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**Contracting Authority:**

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

**EU4BusinessRecovery**

*For a resilient local economy*

**CALL FOR EXPRESSION OF INTEREST FOR MITIGATION OF COVID-19 CRISIS  
IMPACTS ON MSMEs IN THE METAL AND MECHANICAL PROCESSING INDUSTRY**

Guidelines for Grant Applicants

Indicative budget:

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

**(BAM 1,955,830)**

Reference: 20.2245.7-002.00G.C4

Deadline for submission: 31 January 2022

**Sarajevo, 23 December 2021**

## I. BACKGROUND INFORMATION

The overall objective of the EU4BusinessRecovery project is to contribute support to Bosnia and Herzegovina in mitigating the economic effects generated by the COVID-19 pandemic. The specific objective of the EU4BusinessRecovery project 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 EU4BusinessRecovery project 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 1 January 2021 to 30 June 2023.

EU4BusinessRecovery has launched several Calls in 2021 to support at least 150 businesses in re-launching their business activities and retaining more than 1,000 jobs, alongside the creation of 100 innovative start-ups.

### 1. OBJECTIVES OF THE CALL FOR EXPRESSION OF INTEREST (“CALL”)

The metal processing sector is one of the most important sectors of the BiH<sup>1</sup>. However, the positive impact of the sector on the BiH economy in the pre-crisis years has been put at risk by the COVID-19 pandemic. Thus, the purpose of the Call is to support MSMEs in the metal processing industry address the negative consequences of the COVID-19 crisis, through an integrated support package 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 have caused declines in both manufacturing and export 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 Call focuses on increasing capacities of export-oriented MSMEs operating in the metal processing sector of export-oriented industries 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 will become more resilient by adopting more sustainable business models, diversifying product portfolios and markets, while maintaining the current workforce and gradually creating new jobs.

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

## 2. SUPPORT PROVIDED THROUGH THE CALL

The support package for MSMEs in the metal sector consists of advisory services (technical assistance) and investment support (grant funding).

Local business development experts will be engaged by the Contracting Authority to conduct analyses of the selected MSMEs' business operations and develop business continuity plans i.e., individualized recovery plans/strategies which include recommendations for measures which should be implemented to help MSMEs ensure business continuity.

Following the development of the business continuity plans, supported beneficiaries will be awarded grants (investment support) in order to finance the implementation of those measures and make their business operations more resilient.

In line with the above, grants will be awarded to the supported MSMEs to finance advisory services and other measures identified in the business continuity plans, developed by the local business development experts, needed for:

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

An indicative list of activities which may be funded within the business continuity plans is shown in **Annex A**. All activities identified in the business continuity plans must be implemented within a 10-month period.

Selected beneficiaries are expected to achieve the following results through the support provided within this Call:

- Re-launched or recovered business activities & introduced practices and standards ensuring more resilient business operations;
- Continued business operations with the existing solvency;
- Retained jobs, with special focus on the jobs held by women;
- Introduced improved innovative digital tools in their operations and marketing/sales;
- Transferred 60% of their product and service marketing to digital platforms;
- Confirmed registration of new customers/ clients and diversification of the client base, with special focus on international customers/ clients;
- Increased number of national or regional suppliers by 10%;
- Achieved order volume of at least 60% of the pre-COVID-19 pandemic level (1<sup>st</sup> quarter of 2020);
- Achieved market-ready product innovations.

### 3. FINANCIAL ALLOCATION

The indicative grant fund amount made available under this Call is up to **EUR 1,000,000 (BAM 1,955,830)**. The minimum award for an individual grant to finance activities indicated in the business continuity plans under this Call is **EUR 10,000 (BAM 19,558.30)**, while the maximum award may not exceed **EUR 48,000 (BAM 93,879.84)**.

Please note that the minimum own contribution the supported beneficiaries must provide for the implementation of activities defined in the business continuity plans is **40% of total eligible costs of the project – out of which 20% of total eligible costs of the project may be used by the Applicants as their co-financing for gross salaries of employees.**

Following the selection, the supported beneficiaries must allow the Contracting Authority to access their premises to perform the analysis of the beneficiaries' business operations. Following the assessment and the development of recommendations by the local business development experts, the beneficiaries must adopt all recommendations included in the business continuity plans (including the activities and budget), and contribute to the project with their own co-financing, as indicated above.

### 4. ELIGIBILITY CRITERIA

To be eligible, the Applicant must:

- Be a legal person registered as a limited liability company (d.o.o.) or joint-stock company (d.d./ a.d.);
- Be registered in Bosnia and Herzegovina by 31 December 2018 at the latest;
- Belong to the category of export-oriented<sup>2</sup> **MSMEs**<sup>3</sup>
- Experience turnover decrease in 2020 or be able to prove the negative effects of the COVID-19 crisis in 2020/2021, with evident growth trend in the pre-COVID period – in 2018 and 2019 (in employment, turnover, exports);
- Be registered and primarily operate under the respective statistical codes in the metal processing industry, indicated below:

#### Division group

#### **25 Manufacture of fabricated metal products, except machinery and equipment**

25.1 Manufacture of structural metal products

25.11 Manufacture of metal structures and parts of structures

25.12 Manufacture of doors and windows of metal

25.2 Manufacture of tanks, reservoirs and containers of metal

25.21 Manufacture of central heating radiators and boilers

25.29 Manufacture of other tanks, reservoirs and containers of metal

25.3 Manufacture of steam generators, except central heating hot water boilers

25.30 Manufacture of steam generators, except central heating hot water boilers

25.5 Forging, pressing, stamping and rollforming of metal; powder metallurgy

<sup>2</sup> Companies realizing exports over 30% of the total revenue from the supported industries.

<sup>3</sup> 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 Call must verify their MSME status by completing the [SME self-assessment questionnaire](#) provided by the European Commission. 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](#).

25.6 Surface treatment and coating of metals, metal machining

25.61 Treatment and coating of metals

25.62 Metal machining

25.7 Manufacture of cutlery, tools and metal products for general purpose

25.71 Manufacture of cutlery

25.72 Manufacture of locks and hinges

25.73 Manufacture of tools

25.9 Manufacture of other fabricated metal products

25.91 Manufacture of steel drums and similar containers

25.92 Manufacture of light metal packaging

25.93 Manufacture of wire products, chain and springs

25.94 Manufacture of fasteners and screw machine products

25.99 Manufacture of other fabricated metal products

## **28 Production of machines and devices**

28.1 Manufacture of general — purpose machinery

28.11 Manufacture of engines and turbines, except aircraft, and vehicle engines

28.12 Manufacture of fluid power equipment

28.13 Manufacture of other pumps and compressors

28.14 Manufacture of other taps and valves

28.15 Manufacture of bearings, gears, gearing and driving elements

28.2 Manufacture of other general-purpose machinery

28.21 Manufacture of ovens, furnaces and furnace burners

28.22 Manufacture of lifting and handling equipment

28.23 Manufacture of office machinery and equipment (except computers and peripheral equipment)

28.24 Manufacture of power-driven hand tools

28.25 Manufacture of non-domestic cooling and ventilation equipment, except for households

28.29 Manufacture of other general-purpose machinery

28.3 Manufacture of agricultural and forestry machinery

28.4 Manufacture of metal forming machinery and machine tools

28.41 Manufacture of metal forming machinery

28.49 Manufacture of other machine tools

28.9 Manufacture of other special-purpose machinery

28.91 Manufacture of machinery for metallurgy

28.92 Manufacture of machinery for mining, quarrying and construction

28.93 Manufacture of machinery for food, beverage and tobacco processing

28.94 Manufacture of machinery for textile, apparel and leather production

28.95 Manufacture of machinery for paper and paperboard production

28.96 Manufacture of plastic and rubber machinery

28.99 Manufacture of other special-purpose machinery

## **29 Manufacture of motor vehicles, trailers and semi-trailers**

29.10 Manufacture of motor vehicles

29.20 Manufacture of bodies (coachwork) for motor vehicles, manufacture of trailers and semi-trailers

29.3 Manufacture of parts and accessories for motor vehicles

29.31 Manufacture of electrical and electronic equipment for motor vehicles

29.32 Manufacture of other parts and accessories for motor vehicles

Furthermore, please note the following:

- Under this Call, grants may only be awarded in accordance with the EU Commission State aid Regulations, i.e., De Minimis aid.<sup>4</sup> Applicants which have received State Aid exceeding EUR 200,000 over a period of three fiscal years must consult with the Contracting Authority regarding their eligibility for participation in this Call.
- Applicants must 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.

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<sup>4</sup> De Minimis aid constitutes State Aid granted to a Single Undertaking, which does not exceed EUR 200,000 over a period of three fiscal years.

- 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 Call.<sup>5</sup>
- Applicants may not participate in this Call 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 Procedures for EU External Actions (PRAG) and Declaration of the Applicant. Applicants may not participate in this Call if they're included in the Contracting Authority's sanction's checklists.
- Supported 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.
- Supported beneficiaries must undertake to implement all measures recommended by the Contracting Authority, regarding the assessment of the existing COVID-19 related OSH measures introduced by the beneficiaries.

## 5. PROCEDURE FOR SUBMISSION

In order to submit an Expression of Interest within this Call, the Applicants must register at the EU4BusinessRecovery Application Portal ([www.eu4business.core-enigma.com](http://www.eu4business.core-enigma.com)). The Applicants may apply in English or Bosnian/Croatian/Serbian language.

Please note that an Applicant may not submit more than 1 (one) Expression of Interest under this Call.

A User Guide is available to all Applicants for download via the EU4BusinessRecovery Application Portal. Any technical questions related to the registration on the EU4BusinessRecovery Application Portal or online submission must be sent to the following email address: [support@enigma.ba](mailto:support@enigma.ba).

When applying to the Call, the Applicants must upload the following documentation to the EU4BusinessRecovery Application Portal (in the section *Supporting documents*):

1. Original registration document for the Applicant and (any) amendments thereto;
2. Most recent notice on the classification of the Applicant issued by the competent statistics authority;
3. Articles of Association and incorporation documents;
4. Balance sheet and Income statement for FY 2018, 2019 and 2020;
5. Half-yearly financial reports for FY 2021.

Please note that all supporting documents indicated in this Call must be original documents or certified photocopies not older than 3 months, from the deadline for submission of Expressions of Interest or they will be removed from the list of Expressions of Interest recommended for contract award. If the supporting documents are not provided prior to the set deadlines, the Expression of Interest will be rejected solely on that basis.

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<sup>5</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).

The deadline for submission of Expression of Interests and the supporting documentation is **31 January 2022 at 16:00 h.**

Please note that only the Application Form, which must be completed online, will be evaluated. The Applicants will receive an automatic confirmation via email upon successful submission of the Expression of Interest.

Applicants must strictly follow the format of the Application Form and **fill in all the fields** in order for the Expression of Interest to be evaluated. If the Applicants do not complete all the fields in the Application Form, the Application will be rejected solely on that basis.

Major inconsistencies in the application documents may result in the rejection of the Expression of Interest and any Expression of Interest submitted after the deadline will be rejected. Paper and/or printed versions, as well as Expression of Interests submitted via mail will not be accepted.

Information sessions on this Call will be held in accordance with the schedule listed in the *Section 7. Indicative timetable.*

Questions may be addressed to the following email address: [eu4business@giz.de](mailto:eu4business@giz.de) no later than **21 January 2022**, clearly indicating the reference of the Call. 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 **24 January 2022.**

To ensure equal treatment of all Applicants, the Contracting Authority may not issue a prior opinion regarding the eligibility of an Expression of Interest.

All questions and answers, as well as other important notices sent 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)).

## **6. EVALUATION AND SELECTION**

The evaluation of Expressions of Interest will be performed in four steps:

1. Administrative and eligibility check;
2. Evaluation of Expressions of Interest;
3. Verification of supporting documents;
4. Capacity verification.

As part of the first step, upon the closing of the Call, the following points will be evaluated:

- Application form submitted and filled in appropriately;
- Declaration of Applicant submitted and filled in appropriately;
- All supporting documents listed in *Section 5. Procedure for submission of Expression of Interest* submitted.

Eligibility verification will then be performed based on the uploaded supporting documents to determine that all Applicants fall within the eligibility criteria indicated *in Section 4. Eligibility criteria.*

Failure to meet any of the administrative and/or eligibility criteria, as well as the submission of inaccurate data and information, will be grounds for rejecting the Expression of Interest.

Expression of Interests that have met the administrative check and meet the eligibility criteria are evaluated based on the criteria listed below.

Each subsection in the Evaluation Grid will be awarded a score between 1 and 5, as follows:  
 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

**Evaluation Grid**

Criteria	Max. Score
1.1. How severely has the Applicant been impacted by the COVID-19 crisis in 2020/ first half of 2021 (with regards to turnover, exports, number of employees)?	5x2**
1.2. Was the Applicant identified as a driver of job creation or growth (with regards to turnover, exports) in the pre-crisis situation?	5x2**
1.3. Does the Applicant have sufficient source of finance?	5x2**
1.4. Does the Applicant have stable sources of finance?	5x2**
<b>TOTAL</b>	<b>40</b>

**\*\*:** scores multiplied by 2 due to their importance

Please note that only Expressions of Interest with a score of at least 20 will be eligible for provisional selection. Following the evaluation, a table will be drawn up to list the Expressions of Interest and rank them according to their scores. The highest-scoring Expressions of Interest will be provisionally selected until the available budget for this Call is reached. In addition, a reserve list will be drawn up in line with the same criteria. This list will be used if additional funds become available during the validity period of the reserve list. The validity period of the reserve list is 12 months.

Applicants will be notified, in writing, of the Contracting Authority’s decision concerning their Expression of Interest 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.

Applicants whose Expression of Interests have been provisionally selected will be informed in writing by the Contracting Authority. Following the notification of Applicants, the provisionally selected Applicants must provide the following documents within 2 weeks following the notification:

1. Certification confirming that the Applicant does not have overdue/ unsettled tax liabilities and/ or debts for salary benefits and contribution.
2. 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.
3. Original or certified copy of the document acknowledging the number of employees, as issued by the relevant tax office.
4. Certification confirming that the Applicant’s responsible person has not been convicted, by a final judgment, of criminal offences (organised crime, corruption,



fraud, or money laundering) in accordance with the applicable regulations in Bosnia and Herzegovina.

5. Certification confirming that the Applicant is not bankrupt or subject to bankruptcy proceedings, in accordance with the applicable regulations in Bosnia and Herzegovina.

Please note that all supporting documents indicated in this Call must be original documents or certified photocopies not older than 3 months, from the deadline for submission of Expressions of Interest or they will be removed from the list of Expressions of Interest recommended for contract award. If the supporting documents are not provided prior to the set deadlines, the Expression of Interest will be rejected solely on that basis.

Following the verification of the supporting documents, the Grant Committee will make recommendations for capacity verification. After verification, the final list of projects recommended for contract award will be compiled. The selected beneficiaries will be offered expert services – development of business continuity plans to identify measures for improvement and grants to finance the implementation of those measures. The selected beneficiaries must undertake to implement all activities indicated in the business continuity plans.

Please note that the shortlisting of an Expression of Interest does not constitute a binding commitment, either implicit or explicit, on the part of the Contracting Authority to provide financial support. All Expressions of Interest selected under this Call are subject to a final review and approval by the Contracting Department of the Contracting Authority. If the Contracting Department rejects the project and supporting documents, the agreement will not be awarded.

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>).

In its capacity of the Contracting Authority for this Call, GIZ GmbH 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 Call.

## 7. INDICATIVE TIMETABLE

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

ACTIVITY	DATE	TIME
1. Publication of the Call	23 December 2021	12:00 hrs
2. Digital info session	14 January 2022	10:00 hrs
3. Deadline for requests for clarifications from the Contracting Authority	21 January 2022	16:00 hrs
4. Last date by which clarifications are issued by the Contracting Authority	24 January 2022	16:00 hrs
5. Deadline for submission of Expression of Interests	31 January 2022	16:00 hrs
6. Evaluation of Expression of Interests	February 2022	-
7. Capacity verification	February – March 2022	-
8. Notification of award	March 2022	-
9. Development of Business continuity plans	March 2022	-
10. Contract signing	April 2022	-