



Ministry of Economy
Ministry of Finance, Directorate for Finance and Contracting of
the EU Assistance Funds

**Enhancement of Business Environment and Competitiveness of the
Private Sector of Montenegro**

Guidelines for grant applicants

Information session
Podgorica, 20/03/2018

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Scope of Action

Project Implementation Unit
Ministry of Economy

Enhancement of Business Environment and Competitiveness of the Private Sector of Montenegro

PROGRAMMING FRAMEWORK

- INDICATIVE STRATEGY PAPER FOR MONTENEGRO 2014-2020
- SECTOR PLANNING DOCUMENT - COMPETITIVENESS AND INNOVATION
- ACTION DOCUMENT 2014 – ENHANCEMENT OF BUSINESS ENVIRONMENT AND COMPETITIVENESS OF THE PRIVATE SECTOR
- MONTENEGRO ECONOMIC REFORM PROGRAMME 2016-2018/2017-2019/2018-2020
- MONTENEGRO DEVELOPMENT DIRECTIONS 2015-2018/2018-2021
- STRATEGY FOR REGIONAL DEVELOPMENT OF MONTENEGRO 2014-2020
- STRATEGY FOR SUSTAINABLE ECONOMIC GROWTH IN MONTENEGRO THROUGH THE INTRODUCTION OF BUSINESS CLUSTERS 2012- 2016
- STRATEGY FOR INNOVATION ACTIVITY 2016-2020
- INDUSTRIAL POLICY OF MONTENEGRO UNTIL 2020

Enhancement of Business Environment and Competitiveness of the Private Sector of Montenegro

SECTOR BACKGROUND

- Low level of enterprise productivity and competitiveness.
- Low number of enterprises whose development is based upon knowledge and innovation.
- Insufficient cooperation between enterprises and science that limits the progress necessary to facilitate goals assigned in the field of innovation.
- Current financial and non-financial institutional support is not fully developed and does not meet the development needs of SMEs.

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LINKED ACTIVITIES

- IPA 2008 Project BESRE - Technical Assistance to improve the Business Environment for Small and Rural Enterprises
- IPA 2011 Project - Enhancing the competitiveness of local SMEs in Montenegro through cluster development
- IPA 2012 Project - Technical Assistance for the preparation of the Industrial Policy for Montenegro
- The programme for the promotion of cluster development in Montenegro <http://www.mek.gov.me/biblioteka/oglasj>
- The programme for increasing regional and local competitiveness through compliance with the requirements of international business standards for the period 2017-2020 <http://www.mek.gov.me/biblioteka/oglasj>
- Industrial Modernization Support Programme /<http://www.mek.gov.me/biblioteka/oglasj>
- The Innovation Improvement Programme in Small and Medium Enterprises <http://www.mek.gov.me/biblioteka/oglasj>
- Mentoring programme for small and medium enterprises <http://www.mek.gov.me/pretraga/179225/Javni-poziv-za-sprovođenje-mentoring-usluga-u-2017-godini.html>
- Support programme for entrepreneurship development <http://nasme.me/pozivi/podrska-razvoju-preduzetnistva-3/>

Enhancement of Business Environment and Competitiveness of the Private Sector of Montenegro

OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

- **Global objective:** to further enhance business environment and competitiveness of the private sector of Montenegro.
- **Specific objective:** to strengthen the administrative capacity and operational framework for coordination, planning and implementation within Competitiveness and Innovation sector through targeted support for development, research and innovation.

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RESULTS TO BE ACHIEVED

R1: Developed strategic and operational framework for implementation of policies for enhancement of the competitiveness and innovation;

R2: Strengthened institutional, technical and administrative capacities for the implementation of Competitiveness and Innovation policies, including actions targeting the improvement of research and innovation capacities of SMEs.

R3: Strengthened competitiveness and innovation of clusters and business entities, improved business performance, productivity and profitability.

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FINANCIAL ALLOCATION

- The overall indicative amount made available under this call for proposals is 1,660,000.00 €.
- The Contracting Authority reserves the right not to award all available funds.
- The grant may cover the entire eligible costs of the action **if this is deemed essential to carry it out. If that is the case, the lead applicant must justify full financing in section 2.1 of Part B of the grant application form.** The validity of the justification provided will be examined during the evaluation procedure. The absence of any justification may lead to the rejection of the application.

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ACTIVITIES UNDER RESULT 1

R1: DEVELOPED STRATEGIC AND OPERATIONAL FRAMEWORK FOR IMPLEMENTATION OF POLICIES FOR ENHANCEMENT OF THE COMPETITIVENESS AND INNOVATION

- Support activities for implementation of Industrial policy of Montenegro, monitoring and evaluation mechanisms and strengthening administrative capacities;
- Development of the Programme for supporting industry modernisation;
- Development of the Strategy for Development of Small and Medium Sized Enterprises 2018-2022 and associated Action plan based on Strategic guidelines;
- Revision of the Smart Specialization Strategy and associated Action plan;
- Development of Guidelines to potential applicants on project preparation for the COSME and other EU programmes related to the Competitiveness and Innovation sector;
- Development of Strategy for Cluster Development in Montenegro 2020 - 2022 and associated Action Plan.

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ACTIVITIES UNDER RESULT 2

R2: STRENGTHENED INSTITUTIONAL, TECHNICAL AND ADMINISTRATIVE CAPACITIES FOR THE IMPLEMENTATION OF COMPETITIVENESS AND INNOVATION POLICIES, INCLUDING ACTIONS TARGETING THE IMPROVEMENT OF RESEARCH AND INNOVATION CAPACITIES OF SMES.

- Delivery of trainings and exchange of good practices for policy makers and business support institutions at the national and local level in order to enhance efficient planning, coordination and implementation of policies and programmes within the competitiveness and innovation sector;
- Conducting public promotion and awareness raising campaigns at national level about all deliverables of the Grant;
- Technical assistance for drafting tender dossier for supply of the equipment for Tehnopolis laboratories;
- Technical assistance for programming, contracting and implementation of activities under IPA 2016-2020 perspective in the Competitiveness and Innovation sector;
- Advanced trainings and workshops for skills development within Project Implementation Unit (PIU) of the Ministry of Economy;
- Arranging at least one study visit to relevant EU Member States with a strong institutional capacity and mechanisms for implementation of Competitiveness and Innovation policies;
- Capacity building of the Ministry of Economy.

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ACTIVITIES UNDER RESULT 3

R3: STRENGTHENED COMPETITIVENESS AND INNOVATION OF CLUSTERS AND BUSINESS ENTITIES, IMPROVED BUSINESS PERFORMANCE, PRODUCTIVITY AND PROFITABILITY, POSITIONING TOWARDS HIGHER VALUE-ADDED PRODUCTS

- Preparation and implementation of a pilot Support Grant Scheme for SMEs and clusters based upon the previously developed and revised national policies and strategies under result 1.
- Providing all necessary conditions securing successful application by SMEs and clusters within pilot Support Grant Scheme for SMEs and clusters;
- Assistance in preparation of IPA projects for cluster development including;
- Training Programme for Clusters

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FINANCIAL SUPPORT TO THIRD PARTIES (1)

In compliance with the present guidelines the lead applicant should define mandatorily in section 2.1.1 of the grant application form:

- the objectives and results to be obtained with the financial support;
- the different types of activities eligible for financial support, on the basis of a fixed list;
- the types of entities (SMEs and Clusters) which may receive financial support;
- the criteria for selecting these entities and giving the financial support;
- the criteria for determining the exact amount of financial support for each third entity;
- the maximum amount which may be given.

❖ **THE MAXIMUM AMOUNT OF FINANCIAL SUPPORT PER THIRD PARTY IS € 60,000**

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FINANCIAL SUPPORT TO THIRD PARTIES (2)

TYPES OF ACTIVITIES ELIGIBLE FOR FINANCIAL SUPPORT ARE:

- Introduction of internationally recognised standards;
- Quality management;
- Energy saving technologies;
- Strengthening of innovative potential in SMEs;
- Industry modernization;
- Other activities that can be categorized as productively efficient and competitively effective.

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KEY STAKEHOLDERS AND BENEFICIARIES

- ❖ Ministry of Economy of Montenegro
- ❖ Ministry of Science of Montenegro
- ❖ Tehnopolis
- ❖ Small and medium sized enterprises
- ❖ Clusters
- ❖ Other relevant bodies

Application requirements and procedure

Directorate for Finance and
Contracting of the EU Assistance
Funds

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OPEN CALL FOR PROPOSALS

- ❖ Published on **02nd March 2018**, according to the rules for **Open Calls for Proposals**.
- ❖ Deadline for submission of Applications is **08th May 2018**.
- ❖ Application package is available at the following websites:
- ❖ <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&nbPubliList=15&orderby=upd&orderbyad=Desc&searchtype=RS&aofr=159459>
- ❖ <http://www.cfcu.gov.me/en/news/182428/Call-for-Proposals-Enhancement-of-Business-Environment-and-Competitiveness-of-the-Private-Sector-of-Montenegro.html?alphabet=lat>

Open Call for Proposals

- All applicants shall submit a full grant application (concept note must still be submitted together with the full application)
- Evaluation process is carried out in two steps (shortlisting on the basis of the concept note and evaluation of the full applications)
- After the evaluation of the full applications, the eligibility check of the provisionally selected applicants will be carried out.

The grant actors

- The '**lead applicant**', i.e. the entity submitting the application form
- Its **co-applicant(s)**
- **Affiliated entity(ies)** to the lead applicant and/or to a co-applicant(s) (if any)

Other grant participants

- Associates
 - play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs
 - do not have to meet the above mentioned eligibility criteria
- Contractors

Eligibility of applicants

1) Lead applicant

In order to be eligible for a grant, the lead applicant must:

- be a legal person
- be non-profit-making or profit making organization which is aware that the grant cannot be used for making profit
- be a specific type of organization such as:
 - Ministry or other relevant Government body;
 - Public body;
 - Relevant mandated body of a Government Department or public authority of an European Union Member State in the fields related to this action;
 - International (intergovernmental) Organization;
- be established in a European Union Member State (this obligation does not apply to international organizations)
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), if any, not acting as an intermediary.

Eligibility of applicants

2) Co-applicant(s)

- Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant himself
- If awarded the grant contract, the co-applicant(s) (if any) will become beneficiary(ies) in the action
- Have to sign mandate for co-applicant(s)

3) Affiliated entity

- Only the entities having a structural link with the applicants (i.e. the lead applicant or a co-applicant), in particular a legal or capital link may be considered as affiliated entities to the lead applicant and/or to co-applicant(s) (e.g. daughter companies, first-tier subsidiaries, parent companies, sister companies, network, federation, association)
- Have to sign affiliated entities' statement

Duration and location of the action

➤ Duration

- Minimum duration: 18 months
- Maximum duration: 36 months

➤ Location

- Actions will take place in **Montenegro**
- When necessary some of the activities may take place in EU Member States and/or in any of the IPA eligible countries (e.g. study visits or internships).

Eligible actions

- Development of strategic and operational framework for strengthening private sector of Montenegro;
- Capacity building for all actors responsible for implementation of Competitiveness and Innovation policies;
- Actions targeting the improvement of competitiveness, research and innovation capacities of SMEs and clusters;
- Policy research, gaps and needs analysis on the quality of strategic documents and practices;
- Transfer of good policy practices to SMEs to address competitiveness, entrepreneurship, environment and sustainable development, education;

Ineligible actions

- Actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
- Actions concerned only or mainly with individual scholarships for studies or training courses;
- Actions concerned only or mainly with study visits or participation in international forums;
- Infrastructure projects or projects essentially focused on the purchase of equipment;
- Purchase and/or renovation of buildings or offices;
- Activities undertaken before signature of the contract;
- Actions aimed at profit making activities;
- Actions related to charitable donations;
- Actions already funded by other Community programmes.

Number of applications and grants per applicants / affiliated entities

- The lead applicant **may not** submit more than one application under this call for proposals
- The lead applicant **may not** be awarded more than one grant under this call for proposals
- The lead applicant **may not** be a co-applicant or an affiliated entity in another application at the same time
- A co-applicant/affiliated entity **may not** be the co-applicant or an affiliated entity in more than one application under this call for proposals
- A co-applicant/affiliated entity **may not** be awarded more than one grant under this call for proposals

Submission of application

- Applications must be submitted in accordance with the instructions on the concept note and the full applications in the grant application form annexed to these guidelines (Annex A)
- Complete application form (Part A: concept note and Part B: full application form), budget and logical framework
- The checklist (section 7 of Part B of the grant application form) and the declaration by the lead applicant (section 8 of Part B of the grant application form) must be stapled separately and enclosed in the envelope

Submission of application

- The deadline for the submission of applications is 08th May 2018
- In the case of hand-deliveries, the deadline for receipt is at 14:00h local time. Any application submitted **after the deadline will automatically be rejected**
- Applications must be submitted in one original and 3 copies in A4 size, each bound in a sealed envelope.
- An electronic version (CD-Rom) of the application must also be submitted and contain exactly the same application as the paper version
- The outer envelope must bear the reference number and the title of the call for proposals, together with the full name and address of the lead applicant, and the words 'Not to be opened before the opening session' and "Ne otvarati prije sastanka za otvaranje prijedloga projekata"
- Applicants must apply in English
- Hand written application will not be accepted

Submission of application

- Applications must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the address:

Postal address:

Ministry of Finance
Directorate for Finance and Contracting of the EU Assistance Funds
Stanka Dragojevića 2,
81000 Podgorica

Address for hand delivery or by private courier service:

Ministry of Finance
Directorate for Finance and Contracting of the EU Assistance Funds
Stanka Dragojevića 2
81000 Podgorica

- Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected
- Lead applicants must verify that their application is complete using the checklist (section 7 of Part B of the grant application form). Incomplete applications may be rejected.

Further information about applications

- Questions may be sent by e-mail no later than 21 days before the deadline for the submission of applications to the below address(es), indicating clearly the reference of the call for proposals:

E-mail address: cfcu@mif.gov.me

- Replies will be given no later than 11 days before the deadline for the submission of applications
- Questions that may be relevant to other applicants, together with the answers, will be published on the:

EuropeAid website: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

and

Website of the Contracting Authority: <http://www.cfcu.gov.me/en/tenders>

Questions?