

**EU4BusinessRecovery** - For a resilient local economy

*Guidelines for Applicants - Call for Proposals for the Mitigation of COVID-19 Crisis Impacts on MSMEs in the Wood Industry*



Co-funded by  
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german  
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DEUTSCHE ZUSAMMENARBEIT

**Contracting Authority:**

**Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH**

**EU4BusinessRecovery**

*For a resilient local economy*

**CALL FOR PROPOSALS FOR THE MITIGATION OF COVID-19 CRISIS IMPACTS ON  
MSMEs IN THE WOOD INDUSTRY**

Guidelines for Grant Applicants

Budget:

**up to EUR 1,500,000**

**(BAM 2,933,745)**

Reference: 20.2245.7-002.00G.C3

Deadline for submission: 26 September 2021

**Sarajevo, 30 August 2021**

Implemented by

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH



International  
Labour  
Organization



## I. Background information

The overall objective of the Action is to contribute support to Bosnia and Herzegovina in mitigating the economic effects generated by the COVID-19 pandemic. The specific objective of the Action is to support businesses in five economic sectors: metal processing, wood processing, agri-food processing, textiles/ apparel/ footwear and tourism to ensure business continuity despite the negative effects of COVID-19, as well as the creation of innovative start-ups as a response to the COVID-19 crisis.

The Action is jointly co-financed by the European Union and German Federal Ministry for Economic Cooperation and Development and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, UNDP and ILO. The overall duration is 30 months, from 01.01.2021 to 06.30.2023.

The Action is implemented under the project title COVID-19 Investment Response - EU4BusinessRecovery. The Action envisages support provided along four intervention areas that create a coherent approach in reaching the set objectives:

- Implementation of occupational safety and health (OSH) measures in supported companies as a condition for business continuity;
- Product and business innovation and reorganization/localization of the supply chains to maintain the functioning and increase competitiveness of MSMEs, agri-food and tourism operators;
- Start-up development to ensure employment of unemployed persons, women and other vulnerable groups;
- Help Desk system to provide financial and legal advice to MSMEs, on the one hand, and to entrepreneurs and start-ups, on the other hand.

The promotion of private companies within the scope of the Action serves the developmental goal of maintaining the competitiveness of local MSMEs in core sectors of the Bosnian economy over the duration of the crisis (collapse in macroeconomic development as a result of COVID-19). Without appropriate support from the local economy, there is a risk of a loss of production capacities, rising unemployment, collapse in the social and fiscal systems and “brain drain”, especially of young, highly qualified workers, and even poverty migration.

EU4BusinessRecovery launches several Calls for Proposals in 2021 in support to at least 150 businesses to re-launch their business activities and retain more than 1,000 jobs, alongside the creation of 100 innovative start-ups. Overall, funds in the amount of EUR 10 million will be allocated to MSMEs in export-oriented sectors, agri-food and tourism operators and entrepreneurs through an integrated package of support to recover and re-launch their business activities, as well as at least 100 unemployed persons, women and others pertaining to vulnerable categories willing to start their own businesses.

## 1. OBJECTIVE AND PRIORITIES OF CALL FOR PROPOSALS

### 1.1. OBJECTIVE OF CALL FOR PROPOSALS (CfP)

The wood processing sector is among the most important in the economy of BiH<sup>1</sup>. However, the positive impact the sector had on the BiH economy in the pre-crisis years has been put at risk through the COVID-19 pandemic. Thus, the purpose of the Call for Proposals (CfP) is to support MSMEs operating in wood processing sector, impacted by the COVID-19 crisis, through an integrated package of support enabling them to recover and re-launch their business activities.

COVID-19 prevention measures, such as business closures, have significantly disrupted the production of tradable and non-tradable goods, while disruption in supply chains combined with a lower demand from the EU and key CEFTA trade partners are causing declines in both manufacturing and exports of goods. Furthermore, COVID-19 associated supply and demand shocks, including direct containment measures, but also erosion of confidence and heightened uncertainty over policy response, have pushed many businesses to reduce the number of their employees in order to withstand the impacts of COVID-19. Companies in BiH are affected differently, with smaller enterprises being impacted more severely than larger companies due to their limited internal resources to cushion either/ both the supply shock and the decline in demand, but also since access to finance is more restrictive for them.

Therefore, the CfP is focused on increasing capacities of MSMEs operating in the wood processing sector to ensure business continuity and improvements in operations for the development of new products and services and access to new markets. Recovery of supply chains will result in increased vertical integration, automation, digitalisation and efficient use of resources. Ultimately, the assisted companies become more resilient by adapting more sustainable business models, diversifying product portfolios and markets, while maintaining the current workforce and gradually creating new jobs.

The following results are expected to be achieved by 2023 as indicators for the abovementioned objectives:

- 90 MSMEs introducing practices and standards ensuring more resilient business operations;
- 150 MSMEs using improved innovative digital tools in their operations and marketing/sales;
- 80% of the supported companies confirm new customers/ clients and diversification of the client base.

Under the CfP, grant funds are provided to MSMEs enabling them to utilize the funds for the implementation of business continuity plans. Supported MSMEs use grants to finance advisory services and investments required to implement measures identified in the business continuity plans in response to the challenges faced due to the COVID-19 crisis.

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<sup>1</sup> Based on the number of employees, export volumes and contribution to gross value added.

## 1.2. FINANCIAL ALLOCATION PROVIDED BY CONTRACTING AUTHORITY

In total, EUR 10 million is available for support within the EU4BusinessRecovery project to ensure business continuity despite the negative effects of COVID-19 in the selected sectors. The indicative grant fund amount made available under this CfP is up to **EUR 1,500,000 (BAM 2,933,745)**.

### Grant value

The minimum award for an individual grant under this CfP is **EUR 10,000 (BAM 19,558.30)**, while the maximum award cannot exceed **EUR 48,000 (93,879.84)**.

**The minimum own contribution the Applicants must provide is 40% of the total eligible costs of the Project.**

Wherever reference is made in the CfP to the percentage of eligible costs, this will apply to the total accepted costs. The balance (i.e., the difference between the total cost of the project and the amount requested from the Contracting Authority – GIZ GmbH) must be financed from sources other than the budget of the German Government, European Union Budget and that of the European Development Fund.<sup>2</sup>

In its capacity of the Contracting Authority (CA) for this Call, GIZ GmbH reserves the right not to award all available funds.

## 2. RULES FOR THIS CfP

### 2.1. ELIGIBILITY CRITERIA

This CfP is subject to three eligibility criteria, relating to:

1. Applicant;
2. Project for which a grant may be awarded (2.1.2.);
3. Costs, i.e. types of costs that may be considered when determining the amount of the grant (2.1.3.).

#### **2.1.1. Eligibility of Applicants**

To be eligible, the Applicant must:

- Be directly responsible for the preparation and management of the Project;
- Be a legal person;
- Be registered in Bosnia and Herzegovina by 31.12.2018 at the latest;
- Belong to the category of **MSMEs\***;
- Operate under the eligible statistical codes in the wood processing industry;
- Experience turnover decrease in 2020 with an evident growth trend in the years before (in employment, turnover, exports).

*\* MSMEs are defined as enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/ or an annual balance sheet total not exceeding EUR 43 million. Applicants participating in this CfP must verify their MSME status by completing the [SME self-assessment questionnaire](#) provided by the European Commission.*

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<sup>2</sup> Where a grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to the European Development Fund financing.

Please note that Applicants which have holdings with other enterprises through ownership/ capital/ voting rights must include data from the affiliated enterprises in calculations made with regards to staff headcount, turnover and balance sheet by using the [User guide to the SME Definition](#).

Furthermore, please note that grants under this CfP may only be awarded in accordance with the EU Commission State aid Regulations, i.e. De Minimis aid. De Minimis aid constitutes State Aid<sup>3</sup> granted to a Single Undertaking, which does not exceed EUR 200,000 over a period of three fiscal years. Applicants which have received the State Aid over a period of three fiscal years must consult with the Contracting Authority regarding their eligibility for participation in this CfP. The Applicants must also ensure they prevent any kind of market distortion as the lack of free and open competition on the market, whether through international actions or prevailing market conditions.

Applicants which have generated taxable income in Germany and are subject to limited tax liability in Germany must contact the Contracting Authority to clarify their eligibility for participation within this CfP.<sup>4</sup>

Potentially eligible sub-sectors within the wood processing sector are as follows:

**Highest possible production of finished goods made by wood** - BiH equivalent to NACE codes:

- 31 Manufacture of furniture;
- 16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials).

In order to be eligible, MSMEs must be registered for operation under the following economic activity codes:

<b>Wood-processing:</b>
<i>16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials</i>
16.22 Manufacture of assembled parquet floors
16.29 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials
<i>31 Manufacture of furniture</i>
31.0 Manufacture of furniture
31.01 Manufacture of office and shop furniture
31.02 Manufacture of kitchen furniture
31.03 Manufacture of mattresses
31.09 Manufacture of other furniture

Please note that no potential Applicants may participate in this CfP or be awarded grants if they are in any of the situations listed in Section 2.6.10.1 of the Practical Guide to Contract

<sup>3</sup> State aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities.

<sup>4</sup> For further information, refer to the following webpage: [https://www.gesetze-im-internet.de/estg/\\_49.html](https://www.gesetze-im-internet.de/estg/_49.html).

Procedures for EU External Actions (PRAG) and Declaration(s) of the Applicant. The Applicants must provide the Declaration of the Applicant and declare that none of these situations apply.

**Furthermore, please note that Applicants which have been awarded funds through the EU4Business project may not be considered for further support under this CfP.**

### **2.1.2. Eligible projects**

#### **Definition**

A Project is composed of a set of activities.

#### **Duration**

The planned duration of a project cannot exceed 10 months.

#### **Location**

Eligible area is the entire territory of Bosnia and Herzegovina.

#### **Types of Projects**

The Projects should relate to the objectives stated in Section 1.1.

Under this CfP, financial support will be provided to the Applicants for measures which focus on reorganization/ localization of the supply chain and product innovations and access to new markets, enabling the supported Applicants to increase the resilience of their businesses and help them retain jobs. The Applicants use grants to finance advisory services and investments required to implement measures in response to the challenges faced due to the COVID-19 crisis.

The following types of Projects are ineligible:

- Projects focusing mainly or only on sponsorships for individuals to participate in workshops, seminars, conferences and congresses;
- Projects focusing mainly or only on study scholarships for individuals;
- Preparatory studies or the preparation of preliminary designs for activities which are part of the project implementation;
- Projects which have negative environmental impacts;
- Projects linked to political parties;
- Projects initiated prior to contracting.

#### **Types of activities**

##### **Eligible activities**

The eligible activities will include grants consisting of a combination of advisory services (to identify and design measures for improvement) and implementation support (funding support to finance the implementation of those measures). The grants must be used to finance advisory services and implementation support needed for:

1. Reorganization of the supply chain and product innovations<sup>5</sup>;
2. Diversification of the client base through access to new markets.

An indicative list of activities that may be financed under this CfP is given below:

<b>1. REORGANISATION/ LOCALISATION OF THE SUPPLY CHAIN</b>	
<b>Process optimisation within the supply chain</b>	
Advisory services	Analysis of company's supply and value chain and derivation of the actions.
Implementation support	<ul style="list-style-type: none"> <li>- Automation of material flow, in-house process and transport;</li> <li>- Differentiation of material into categories;</li> <li>- Implementation of standards (for layouts, infrastructure, technology, or production lines);</li> <li>- Trainings (defended process standards, inventory management, crisis preparation);</li> <li>- Implementation of state-of-the-art energy efficient machinery (packaging machines);</li> <li>- Other (related to supply chain/ process).</li> </ul>
<b>Support in meeting customer requirements regarding logistics</b>	
Advisory services	Analyses of company's relevant customer requirements with relevant stakeholders of the value chain and derivation of the actions (support for introduction to stakeholders may be provided).
Implementation support	<ul style="list-style-type: none"> <li>- Increasing service level:                             <ul style="list-style-type: none"> <li>o Dual or multi-source strategies in purchasing (supplier and LSP<sup>6</sup>);</li> <li>o Understanding of demand characteristics and identification of vulnerabilities;</li> <li>o Agile design: Risk Tower as early warning system with alternative plans<sup>7</sup>;</li> <li>o Continuous adaptation to change and preparation by using scenario analyses;</li> <li>o Collaboration with key customers and suppliers;</li> <li>o Contract Management in form of SLAs<sup>8</sup>;</li> </ul> </li> <li>- Introduction of standards/ certification (specifically logistic, feasible during implementation);</li> </ul>

<sup>5</sup> Innovation is defined as the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.

<sup>6</sup> Logistics service providers management - the outsourcing of logistics operations to a third party. Companies, or clients, use these third parties known as logistics service providers (LSPs) to provide logistics services.

<sup>7</sup> 1. Assess supply chain risk; 2. Define crisis scenarios

<sup>8</sup> A service level agreement (SLA) between a service provider and a customer that identifies both the services required and the expected level of service.



	<ul style="list-style-type: none"> <li>- Trainings (forecasts and capacity planning, risk management, export know-how);</li> <li>- Other (related to supply chain/organisation).</li> </ul>
<b>1. Implementation of a KPI-System<sup>9</sup> and implications of the data</b> <b>2. IT in the design, organization and monitoring of production and logistics</b>	
Advisory services	1.a. Value chain strategy workshop; 1.b. Derivation of needed KPIs; 1.c. Data analysis of accessible data basis.  2.a. IT requirement analysis; 2.b. Derivation of which IT-System is needed at which process.
Implementation support	<ul style="list-style-type: none"> <li>- Project for missing data provision;</li> <li>- Development of a strategy suited KPI-System (if required: market analysis of IT-software and implementation);</li> <li>- Trainings ("Manage by KPI");</li> <li>- Market analysis of the chosen IT-system and following implementation (IT solution: Sales &amp; Operation Planning Software<sup>10</sup> - S&amp;OP);</li> <li>- Other (related to supply chain/IT).</li> </ul>

<b>2. ACCESS TO NEW MARKETS/ DIVERSIFICATION OF CLIENT BASE</b>	
<b>Support in meeting requirements when entering new markets related to the process</b>	
Advisory services	Analyses of company's readiness to meet market requirements and derivation of the actions related to process  Development of business market entry strategy: <ol style="list-style-type: none"> <li>1. Market analyses;</li> <li>2. Internal capability assessment;</li> <li>3. Select market(s);</li> <li>4. Develop Business market entry strategy.</li> </ol>
Implementation support	<ul style="list-style-type: none"> <li>- Process optimisation/ automation (leading to resource efficiency, energy efficiency, increased degree of digitalisation);</li> <li>- Process innovation (utilization of equipment of higher technological level);</li> </ul>

<sup>9</sup> Key performance indicators established by the Applicant that illustrate the gap between planning and execution in the supply chain

<sup>10</sup> Sales and operations planning (S&OP) is an integrated business management process through which the leadership team continually achieves focus, alignment, and synchronization among all functions of the organization. The Sales and operations planning includes an updated forecast that leads to a sales plan, production plan, inventory plan, customer lead time (backlog) plan, new product development plan. E.g., S&OP software: SAP IBP S&OP, Infor S&OP, Oracle S&OP Cloud, JDA S&OP, Kinaxis RapidResponse S&OP, Vanguard IBP S&OP, Logility S&OP, Manhattan S&OP, Atlas S&OP, ToolsGroup etc.



	<ul style="list-style-type: none"> <li>- Digital marketing innovation (marketing, promotion, sales, participation in B2B meetings, visits to digital fairs, preparation of promotional materials);</li> <li>- Other (related to access to new markets/process).</li> </ul>
<b>Support in meeting market requirements when entering new markets regarding organization</b>	
Advisory services	Analyses of company's readiness to meet market requirements and derivation of the actions related to organization.
Implementation support	<ul style="list-style-type: none"> <li>- Introduction of industry quality assurance standards<sup>11</sup> (e.g. ISO 9000,9001<sup>12</sup>,ISO 1901<sup>13</sup>, ISO 14000,14001<sup>14</sup>, ISO 31011<sup>15</sup> etc.)</li> <li>- Wood processing industry specific accreditation/ certification, necessary for entering new markets (ISO etc. considering the project duration);</li> <li>- Other (related to access to new markets/ organisation).</li> </ul>
<b>Support in meeting market requirements when entering new markets with use of IT tools</b>	
Advisory services	Analyses of company's readiness to meet market requirements and derivation of the actions related to products.
Implementation support	<ul style="list-style-type: none"> <li>- IT used for product innovation (support for one or more steps in the process of new product development that can be implemented and finalized during the project duration);</li> <li>- Product design (3D design, modelling);</li> <li>- E-commerce infrastructure (developing web platforms, customer service, marketing);</li> <li>- Other (related to access to new markets/ IT).</li> </ul>

**The list of eligible activities is not exhaustive. However, the Applicants must ensure the proposed activities fall within the scope of the indicated funding priorities.**

**Please note that each project proposal must include both the advisory services and implementation support component to be eligible for funding. The respective project components must be interlinked, and the implementation support must be defined and derived from the advisory services component.**

**Furthermore, please note that contract award will be subject to the condition that adequate COVID-19 related occupational health and safety (OSH) measures are set in place by the Applicants. The Contracting Authority will take steps to assess the existing COVID-19 related OSH measures<sup>16</sup> introduced by the Applicants supported**

<sup>11</sup> Quality standards provide requirements, specifications, guidelines, or characteristics that can be used consistently to ensure that materials, products, processes, and services are fit for their purpose

<sup>12</sup> Quality management standard

<sup>13</sup> International Auditing standard

<sup>14</sup> International standard that specifies Environmental Management System

<sup>15</sup> International standard that specifies Risk Management

<sup>16</sup> COVID-19 related occupational health and safety measures, including protocols on general protection measures (hand hygiene, physical distancing, practicing respiratory hygiene, etc.), use of personal protective equipment (PPE).

within this CfP and provide recommendations for improvements. The selected Applicants must undertake to implement recommended measures prior to contract conclusion and continue upholding the measures during the entire duration of the project.

Please note that all the funded projects must address the issue of public benefit, i.e. provide explanation on how the project contributes to job retention and recovery of the sector<sup>17</sup>. Please note that, in the absence of sufficient public benefit of the proposed project, the project may not be funded.

Whenever possible, attention should be paid to cross-cutting issues, specifically those issues that contribute to promotion of gender equality, human rights and democracy and respect for the rule of law. Digitalization and greening of businesses will be a key cross-cutting approach which must be addressed in all intervention areas. The implementation of the Project should be based on the principles of equal treatment in order to avoid discrimination based on ethnicity, gender, nationality, age, sexual orientation, language or religion.

### **Financial support to third parties**

Applicants may not propose financial support to third parties.

### **Visibility**

Grant beneficiaries must take all necessary steps to publicise the fact that the European Union and German Federal Ministry for Economic Cooperation and Development have financed the EU4BusinessRecovery project and that the project is being implemented by GIZ GmbH, UNDP and ILO, and that their projects are funded as part of the EU4BusinessRecovery project.

As far as possible, projects that are wholly or partially funded by the European Union and German Federal Ministry for Economic Cooperation and Development must incorporate information and communication activities designed to raise awareness (among specific or general audiences) of the reasons for the project, and must mention that support for the project (in the country or region concerned) is being provided by the EU and German Federal Ministry for Economic Cooperation and Development. Information on the results and impact of this support must also be provided.

### **Number of applications per Applicant**

An Applicant may not submit more than 1 (one) application under this CfP.

#### **2.1.3. Eligibility of Costs**

Only “eligible costs” can be covered by a grant and included as costs in the overall budget. The categories of eligible and non-eligible costs are indicated below. All Applicants must ensure that they provide a realistic and cost-effective budget.

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<sup>17</sup> It is crucial to explain the project's potential to strengthen the sector concerned beyond the support provided to a single company (criteria such as retention of jobs, potential to introduce innovation, degree of digitalization, qualification level of jobs/ employees, etc. in the sector and the BiH economy).

Eligible costs are costs incurred by the Applicant **during the implementation of the Project** with the purpose of implementing the **activities eligible** under the provisions of this Guidelines for Applicants document.

These costs must be:

- Necessary for the implementation of the Project which is the subject of the grant;
- Real, stated in the budget and part of the contract;
- Able to be identified, justified and verified and recorded in the accounting records of the Applicants;
- Supported by original documents, which will be verified by the Contracting Authority;
- Incurred by the Applicants within the period of project implementation;
- In line with the local laws;
- Not listed under “ineligible costs”.

Examples of eligible costs are:

- Cost of staff assigned to the Project (and only to the project, referring to the staff directly involved in the implementation of key project activities, e.g. staff directly involved in process optimization within the supply chain, excluding the costs of the administrative staff) corresponding to actual gross salaries, including social security charges and other remuneration-related costs; salaries and costs shall not exceed those normally borne by the Applicants; the maximum percentage of the cost of staff cannot exceed 20% of the eligible costs. **Please note that the costs of staff may only be considered as co-financing by the Applicant and cannot be funded by the grant;**
- Activities identified in the advisory and implementation packages which fall within the scope of the funding priorities;
- Purchase costs for new equipment, machinery and software which are specifically procured for the implementation of the Project. The ownership of the procured items will be transferred at the end of the Project. **The maximum amount that may be spent on purchasing the equipment, machinery and software is 50% of the eligible costs**, only if it can be proven that it is part of an integrated effort, inseparable from the rest of the Project and indispensable for its implementation.
- Costs entailed by contracts awarded by the Applicants for the purposes of the Project;
- Travel costs, provided they do not exceed those normally borne by the Applicants, according to their rules and regulations;
- Costs of trainings, etc.

***Please note that procurement of equipment cannot be considered as a stand-alone project. In order to be eligible, it must be part of an integrated effort, inseparable from the rest of the project and indispensable for its implementation. Equipment purchase can account for maximum 50% of the eligible costs. Applicants whose budgets do not reflect the set limitation, will be removed from the selection process.***

**The Applicants must seek prior approval from the Contracting Authority before engaging service providers within the advisory package. The Applicants must include**

**the minimum requirements which are provided by the Contracting Authority in the Terms of Reference (ToR)<sup>18</sup> created for the engagement of the respective service provider. The minimum requirements provided by the Contracting Authority must be an integral part of the procurement of each of the services which the Applicants tend to undertake.**

### **Ineligible costs**

The following costs are not eligible:

- Costs related to construction works;
- Administrative/ operating/ indirect costs;
- Utility costs (electricity, heating, water supply, Internet, etc.);
- Per-diems for project staff;
- Debts and debt-related service charges (interest);
- Provisions for losses or potential future liabilities;
- Costs declared by the Beneficiary and financed by another Action or work programme funded by a European Union grant (including through EDF), support from the German Government or any other donor (no double funding);
- Costs of consumables;
- Purchase of land or buildings;
- Credit to third parties;
- Taxes, including value added tax;
- Customs and import duties, or any other charges;
- Financial penalties and litigation expenses;
- Currency exchange losses;
- Second-hand equipment;
- Costs of guarantees and similar charges;
- Contingency reserve.

## **2.2. HOW TO APPLY AND PROCEDURES TO FOLLOW**

In order to submit an application within this CfP, the Applicants must register at the EU4BusinessRecovery Application Portal ([www.eu4business.core-enigma.com](http://www.eu4business.core-enigma.com)). Please note that registration is mandatory, and all the Applicants must ensure their profile is up to date.

Please note that up-to-date and active registrations made by the Applicants in the EU4Business project are also valid for the EU4BusinessRecovery project.

In case of technical problems with the registration platform, the Applicants may not be able to register and to participate in the CfP. Therefore, it is strongly advised to register well in advance.

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<sup>18</sup> ToR is a written document presenting the purpose and scope of the service to be provided, the methods to be used, the standard against which performance is to be assessed or analyses to be conducted, the resources and time allocated, and the reporting requirements.

A User Guide is available to all the Applicants for download via the EU4BusinessRecovery website. All technical questions related to the use of the system should be addressed to the following email: [support@enigma.ba](mailto:support@enigma.ba).

### **2.2.1. Applications**

Applications must be submitted in accordance with the instructions provided in the online form available at [www.eu4business.core-enigma.com](http://www.eu4business.core-enigma.com). The Applicants must apply in **English or BHS language**.

The Applicants must strictly follow the format of the Application Form and fill in the paragraphs in order. Please note that only the Application Form, which must be completed online, will be evaluated. It is, therefore, of utmost importance that the Form contains **ALL relevant information** concerning the project.

Please complete the Application Form correctly and accurately to ensure proper assessment of the data. Clarifications will only be requested when the information provided is unclear and thus prevents the Contracting Authority from conducting an objective assessment. Major inconsistencies in the application documents may result in the rejection of the Application.

Any Application submitted after the deadline will be rejected. Paper and/or printed versions of the Application will not be accepted.

#### **2.2.1.1. Submission of Applications**

The Application Form, Declaration of the Applicant and the Applicant's Balance Sheets and Income Statements for FY 2018, 2019 and 2020<sup>19</sup>, must be completed and uploaded/submitted online via the EU4BusinessRecovery application portal ([www.eu4business.core-enigma.com](http://www.eu4business.core-enigma.com)) prior to the expiry of the deadline.

The Applicants will receive an automatic confirmation via email upon successful submission of the Application.

Please note that the system will not allow partially completed Applications to be submitted and uploaded.

#### **2.2.1.2. Deadline for Submission of Applications**

**The CfP will remain open for 28 days following the date of publication. The deadline for submission of Applications is 26 September 2021 at 16:00 h.**

Please note that timely submission of the Application is strongly recommended, because external factors can lead to difficulties when submitting the Applications/ documents related to the Applications. The Contracting Authority, GIZ GmbH, cannot be held responsible for any of delays arising due to the above-mentioned difficulties.

#### **2.2.1.3. Further Information Regarding Applications**

Information sessions on this CfP will be held in accordance with the schedule listed in the section 2.5.2. Indicative timetable of this CfP.

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<sup>19</sup> Verified by the RS Agency for Intermediary, IT and Financial Services (AFIP) or the FBiH Financial Intelligence Agency (FIA).

Questions may be addressed to the following email address: [eu4business@giz.de](mailto:eu4business@giz.de) no later than 19 September 2021, indicating clearly the reference of the CfP.

The Contracting Authority is under no obligation to provide clarification regarding any questions received following the date above. Replies will be given no later than 23 September 2021.

To ensure equal treatment of all the applicants, the Contracting Authority cannot issue a prior opinion regarding the eligibility of an application, the proposed project, or any specific activities.

All questions and answers, as well as other important notices addressed to the applicants during the evaluation procedure, will be published on the EU4BusinessRecovery website ([www.eu4business.core-enigma.com](http://www.eu4business.core-enigma.com)). It is, therefore, advisable to consult the above-mentioned website regularly in order to be informed on the questions and answers that may be published.

Any technical questions related to the registration on the EU4BusinessRecovery application portal or online submission via the EU4BusinessRecovery application portal should be sent to the following email address: [support@enigma.ba](mailto:support@enigma.ba).

### **2.3. EVALUATION AND SELECTION OF APPLICATIONS**

The submitted Applications will be reviewed and evaluated by the Contracting Authority, assisted by external assessors working in pairs (2 assessors for 1 Application). Each pair works independently.

The assessments will be based on the Evaluation Grid and the instructions published in the Guidelines for Applicants. Each assessor will provide the results of their individual assessments to the Grant Committee and the final score, which is the basis for the project ranking, is the arithmetical average of the scores given by the respective assessors.

In the event that individual scores of one assessment pair deviate 20% or more between the respective assessors, an additional assessor will be included in the assessment process. This person will follow the same assessment procedure.

In case the assessment of the Application indicates that the proposed project does not meet the eligibility criteria stated in Section 2.1 of this document, the Application will be rejected on that sole basis.

If it becomes clear, at any stage of the evaluation process, that one or more of the eligibility criteria has not been met, the Application will be declared ineligible and withdrawn from the assessment process.

**The Applicants must comply with all the criteria specified in the Guidelines for Applicants.** If any of the requested information is incorrect or incomplete, the Application may be rejected on that sole basis and not be evaluated further.

Applications submitted online will be subject to further quality evaluation, including an assessment of the proposed budget and Applicants' capacities, using evaluation criteria in the Evaluation Grid shown below.



## **Scoring**

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

All the applications will be evaluated based on the below mentioned criteria:

### **Evaluation Grid**

<b>Section</b>	<b>Max. Score</b>
<b>1. Financial and operational capacity</b>	<b>35</b>
1.1. How severely has the Applicant been impacted by the COVID-19 crisis (with regards to turnover, exports, number of employees)?	5x2**
1.2. Was the Applicant identified as a driver of job creation or growth in the pre-crisis situation?	5
1.3. Does the Applicant have sufficient experience and technical expertise? (especially knowledge of the issues to be addressed)	5
1.4. Does the Applicant have sufficient management capacity? (Including staff, equipment and ability to handle the budget for the project)?	5
1.5. Does the Applicant have sufficient and stable sources of financing?	5
1.6. Is the ratio between total project value and own contribution satisfactory?	5
<b>2. Relevance of the project</b>	<b>35</b>
2.1. How relevant is the proposal to the objective of the EU4BusinessRecovery project related to MSMEs introducing practices and standards ensuring more resilient business operations?	5
2.2. How relevant is the proposal to the objective of the EU4BusinessRecovery project related to potential for decent jobs retained (with special reference to preservation of jobs held by women)?	5x2**
2.3. How relevant is the proposal to the objective of the EU4BusinessRecovery project related to use of innovative digital tools in operations and marketing/sales and acquiring of new customers/ clients and/ or diversification of the client base (with special reference to international customers)?	5x2**
2.4. Is the project likely to generate significant public benefit, i.e. how likely is it that the project will have a significant impact on economic recovery and resilience?	5x2**
<b>3. Design of the project</b>	<b>10</b>
3.1. How coherent is the overall design of the project? Does the proposal indicate the expected results to be achieved by the project? Are the results realistic? Are the activities feasible and consistent in relation to the expected results (including the timeframe)?	5x2**
<b>4. Sustainability of the project</b>	<b>10</b>



4.1. Are the expected results of the proposed Project operationally and financially sustainable?	5
4.2. Are the expected results of the proposed Project environmentally sustainable (e.g. greening of businesses)?	5
<b>5. Budget and cost-effectiveness of the project</b>	<b>10</b>
5.1. Is the ratio between the estimated costs and the results satisfactory?	5x2**
<b>Maximum total score</b>	<b>100</b>

\*\*: this score is multiplied by 2 due to its importance

If the total score for Section 1 (Financial and operational capacity) is less than 18 points, the application will be rejected. If the individual score for the subsections 1.3., 1.4., 1.5. and 1.6. under Section 1 is 1, the Application will also be rejected.

Furthermore, please note that, should the evaluation determine that the Application does not generate public benefit, the Application will be rejected on that sole basis.

### **Provisional selection**

Following the evaluation, a table will be drawn up to list the Applications and rank them according to their scores. The highest-scoring Applications will be provisionally selected until the available budget for this CfP is reached. In addition, a reserve list will be drawn up in line with the same criteria. This list will be used should additional funds become available during the validity period of the reserve list. The validity period of the reserve list is 12 months.

### **Verification of eligibility and Capacity verification**

Eligibility verification will be performed based on uploaded supporting documents, as requested by the Contracting Authority (see Section 2.4.). The respective verification will be performed only for the Applicants that have been provisionally selected according to their scores and which can be financed under the available budget for this CfP.

- The Declaration of the Applicant will be cross-checked against the supporting documents provided by the Applicant. Any missing supporting documents or any incoherence between the Declaration of the Applicant and supporting documents may lead to rejection of the application on that sole basis.
- Eligibility of the Applicants will be verified according to the criteria set out in Sections 2.1.1., 2.1.2. and 2.1.3.

Any rejected application will be replaced by the next best-placed application on the reserve list that can be financed from the budget available for this CfP.

Note:

- In the event that a certain number of projects receive the same score and the available funds of the EU4BusinessRecovery project are not sufficient to finance all of them, priority will be given to projects that gained a higher score for public benefit (section 2.4. under Relevance);
- If that additional criterion is insufficient, project proposals with higher impact on the objectives of the CfP will prevail (section 2. Relevance of the project);

- If the above criteria are insufficient, project proposals with a higher ratio between total project value and own contribution will prevail (Section 1.6. under Financial and Operational Capacity).

#### **2.4. SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS**

Applicants whose Applications have been provisionally selected will be informed in writing by the Contracting Authority and requested to provide the supporting documentation via the EU4BusinessRecovery Application Portal to allow the Grant Committee (GC) to verify their eligibility.

Please note that any documents requested by the Contracting Authority must be original documents or certified photocopies issued no later than 3 months counting from the deadline for submission of the Applications, or they will be removed from the list of projects recommended for contract award.

The list of supporting documentation to be submitted by the Applicant following the notification by the Contracting Authority is as follows:

- 1) Original registration document for the Applicant and (any) amendments.
- 2) Most recent Notice on Classification of the Applicant issued by the competent statistics authority.
- 3) Articles of Association and incorporation documents.
- 4) Certification confirming that the Applicant does not have overdue/ unsettled tax liabilities and/ or debts for salary benefits and contribution.
- 5) Certification confirming that the Applicant does not have any unsettled indirect tax liabilities, issued by the competent unit of the Indirect Taxation Authority of BiH (VAT taxpayers only).
- 6) Original or certified copy of the document acknowledging the number of employees, as issued by the relevant Tax Office.
- 7) Certification confirming that the Applicant has not been convicted, by a final judgment, of criminal offences (organised crime, corruption, fraud, or money laundering) in accordance with applicable regulations in Bosnia and Herzegovina.
- 8) Certification confirming that the Applicant is not bankrupt or subject to bankruptcy proceedings, in accordance with applicable regulations in Bosnia and Herzegovina.

The documents do not have to be translated to English.

Requested supporting documents (uploaded to the EU4BusinessRecovery application portal) must be uploaded as originals or as verified photocopies or scanned copies (i.e., showing legible stamps, signatures, and dates) of their respective originals. Applicants must pay attention to the time required to obtain official documents from the relevant authorities.

If the supporting documents are not provided prior to the set deadline, the Application may be rejected. After verification of the supporting documents, the Grant Committee will make a recommendation for capacity verification. Recommended potential beneficiaries will be

contacted to verify their capacities and the content of the Application. After verification, the final list of projects recommended for contract award will be compiled and submitted for further approvals prior to contracting.

Please note that the shortlisting of an Application does not constitute a binding commitment, either implicit or explicit, on the part of the Contracting Authority to provide financial support. Shortlisted Applications may be requested to modify their project concepts prior to initializing the contracting procedure.

In addition, all proposals which are selected under this CfP are subject to a final review and approval by the Contracting Department of the Contracting Authority. In the event that the Contracting Department rejects the proposal and supporting documents, the agreement will not be awarded.

In any case, the Applicants will be notified of the final decision.

## **2.5. NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION**

### **2.5.1. Content of the Decision**

Applicants will be notified, in writing, of the Contracting Authority's decision concerning their application and, if rejected, the reason(s) for rejection. This notice will be sent by email.

Applicants who believe that they were harmed by an error or irregularity in the award process may lodge a complaint with the EU4BusinessRecovery project no later than two weeks following the receipt of the notification.

### **2.5.2. Indicative Timetable**

An indicative timetable of activities planned within this CfP is presented below:

<b>ACTIVITY</b>	<b>DATE</b>	<b>TIME</b>
<b>1. Publication of the CfP</b>	<b>30.08.2021</b>	<b>8:00 hrs</b>
<b>2. Digital info session</b>	14.09.2021 16.09.2021	12:00 hrs 12:00 hrs
<b>3. Deadline for requests for clarifications from the Contracting Authority</b>	19.09.2021	16:00 hrs
<b>4. Last date by which clarifications are issued by the Contracting Authority</b>	23.09.2021	16:00 hrs
<b>5. Deadline for submission of Applications</b>	<b>26.09.2021</b>	<b>16:00 hrs</b>
<b>6. Evaluation of Applications and Eligibility check</b>	October 2021	-
<b>7. Capacity verification</b>	November 2021	-
<b>8. Notification of award</b>	December 2021	-

<b>9. Contract signing</b>	January 2022	-
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All times are in the time zone of the country of the Contracting Authority (CET+1).

This indicative timetable refers to provisional dates and may be updated by the Contracting Authority during the procedure. In such cases, the updated timetable will be published on the EU4BusinessRecovery website.

#### **2.6. CONDITIONS FOR IMPLEMENTATION FOLLOWING THE CONTRACTING AUTHORITY'S DECISION TO AWARD A GRANT**

Following a positive grant award decision, beneficiaries will be offered a contract (Local Subsidy Agreement).

Further details on contracts may be found under the Procurement and Financing section of GIZ GmbH's official website (<https://www.giz.de/en/workingwithgiz/34529.html>).

GIZ reserves the right not to award all available funds, subject to consultation with the Delegation of the European Union to BiH, if there is doubt whether supporting the projects concerned would be in line with the objectives of the CfP.