

Call for Proposals Support to small businesses in Montenegro CFP NFYMNE 01-2021

1. Background

The second phase of the “Norway for You - Montenegro” project is designed to support the Government of Montenegro to accelerate growth, transformation and diversification of its economy. The Norwegian Ministry of Foreign Affairs allocated one million Euros for this phase, to be implemented by the United Nations Office for Project Services (UNOPS) and the United Nations Development Programme (UNDP) during 25 months.

The Project will achieve two specific objectives:

- Enhance efficiency and effectiveness of support provided for the development and transformation of the MSMEs sector.
- Enhance institutional, organisational, and administrative capacity of innovation ecosystem institutions for implementation of innovation and smart specialisation.

In relation to the first specific objective, the intervention will assist the Ministry of Economic Development of Montenegro (MED) to enhance support programmes for development of small businesses sector, through joint design of a priority grant scheme, as well as through work with the local self-governments (LSGs) to enhance business environment in their territory, but also to improve collaboration with the national government.

Key stakeholders in this sense are MED, the small businesses sector, Business Support Entities (BSEs), LSGs, The Union of Municipalities of Montenegro, The Chamber of Economy of Montenegro, The Ministry of Foreign Affairs of Montenegro.

Business Support Entities in the context of this Call for Proposals (CfP) are: all institutions and organizations supporting business development on the non-profit basis as listed in heading 9.2, hereunder.

Small businesses in the context of this CfP are: entrepreneurs, micro and small enterprises and agricultural households¹.

2. Justification

Montenegro is a European Union (EU) pre-accession economy where the MSMEs sector provides for a 60-70% contribution to the country's gross domestic product (GDP) output and accounts for three quarters of those who are employed in the private sector.

The COVID-19 pandemic consequences have amplified the need for economic diversification and transformation due to the strong dependence of the Montenegro economy on the tourism sector. Negative development trends have stimulated the re-thinking of the transformation of the economy by prioritizing some other sectors. In this regard, the Government of Montenegro announced that Montenegrin development will be based on the following pillars: green economy, digital transformation, regional cooperation and connectivity, improving competitiveness, society of equal opportunities and good governance.²

The pandemic consequences have amplified this need as well as the need for introducing more systemic support to small businesses in making them further resilient to the future outbreaks. Financing of small businesses is continuously raised as an issue by all stakeholders, including also the low capacity of MSMEs to recognise appropriate financing mechanisms, nationally and internationally.

Strategy for Development of Micro, Small and Medium Enterprises Development 2018-2022³ places capacity building, innovation, access to information and advisory services, association initiatives, and a range of other approaches that would tap the potentials of the MSMEs towards improved access to finances, internationalisation and export orientation, particularly employment of women and youth. The 2020 Report on the Strategy Implementation⁴ verifies the directions in its recommendations by emphasizing the need for

¹ Registered agricultural producers, excluding primary food processing, and individuals providing accommodation services in rural areas (registered with the municipality). This will be proved by the applicant with relevant certificates during the application procedure.

² [Programme of the new Montenegrin Government, 2020](#)

³ [Strategy for development of micro, small and medium enterprises 2018 - 2022](#)

⁴ [2020 Report on the SME Strategy Implementation](#)

further progress in the development of the MSME sector which depends on the improvement of framework conditions - external factors that affect the business of MSMEs, but also to a large extent on the improvement of the internal capacities of MSMEs. This primarily refers to overcoming the following challenges: 1. complexity of the business environment (improve legal regulations; simplification of administrative procedures and electronic availability of public services; predictability of legal and tax instruments), 2. availability of funds (easier and more accessible sources of financing; diversity of financial instruments according to the needs of MSMEs), 3. education and human resource capacities (acquiring the necessary knowledge and skills within formal education and non-formal learning in accordance with the needs of MSME and the labour market; capacity building of business and consulting services providers) and 4. insufficient competitiveness of small businesses (strengthening of institutional infrastructure; improving non-financial support to MSMEs; introduction of new financial support programs for MSMEs; connection of MSMEs with knowledge centres and development of innovation; improving the capacity of MSMEs for export activities). The 2020 Report also emphasizes the need for further strengthening of institutional capacities for MSMEs support, by establishing a network of MSMEs support agencies/centres and taking into account the regional development of the country as well as the necessity to make efforts to develop more consistent communication and exchange information between relevant stakeholders. Therefore, the support to MSMEs to overcome obstacles by obtaining information about potential partners, the business environment and the necessary conditions for entering a particular market is a justified and desirable intervention. The promotion of youth entrepreneurship, women and social entrepreneurship is set as a cross-cutting topic for a further period where it would refer to all forms of MSME program support, with women's entrepreneurship fully covered by the implementation of the Women's Entrepreneurship Strategy 2021-2024.

Strategy for Lifelong Entrepreneurial Learning 2020-2024⁵ sets the improvement of skills and entrepreneurial competences for different target groups (unemployed, young people, women, adults, etc.) as one of its operational objectives. It elaborates that further development of entrepreneurial infrastructures (local and regional business centres, incubators, entrepreneurship centres, technology parks, etc.) is of special importance when it comes to improving the skills and entrepreneurial competencies of different target groups. Entrepreneurial infrastructure, through the provision of advisory services for the establishment of new companies, and available support programs for the start and further

⁵ <https://www.gov.me/dokumenta/59a998e8-af01-4e54-a205-fc81584163f8>

growth and development of existing companies, as well as through the organization of entrepreneurial education cycles for different target groups, is an excellent business model for connecting public and private sectors. The formation of its networks throughout Montenegro would contribute to better access to entrepreneurship training and advisory services to specific target groups, improving their knowledge and skills, as well as better cooperation with local governments, which would result in increased readiness to start a start-up business.

Creating a small businesses-friendly environment for companies and entrepreneurs is one of the EU's main objectives. In the **Cohesion Policy 2021-2027**, support to MSMEs is identified as one of the key components in creating a more competitive and smarter Europe.⁶ European policy framework for MSME policy includes Small Business Act (SBA)⁷ and the Entrepreneurship 2020 Action Plan.⁸

On the other hand, although there are **EU funds** and other funding opportunities available for small businesses, there is still a very low absorption of the financial support by the small businesses. There are structural funds still available for the small businesses, including favourable loans of **IDF**,⁹ but the key fact in the forthcoming period is that small businesses will need to introduce innovation, digitalisation as well as greening in doing business.

Smart Specialization Strategy¹⁰ promotes innovations as imperative for future economic development and by identifying four priority areas with the growth potential for entrepreneurship and development of a knowledge-based economy: sustainable agriculture and food value chain, energy and sustainable ecology, sustainable health tourism and ICT as a horizontal sector, underpinning development of other sectors.

The National Strategy for the Sustainable Development of Montenegro 2030¹¹ recognises the importance of more balanced regional development of LSGs and regions, with focus on the northern part of the country, which will be based on competitiveness,

⁶ https://ec.europa.eu/regional_policy/en/2021_2027/

⁷ <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0394:FIN:en:PDF>

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52012DC0795>

⁹ [IDF - BACKGROUND INFORMATION](#)

¹⁰ http://www.mna.gov.me/en/ministry/Smart_Specialisation

¹¹ [National Strategy for the Sustainable Development of Montenegro 2030](#)

innovations, and employment. The Strategy supports measures that enable identification of new opportunities for economic growth, mobilisation of research and innovations, and enhancement of competitiveness. The objective of the enhanced competitiveness of the Montenegrin economy for sustainable development and green jobs should be achieved among others through the enhanced business environment for development of small businesses, establishment of favourable financial instruments for supporting small businesses, and improvement of the quality of small businesses' products and services.

Industrial policy of Montenegro 2019-2023¹² prioritizes improved access to finance, including redesign of the financial framework supporting it, diversification of the industries, and strengthening cooperation between small businesses and Business Support Entities, primarily with the purpose of empowering production technology and sale, but also in accessing different funding mechanisms. This Strategy also emphasizes the importance of introducing greening and digitalisation, as well as ICT and creative industries as “emerging industries” in Montenegro.

UN Common Country Analysis for Montenegro,¹³ developed by the United Nations Country Team (UNCT) as a base for the United Nations Development Assistance Framework (UNDAF) 2021-2027, claims that an appropriate mix of policies and programmes, which harness digitalisation and the green economy, could offer a pathway to stimulate structural transformation to higher value/productivity sectors, thereby broadening the production base.

Along with four fiscal measures introduced to support industry throughout the COVID-19 period, the Government is looking for a long term solution in creating a sustainable system of support to the small businesses, which includes **State Competitiveness Improvement Program (primarily grant schemes)** for small businesses, not just in building better resilience to possible future outbreaks but also in using the opportunity to transform small business functioning.

Hand in hand with the Government and Local self-governments, the Business Support Entities play a key role in day-to-day assistance in enhancing the sustainability,

¹² [Industrial Policy of Montenegro 2019-2023](#)

¹³ [Common Country Analysis, UNCT Montenegro](#)

competitiveness and resilience of small businesses thus contributing to development goals such as economic growth, employment generation as well as poverty reduction.

The aim of the CfP is to support BSEs to contribute to the increased provision of specialised services for small businesses and to support them in improving technological structure and to adapt to new market circumstances caused by COVID-19 pandemic. Such services include interventions directly contributing to strengthened sustainability, resilience and competitiveness of small businesses, expansion of small businesses into new markets and introduction of new standards.

Overall, this CfP will contribute to implementation of the “Norway for You - Montenegro” project Description of Action, aiming to strengthen the ecosystem of institutions and organizations supporting small businesses in Montenegro.

Direct beneficiaries of this CfP are the BSEs, which for the purpose of this CfP are defined as organisations whose goals are to provide advisory and support services to the business community, along with promoting a favourable business environment by representing entrepreneurs, micro and small sized enterprises interests in public-private policy dialogue on non-profit basis. Through providing services and networking opportunities, they play an important role for economic development, particularly for efficient small businesses’ development and sustainability of start-up businesses, resulting in increased competitiveness of the small businesses. Examples include but are not limited to: business associations, clusters and NGOs.

Final beneficiaries,¹⁴ in the context of this CfP, are small businesses such as: entrepreneurs, micro and small enterprises and agricultural households.¹⁵

3. Objectives

Overall objective: To contribute to development and growth of small businesses in Montenegro.

¹⁴ Final beneficiaries must be preselected and entered by name in Grant application form (Annex I of the Application package)

¹⁵ See the Footnote no. 1

Specific objective: To enhance competitiveness of small businesses through their transformation with support of stakeholders' ecosystem.

4. Scope

All actions under this CfP should contribute to improvement of small businesses' competitiveness and/or enhancement of the business environment for the small businesses registered in the territory of Montenegro. Grant project proposals (GPP) supporting small businesses in underdeveloped municipalities¹⁶ will be given special consideration. In addition, GPPs positively affecting vulnerable groups (unemployed women and youth, long-term unemployed persons and persons with disabilities) will be highly prioritized. Direct contribution to the opening of new jobs will be an advantage for obtaining grants. The actual small businesses (final beneficiaries) benefiting from a proposed GPP must be clearly identified in the application phase where the applicant is requested to offer a valuable justification for selection of these small businesses and to provide a consent to participate in the implementation of the project from identified small businesses. The main focus of the intervention should be on enhancement of the targeted small businesses while emphasizing the elements of networking between partnership organisations (BSE/LSG) and clearly demonstrating the value of the presented partnership.

The CfP is open for projects implemented in partnership between the BSE and one or more LSGs, whereby the BSE acts as a lead partner. The final beneficiaries, i.e. small businesses, should be predominantly selected from the territory of the partner LSG(s). Partnerships, describing clearly the roles and responsibilities of the entities involved, should also demonstrate clear inclusion of the Good Governance principles.

The GPP applications should also clearly demonstrate the capacities of the lead organisation and partner(s) to conduct proposed activities. The applicants do have the possibility to award contracts to subcontractors for execution of clearly defined tasks and these shall be selected through a transparent selection process, but are not allowed to subcontract implementation of the activities from their own scope of business. Anyhow, the implementation mechanism should be defined and clearly proposed in the GPP application.

¹⁶ The index of development is calculated in accordance with the Decree on the manner of calculating the development index of a local self-government unit, "Official Gazette of Montenegro", no. 42/2011 and 72/2019, and the Rulebook on determining the list of levels of development of a local self-government unit, "Official Gazette of Montenegro", no. 77/2019 and 113/2020, thus Andrijevica, Berane, Bijelo Polje, Cetinje, Danilovgrad, Golubovci, Gusinje, Kolašin, Mojkovac, Nikšić, Petnjica, Plav, Pljevlja, Plužine, Rožaje, Šavnik, Ulcinj, Tuzi and Žabljak are categorised as underdeveloped.

GPPs presented under this CfP should be based on local/regional and/or national development plans and strategies.

The CfP encourages fostering and promoting Gender Equality by including male and female beneficiaries equally in the GPP activities and by including gender sensitive objectives and activities, where feasible. Special consideration will be given to activities that support businesses led by women, youth and persons with disabilities. The application of Good Governance principles (efficiency, effectiveness, sustainability, transparency, accountability, participation and anti-discrimination) should be included within the GPP implementation. In line with Good Governance principles, all activities targeting small businesses need to include adequate outreach efforts. Also, each supported activity needs to create clear and measurable benefits for the target small businesses that can allow them to increase their income and generate new jobs.

4.1 Sectors of intervention

Small businesses, proposed for support within this grant scheme, need to belong to the following economic sectors:

- 1) sustainable agriculture and food value chain;
- 2) sustainable and health tourism;
- 3) ICT as stand-alone or cross sectorial theme;
- 4) manufacturing;
- 5) creative industries,¹⁷ in particular: advertising and sale, crafts, clothes/fashion software development, and similar.

4.2 Eligible activities

The eligible activity themes to be undertaken by BSEs under this CfP include the following:

- 1) **Digitalisation of small businesses** - digitalization of production and sales and enhancing ecommerce, adjusting the business and/or production processes to suit the new market demand, introduction or improvement of product and/or service delivery systems, enable introduction of innovations in small businesses;

¹⁷ In the context of this CfP, Creative industries are defined as industries with origin in individual or group creativity with potential for income generation and job creation.

- 2) **Greening of small businesses, introducing circular economy and innovation approaches** - activities contributing to the protection of the environment and reducing negative impact to the environment (greening of the businesses) and climate change; Introduction of eco-friendly production approach and products; introducing principles of circular economy and innovation approaches in their business models;
- 3) **Building resilience of small businesses** - building the capacity to implement emergency management and Business continuity management solutions; enhancing the quality of existing or the development of new products; introducing enterprise resources planning in business operations of the small businesses;
- 4) **Marketing and internationalisation of small businesses** - expanding to the new markets through networking activities, preparation and participation at virtual promotion events and other online business platforms; improvements in product design, packaging and branding;
- 5) **Standardisation of small businesses** - improvement of quality management systems and implementation of quality control measures; upgrading businesses to meet quality or food safety standards; introducing new or improvement of existing technological processes and quality of products/services and/or introduction of new products or services; implementation of standards required for market expansion;
- 6) **Financial instruments** - training and/or preparation for potential sources of funding for small businesses;
- 7) **Capacity building for Business Support Entities** - activities clearly contributing to the enhancement of BSE capacities in relation to the support to small businesses, which can include different forms of capacity building activities for BSEs staff. Procurement of equipment can be included, provided strong justification.

4.3 Eligible type of support

The eligible areas of intervention to be undertaken by BSEs under this CfP are:

- 1) **Provision of technical assistance** - Support to small businesses provided by qualified experts with relevant years of experience and knowledge;
- 2) **Provision of new equipment and services** - procurement of new equipment and services (certification, standards, licences etc.) for the needs of small businesses. Provision of any equipment to small businesses should be supported by the Use Agreement.

4.5 Targeted geographical area of intervention

All municipalities (25), where priority will be given to underdeveloped municipalities¹⁸ in Montenegro.

5. Financial Allocation and Cost Share Contribution

One LOT, whereby the indicative overall amount available under this CfP is EUR 200.000¹⁹ (**USD 237,104.02**).

5.1 Minimum and Maximum Grant Award

Minimum amount for grant is EUR 25,800 (USD 30,000), supporting at least 5 small businesses, and maximum grant amount is EUR 43,000 (USD 50,000). The NFY Project reserves the right not to award all available funds.

Note: Budget (Annex 2) should be stated in USD, respecting the minimum and maximum grant amount reflected hereinabove in USD. While calculating budget expenditure, the recommendation is that the applicant should use three-year medium USD rate in order to minimise miscalculations of the amounts due to the currency differences. Contracting will also be conducted in USD and the funds will be transferred to selected beneficiaries in EUR.

¹⁸ See footnote no. 16.

¹⁹ Amounts expressed here in EUR are only indicative, and the exact amount of EUR will be calculated according to the UNORE exchange rate of USD to EUR at the time of transferring the funds to grant beneficiaries.

5.2 Applicant's cost share and VAT

Applicant and/or partners are not required to provide cost-share cash contributions for GPP implementation and thus cost-share cash contributions will not be regarded in the evaluation process. If provided, the cost-share cash contributions should be registered in the budget. In-kind contributions for implementation of the GPP can be planned, but should not be presented in the budget.

Expenses planned to be funded from the NfY MNE contribution presented in the budget must NOT include VAT²⁰.

5.3 Ineligible Costs

a. Activities

- In general, activities that are not contributing to the achievement of the objectives of the CfP;
- On-going activities funded from other sources;
- Interventions concerning solely or mainly training and/or research activities without specific outcome for the target small businesses;
- Interventions concerning only development of strategies and/or plans without specific outcome for the target small businesses;
- Activities exclusively related to primary agriculture production;
- Activities requiring international travel are ineligible due to the uncertain environment and related health risks;
- Sub-granting (providing financial support, grants, within the GPP).

b. Investments/Procurement of equipment

- Interventions that relate solely or mainly to capital investments, such as renovation/construction of facilities (however, furnishing and equipping the workspace is permitted if necessary for achieving specific outcome for the target small businesses);
- Purchase of real estate or land;

²⁰ Invoices and pro-forma invoices below EUR 50 are not exempted from VAT, as per Rulebook on the manner of exercising the right to exemption from excise duty and VAT for diplomatic and consular missions and international organizations, "Official Gazette of Montenegro", No. 34/2010, 52/2013, 68/2015, 53/2017 and 65/2017, and this VAT will be paid by the grant beneficiary.

- Procurement of the equipment that is not grounded in the objectives of the CfP and without specific outcome;
- Procurement of the used/old equipment.

c. Human Resources/Operational costs/Other costs

- Indirect costs (rent of office premises, office supplies, electricity, heating, etc.)²¹
- Auditing costs;
- Bank commission fees;
- Unforeseen expenses.

d. Activities regarding controlled substances, including:

- Tobacco and alcohol industry (however, wine producers are not considered as producers of alcoholic drinks);
- Producers of weapons and military equipment;
- Production and trade of oil and petroleum products;
- Organisation of games of chance, lottery and similar activities;
- Producers/dealers of any other substances/materials/products controlled by the Law.

5.4 Other important considerations

- All activities which are not appropriately planned and clearly defined in the budget may lead to application rejection;
- Any major inconsistency in the application form (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the application form) may lead to the rejection of the application.

5.5 Budget thresholds and nature of costs

- Human resources²² of the Project team, including relevant operational costs, should not exceed 15% of the total project costs;
- BSE capacity building related activities should be in range of 9% to 11% of the total project costs;

²¹ Rental of premises, materials and transportation of people in connection with specific project activities are allowed costs.

²² For the purpose of this CfP, the HR is considered to be management and coordination staff of the lead organisation and partner LSG(s) in charge of planning and implementation of activities.

- Promotional and networking activities should not exceed 5% of the total project budget;
- At least 70% of total project costs should refer to direct benefit of the final beneficiaries (small businesses).

Note: *The cost of HR by the partner LSG(s) shall be at least 30% of the total GPP HR cost.*

6. Terms and Conditions for Grant Project Proposal

6.1 Grant project proposal guidelines

The nominated GPP must:

- Address one or more areas of intervention defined under the scope of the CfP and produce specific outcomes distinctively contributing to the objectives of the CfP;
- Address local/regional socio-economic development priorities, as stipulated in relevant local/regional strategies and plans, contributing to their implementation;
- Propose sustainable actions, meaning that the project will ensure benefits on a long-term basis for the beneficiaries;
- Demonstrate ability to engage men and women equally in planning, implementation and project benefits, as appropriate to the scope of the CfP;
- Ensure that GPP will have no negative impact on respect of human rights, gender equality, and environment and climate;
- Demonstrate awareness of possible risks in project delivery, as well as strategies to mitigate them.

6.2 Duration

The applicants should:

- Plan the duration of the intervention so not to be under six months or exceed nine months;
- If awarded, use the first month of implementation of the GPP (30 days after signing the Grant Support Agreement - GSA) for opening a dedicated bank account and related issues;
- If awarded and if the procurement of equipment is envisaged under the GPP, finish key procurement processes in the first three months of implementation;

- If awarded, the applicant should prepare relevant project reports during the last month of implementation and submit them at the latest 15 days after the end of the project;
- Envisage all of these prerequisites in the GPP implementation plan.

7. Visibility

The applicant must take all steps set by the NfYMNE Communication Guidelines to promote the Kingdom of Norway's financial contribution to the Action.

These activities include but are not limited to clear visual identification of the action at site, partaking in various media activities and events including activities designed to raise the awareness of specific or general audiences of the overall Kingdom of Norway's support to Montenegro. These refer to but are not limited to on-camera and other media interviews, participation in high-level events and relevant on-line and in-person surveys on Project related topics. The applicant must comply with the objectives and priorities agreed with the NfY Project and guarantee the visibility of the action.

8. Cross-cutting themes

The four cross-cutting themes in Norway's development policy are gender equality, environment and climate, human rights and anti-corruption efforts. The Applicant should thus consider and elaborate on how their project will address respect of human rights, gender equality and anti-corruption, while also describing how its implementation will limit potential impacts on environment and climate change, with particular emphasis on sustainability and resilience.

9. General Eligibility Criteria

9.1 Registration

The applicant must be legally registered with the relevant national or local registers on the territory of Montenegro with active status at the time of application.

9.2 Eligible applicants

Eligible to apply are the following Business Support Entities founded on a non-profit²³ basis, mandated to perform activities for which the objectives of the GPP will be realized:

- Business incubators, including co-working spaces and hubs;
- Research institutes and academic organisations;
- CSOs mandated to support business developments, including:
 - Clusters;
 - Business associations;
 - Centres /institutes/clubs for development of business or entrepreneurship;
 - Development agencies;
 - Other;
- Any other legal entity mandated to support business development (by Statute or similar document) excluding Government institutions, financial institutions, and for-profit entities.

9.3 Finances

1. Each applicant is required to have recorded revenues of minimum EUR 10.000 in the Income statements for 2019 and 2020, submitted to Tax and Custom Administration;²⁴
2. Does not have negative equity in the latest balance sheet;
3. No more than 40 days in blockage during the 12-months period before the submission of the application;
4. Not in blockage at the time of the submission of the application;
5. Not in bankruptcy or liquidation proceeding;
6. Regularly paying its obligations towards employees and has no outstanding debt for social contributions;
7. Regularly paying due taxes to both local and national tax offices.

²³ The applicant must be a not-for-profit entity defined by its statute or founding documents.

²⁴ The applicant who is legally registered for less than a year before submitting the application, will submit the account turnover from the bank(s) where he has his bank account(s), instead of the Income statement.

9.4 Legal issues

1. Legal representatives and assigned project managers have not been criminally convicted or under on-going criminal investigation and proceeding;
2. The applicant has not been issued with prohibition of performing their activities within two years before submitting the application;²⁵
3. The applicant is not using incentives on the same grounds from other institutions or donors during the period of implementation of activities;
4. The applicant owns or rents business premises appropriate for implementation of project activities;
5. The applicant is not producing anything that infringes copyright, trademark or intellectual property laws.

9.5 Other

1. Applicant should provide at least two signed references reflecting experience in implementing similar projects (in terms of value and technical area covered) implemented in the last three years;²⁶
2. Have expertise and organisational capacities to successfully carry on implementation of proposed action;
3. Lead partner (BSE) may participate in this CFP only with one GPP, while the partner LSG(s) may be partner(s) in other GPP(s) with other lead partner(s);
4. Financial transactions of the grantees which arise from the engagements related to the approved GPP are done from a dedicated account opened during the first month of the implementation only for the purposes of implementation of the GPP.

Note: The document proving the registration status mentioned under 9.1 and documents under 9.2 and 9.3 items 1. and 2. as well as the Statute of the applicant, are to be provided with the application. For all other relevant documents that are required, the Statement contained in Annex

²⁵ The applicant who is legally registered for less than two years before submitting the application, should have this evidence for the period from the registration to submission of the application. This requirement is applied *mutatis mutandis* to other types of documents that are sought in this CFP.

²⁶ This is not an elimination criteria, meaning that if the number of implemented projects is lower, the number of points will be proportionally lower.

IV of the Application Package should be signed. The NfY Project reserves the right to ask for relevant documents proving the Statement during the evaluation process.

10. Partnership requirements

The following applies for partner(s):

- Partner(s) is/are obliged to sign the Statement of Partner organisation/institution (Annex V), confirming that the organisation / institution is familiar with the roles and responsibilities in the project;
- The lead partner is submitting the application and entering into contractual arrangements with UNOPS/“Norway for You - Montenegro” Project in accordance with Annex IX.

11. Evaluation and Contract Awarding Procedure

Quality of the applications,²⁷ including the proposed budget and capacity of the applicants, will be assessed by the Evaluation Commission on pre-determined evaluation criteria as set in the Evaluation Grid below. The Evaluation Commission is submitting the evaluation results to the Donor for final approval.

Section	Criteria	Score
Operational Capacity (15)	1.1 Does the applicant have sufficient and relevant proven experience in project management?	5
	1.2 Does the applicant and partner organization(s) have sufficient technical expertise (relevant knowledge and experience of the project team with the issues to be addressed) and operational capacity (including staff, equipment, and ability to deliver the action) to conduct the proposed intervention?	5x2

²⁷ The applications that didn't pass the administrative check and are not in compliance with the terms and conditions of the CFP will not be considered for the evaluation.

Relevance (25)	2.1 To which group the final beneficiaries belong? ²⁸ <ul style="list-style-type: none"> ● Majority belongs to the underdeveloped group of municipalities (5 points); ● Half belongs to the underdeveloped group of municipalities (4 points); ● Minority belongs to the underdeveloped group of municipalities (3 points). 	5
	2.2 Does the GPP contribute to the implementation of local and/or national plans and strategies related to small businesses? What is the level of contribution to the implementation of these policies?	5
	2.3 How relevant is the GPP to the particular needs and constraints of the final beneficiaries (small businesses)? Have these needs been recognised and identified by the applicant? Does the GPP contribute to the improved position of vulnerable groups and to ways that ensure integrity and eliminate or reduce risk of corruption or misuse of the GPP?	5x2
	2.4 Have aspects of gender equality been considered and addressed with the proposed action?	5
Methodology (15)	3.1 Is the proposed methodological approach appropriate? Is the action plan clearly defined and feasible, including roles and responsibilities of each partner? Is the timeline realistic? Have risks been identified and assessed, and mitigation measures planned? Does the GPP include a monitoring plan ?	5x2
	3.2 Does the GPP identify appropriate objectively verifiable indicators for the expected results of the action? Does the GPP include strong rationale and evidence, especially regarding expected outcomes and impact?	5

²⁸ See Footnote no. 14 for the reference.

Outcomes and Impact (20)	4.1 Will the action produce immediate benefits (new products, transformation and similar) for the final beneficiaries? How likely is it that the action will create long term and broader benefits for its final beneficiaries? Is there expected income for final beneficiaries from the project activities? How will the project encourage export orientation ?	5x2
	4.2 Will the action contribute to immediate job creation ? Are there realistic expectations that the action will result in job creation during the implementation of the GPP?	5
	4.3 Will the action contribute to strengthening the value chain of the final beneficiaries? Will it affect the position of the final beneficiaries within their value chains? Will it have positive effects on other actors within the value chain?	5
Sustainability (15)	5.1 Is the sustainability of the project achievements clearly presented? Will the impact of the action also contribute to protection/preservation of the natural environment ?	5x2
	5.2 Will the project have continued positive effects after it ends? Is there a room for this intervention to lead to greater results? Are there reasonable grounds for expecting extension or expansion of project interventions in the foreseeable future?	5
Cost Effectiveness (10)	6.1 Is the ratio between the estimated costs and the expected results satisfactory?	5
	6.2 Is the ratio between the number of supported small businesses and estimated budget satisfactory?	5
100	Maximum total score	100

Scoring: The evaluation criteria are divided into sections and subsections. Each subsection will be given a score between 1 and 5 in accordance with the following guidelines: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Only the applications that have been given a total score of a minimum 60 points will be considered for the award.

The NfY Project reserves the right to request clarifications related to project application before the finalization of the award process.

If a budget pertaining to the GPP of a shortlisted application needs clarification or amendment, the request for clarification and/or amendment will be sent to the applicant before the final decision of the Evaluation Commission is reached.

Following the decision to award a grant, the candidate will be offered a Grant Support Agreement (GSA). By signing the GSA (Annex IX), the applicants agree to accept the contractual conditions of the standard grant contract, including application of the Procurement Manual which will be provided by the Project to the awarded applicants. The Project would predominantly use grant methodology for implementation of the approved projects.

12. Application procedure

12.1 Forms for submission of the Applications

The applicant has to submit the following forms in the **English language**:

- Application Form (Annex I);
- Application Budget (Annex II);
- Logical Framework (Annex III);
- Statement of Applicant (Annex IV);
- Statement of Partner organization (Annex V);
- Letters of Commitment (Annex VI);
- Application Checklist (Annex VII).

Supporting documents as listed in Annex VIII can be submitted in the Montenegrin language.

12.2 Instructions for submission of the Application

- Application Form, Budget and Logical Framework must be submitted in both PDF (signed, stamped and scanned) and original editable format, using Word and Excel.

Signed, stamped and scanned versions of these documents must be identical to versions in their original editable format. In case of discrepancies, signed, stamped and scanned version will prevail. Other documents should be submitted only in PDF format (signed, stamped and scanned);

- The applicant must submit application forms in the English language. This does not include the supporting documents listed in Annex VIII;
- The Application must be submitted exclusively via email address: rsoc.applications@unops.org;
- The total email size of the application should not exceed 15 MB, as the maximum size of an e-mail message allowed by the UNOPS server. If the application is larger than 15 MB, documents should be sent in a series of emails, with each email not exceeding 15 MB size thresholds. Each part of the application should be numbered in the email subject field;
- Automatic notification of the delivery would follow upon successful submission of each email within the application;
- The email application must be sent with the email subject consisting of the reference number of the Call for Proposals (**CFP NFYMNE 01-2021**) and name of the GPP;
- **The deadline for the submission of applications is 23:59 PM (CET), on 12 December 2021.** Any application submitted after the deadline will be rejected;
- Applicants are kindly advised to submit the application timely, as late deliveries due to slow internet connection or other network/hardware/software related problems may lead to disqualification of the application. Only applications received by UNOPS server before the deadline would be accepted;
- Applicants must verify the completeness of their application using the Checklist. Incomplete applications may be rejected;
- Applications sent by any other means (e.g. by fax or by post or by hand delivery) or delivered to other emails different from the one stated in CfP will be rejected. Hand-written applications will not be accepted;
- Requests for clarification should be submitted to the email address below: rsoc.cfp.clarifications@unops.org by **24 November 2021**, the latest;
- UNOPS reserves the right to request the original versions of submitted supporting documents from applicants where/when original documentation is required by the Evaluation Commission.

13. Monitoring, reporting and evaluation

The grantees must monitor their own projects and prepare relevant records, including photos, which must be included in all reports.

The following reports will be expected from the grantee:

- The milestone report after 70% of the first tranche spent, including the financial aspect and at any time as per request by UNOPS;
- The final report assessing and analysing the implemented project, its outputs and outcomes, submitted at the latest 15 days after finalisation of the project. The final report must include narrative and financial aspects, including photos. These reports will be considered public information.

“Norway for You - Montenegro” Project will monitor implementation and audit grant project. The grantee can be evaluated at any time during the project implementation and subsequent actions may be taken according to the assessment’s findings. The payment schedule will be linked to the project milestones and findings from the “Norway for You - Montenegro” Project’s verification visits.

Indicative Timeframe

Activity	Timeframe/ Deadline
Publishing the CfP	1 November 2021
Implementation of the Info Sessions for the CfP	2nd week of November 2021
Deadline for Submission of the GPP	12 December 2021
Evaluation of the GPP	December 2021
The Donor approves the Evaluation Results	January 2022
Information on the Evaluation Results	January 2022
Signing of Agreements	January 2022