplies
 - Prepare the designs and BoQ for small works
 - Identify at least 3 potential suppliers (shall not be interconnected) for each tender
 - Talk frequently to your Accelerator and GIZ Regional Advisor



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Questions and Discussion

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