

#EUzaTebe – za kulturno nasleđe i turizam

Grant Scheme Guideline

Support the small businesses in the tourism development

Background

“EU for Cultural Heritage and Tourism” is a project aiming to support the tourism sector as a significant potential for the economic development of the destinations Eastern Serbia and the Lower Danube region, including the Municipality of Topola. It is funded by the European Union and German Ministry for Economic Cooperation and Development BMZ and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit GIZ. The project is delivered in cooperation with several partners from the public and private sector across central, regional, and local levels, most prominently the Ministry of Trade, Tourism, and Telecommunications, as the central actor for the steering and implementation of the national tourism strategy.

The Lower Danube/Eastern Serbia region and Topola municipality offer substantial potential for further building up of a competitive sustainable tourism sector based on natural and cultural assets. To exploit this potential, several challenges need to be addressed, including quality of services, interpretation of cultural heritage and tourism offers, including gifts and souvenirs.

The main goal of this Grant Scheme is to support local economic development through tourism-based activities. The highest project priority is to boost the tourism industry, especially micro and small enterprises that provide a wide range of products to the tourists such as accommodation, food, transportation, and numerous activities, and thus contribute significantly to the quality of their tourism experience. SMEs, as a backbone of almost every economy in the world, play a key role in the growth of tourism that influences local economic development and the development of the national economy overall. The Covid-19 pandemic marked a major turning point in the development of tourism. The effects of the pandemic are intensified by the fact that tourism is a labour-intensive industry and that most companies in the sector are SMEs. As well as other SMEs from different industrial sectors, tourism-engaged SMEs face many difficulties and challenges regarding their survival and growth.

Purpose

This Grant Scheme is going to help the local private sector by financing activities that will lead to a higher quality of tourism services and better promo of the eligible area as an attractive tourism destination. In this context, especially important are small and medium enterprises because they dominate the tourism destinations according to their number. Their activities originate a variety of benefits for the tourism destinations by providing direct contact with tourists and by encouraging tourists for spending in a local community.

Projects supported through this grant scheme should be oriented towards one or more objectives:

- Better quality of tourism offers and service
- Transition to a green economy
- Improvement of marketing and sales in the tourism sector of the targeted municipalities, which will lead to higher visibility of the region in the national and cross-border markets
- Higher tourism inflow to the eligible municipalities
- Strengthening capacities of the private sector tourism services providers
- Improving the resource base of the private sector providers

Implementation of this Grant scheme should result in a higher number of overnights and growing income of applicants, as also other local participants in tourism promotion.

Eligibility

Areas

The eligible area shall include the following nine municipalities: Golubac, Kladovo, Majdanpek, Negotin, Požarevac, Smederevo, Topola, Veliko Gradište and Zaječar.

Activities should be implemented in the eligible area. Only in specific cases, which need to be well explained, part of the activities can be implemented outside of the area (e.g., promotion, visibility actions and similar)



Activities

Indicative types of activities that may be financed under this call for proposals are given below:

- Upgrading facilities for accommodation, catering, degustation, souvenir shops and other tourism-related facilities. This includes costs for the following activities:
 - Interior renovation/adaptation (rooms, toilets, bathroom, kitchen, etc)
 - Quality improvements of facilities including purchasing necessary equipment (including furniture, kitchen appliances, etc.)
 - Small-scale infrastructure interventions and new equipment purchasing for an eco-friendlier environment (solar panels, heat pumps, etc)
 - New equipment purchasing for already existing or newly created activities offered by the applicant (biking, kayaking, purchasing of tents, sports equipment, etc)
 - Upgrading safety and hygienic standards of facilities and services offered to tourists
- Introduction of new tourism products and services
- Introduction of new selling channels
- Promotional activities with a focus on digital solutions (i.e., website, profiles on Booking.com, Airbnb, social networks, etc.)

This list is not exhaustive and appropriate innovative activities that are not mentioned above may also be considered for financing when they can clearly contribute to the achievement in line with the objectives of this Call.

Applicants

Applicants eligible for the Call are private entities that operate in the tourism sector. This includes, but is not limited to tourist facilities (accommodation providers, restaurants, camping sites, catering facilities, vineries, and other enterprises directly involved in providing services to tourists), souvenir production and sales, etc.

The applicant must be registered according to the relevant regulation prior to January 1st, 2021, and active in continuity. The applicant must be registered in the territory of one of the eligible municipalities: Smederevo, Požarevac, Veliko Gradište, Golubac, Majdanpek, Kladovo, Negotin, Zaječar and Topola.

Eligible applicants are:

- natural persons that are registered for accommodation providing
- registered agricultural households
- entrepreneurs, micro and small enterprises (up to 50 employees)

Applicants must:

- be registered in the relevant Registry
- be registered for providing direct services to the tourists in the eligible area
- in case of investing in interior renovation/adaptation/quality improvements of facilities, to have the ownership of the property or have signed (in this year) a lease contract for at least 5 years for that property.

Financial Frame

The overall indicative amount available within the call is **EUR 350,000.00**. The value of the grant requested from the funding party can be **up to EUR 10,000.00**. Self-contribution is a minimum of **20%** of the amount requested from the funding party.

Costs

Eligible costs

- Costs related and budgeted in the Budget form that have occurred during the period of implementation (during the contract duration)
- Costs that are necessary for the implementation of the project which is a subject of the Grant
- Costs that are identifiable, verifiable, and documented, as well as accompanied by relevant documentation according to the GIZ rules



- Costs that comply with the requirements of applicable and social security legislation
- Costs that are reasonable, justified and comply with the principle of the sound financial management
- Costs that are not double funded

Ineligible costs

- Costs related to return on capital
- Debt and debt service charges for purchases of used equipment
- Value-added tax (VAT)
- Indirect taxes, such as customs and import duties, other fiscal charges and duties
- Cost for the activities currently being funded by the European Union, German Federal Ministry for Economic Cooperation and Development (BMZ) or Deutsche Gesellschaft für Internationale Zusammenarbeit GIZ
- Financial support to third parties /sub-granting

Contributions in kind are allowed but are not calculated as 20% self-contribution. All eligible costs should be expressed in amounts per unit. Cost and price data should be plausible and verifiable with appropriate supporting documents. No lump sums will be allowed.

Applying for the Grant Scheme

Application package

Application forms can be downloaded from <https://www.eu-za-turizam.rs/> website. The application package must contain:

1. Project Application Form**, signed and dated by a legal representative of the applicant
2. Budget Form **
3. A copy of the registration of the applicant in the relevant Registry ***
4. Balance Sheet for the previous financial year*** (if applicable) **
5. Confirmations that the relevant applicant has settled all obligations based on taxes and social contributions (issued by Republic of Serbia Tax Administration and Local Tax Administration) ***
6. Applicant's statement:
 - that no bankruptcy or liquidation proceedings have been initiated against them (for the applicant and each of the partners)
 - that they have not been convicted of an economic crime, nor that a protective measure prohibiting them from performing their activities has been imposed by a final decision
 - that have provided mandatory self-contribution for the implementation of the Project in accordance with this guideline

The statement should be signed by the legal representative of the organization**
7. At least six photos of the facility (3 from outside and 3 from inside) where the applicant's activity takes place

** Documents must be submitted in the English language.

*** Documents can be in the Serbian language.

Each Applicant may submit only one application within this Grant Scheme. It is not allowed for Grantees from other components within this Project "#EU for You – For Cultural heritage and tourism" to participate. GIZ reserve the right to ask for additional supporting documents during the selection process.

Questions related to the Call

Questions regarding clarifications of the Call should be sent by e-mail to tourismgrantserbia@giz.de by 5 p.m. on 5/10/2022. Answers to all questions will be published on 7/10/2022 by 5 p.m. on <https://www.eu-za-turizam.rs/>.



Submitting the Application

Applications must be submitted exclusively by e-mail. The application with all obligatory documents (application package) in PDF format must be e-mailed to tourismgrantserbia@giz.de by 5 p.m. on 21/10/2022.

In the email's subject, it is mandatory to write the Grant scheme's name abbreviation (Small business), the name and the place of the applicant. For example: "Small business, Petar Petrović, Kladovo". Notification about a successful grant application will be sent upon receipt of the e-mail application within one day.

Applications sent by other means, applications sent after the deadline, applications not fulfilling technical requirements defined in the Call, and/or incomplete applications will not be considered.

Evaluation and Selection

All applications will be assessed according to the following steps:

1. Opening the applications and eligibility check

All applications that will be received by e-mail until 21/10/2022 will be formally checked. Only proposals that meet all the administrative and eligibility criteria will be subject to quality assessment.

2. Quality assessment

After the eligibility check of the proposals, the second step is a quality assessment by the Evaluation Committee. The evaluation of the proposal, including the proposed budget, shall be undertaken in line with the evaluation criteria set out in the Project Proposal Evaluation Table. If necessary, the Evaluation Committee might call or visit the applicants to clarify open points and make a fair decision.

To become eligible for financial support, a minimum of 60 points awarded during the quality assessment is required.

Project Proposal Evaluation Table:

Criteria	Maximum score
1. Organizational capacity and project management experience of the applicant (and members if applicable)	5
Does the applicant have sufficient financial capacity to complete the proposed project? Does the applicant have experience in managing projects like this one?	
2. Relevance and description of a specific objective	25
How relevant is the project proposal to the goals of the Grant scheme? Will it contribute to increasing the quality of service and income of the applicant? Will it improve the tourism offer of the region and how? Is the specific objective clearly defined?	
3. Description of action	10
Are the activities planned consistent in relation to the expected results, and realistic to implement in the given timeframe of the action? Is the action innovative and brings additional value to the touristic potential of the region?	
4. Expected results and deliverables	10
Are the expected results achievable? Does the project propose a feasible, effective, and environmentally and societal responsible solution? Are the indicators for stated objectives specific, measurable, achievable, relevant, and time-framed? Are the stated sources for verification relevant and attainable?	



5. Impact	15
Is there sufficient evidence that the project outputs will have a real impact on the target groups and local community? Will the implementation of the project bring more income in the future? Does the Project indicate how its implementation will influence the local community? How can impacts of the activities on the environment, climate change (mitigation and adaptation), human rights and gender equality be assessed?	
6. Sustainability of results	10
Are the expected results of the proposed project sustainable?	
7. Maturity of the proposed action	5
Has the applicant documented through the proposal and supporting documents that he has considered all the necessary procedural, legal and environmental requirements for the action to be successfully implemented?	
8. External factors	5
Does the proposed action consider the main risks and assumptions underlying the achievement of results? Are the proposed mitigation measures sufficient to mitigate those risks?	
9. Budget	15
Is the ratio between the expected results and the estimated costs reasonable? Are the activities appropriately reflected in the budget? Are the estimated costs sound and realistic? Have the budgeted amounts for each expense been well justified in the spreadsheet for this purpose? Are any ineligible costs included?	
Total	100

After the Quality assessment of eligible applications, the Evaluation Committee will recommend applications for funding by creating a Preliminary list of grant beneficiaries starting with the highest-scoring proposal and in descending order, until the project budget limit. The Evaluation Committee will not provide a separate scoring for each application against the criteria.

If the allocation indicated for the Lot cannot be used due to the insufficient quality or number of applications received, the Grant Committee reserves the right to reallocate the remaining funds.

Selected projects for Grant awarding, and the backup list will be published on <https://www.eu-za-turizam.rs/>.

The projects will be funded in line with GIZ rules and procedures. Applicants whose projects were selected will be directly contacted by the GIZ officers. If necessary, negotiations will be conducted with the selected applicants prior to signing the contract to optimize the budget and adjust the content (minor adjustments to the application form) and time.

Duration

The duration of the implementation of each grant is a **maximum of 6 months** from the date of signing the contract, but **no later than October 31st, 2023**.

Breach of obligations, irregularities, and fraud

The applicant shall comply with all applicable laws and regulations and codes including the ones related to anti-bribery and anti-corruption. GIZ reserve the right to suspend or cancel the grant if irregularities, fraud, or corrupt practices of any kind are discovered.



Visibility rules

The applicant will assure that all the publication, communication, and/or visibility activities are following the visibility rules of the EU, the Government of the Federal Republic of Germany, and GIZ.

Timeframe

Indicative Timetable	
Opening of the call	19/09/2022
Info sessions	Between 26/09/2022 and 29/09/2022
Deadline for requesting clarifications	05/10/2022 till 5 p.m.
Deadline for publishing Q&A	07/10/2022 till 5 p.m.
Deadline for submitting applications	21/10/2022 till 5 p.m.

Annexes

1. Project application form
2. Budget form
3. Applicant's statement
4. Photos of the facility

