

Project: Sustainable and Inclusive Balanced Regional Development

Topic: Implementation of Innovative Pilot Projects in the planning regions of Macedonia

Background

The overall goal of this Project is “The disparities in the development among and within the planning regions are decreased, and as a consequence, citizens, in particular those of the less developed regions in the country, have better living conditions”.

The Outcomes of the Project are:

1. The Government allocates and implements funds for balanced regional development in a transparent and predictable manner and according to the level of development of the planning regions.
2. Citizens’ needs and demands, including those of the vulnerable groups, are systematically included by Councils for development of the planning regions (RCs) in regional development planning.
3. Centers for development of the planning regions (CRDs) for in all eight planning regions, in particular the less developed ones, improve their effectiveness and efficiency.

Important aspect of Outcome 3 is fostering regional economic development and innovation. The Business Centres, were established to provide quality, demand driven services to the private sector and to foster regional innovation capacities. They are to be leaders in the provision of integrated business support programmes and promoting a strong culture of entrepreneurship.

BCs are committed to delivering the highest standards of customer service and provide dedicated support including communications and training, and bespoke management information. All of the service options of the BCs are to be tailored to meet business requirements of stakeholders of the region. The BC’s mission is to link enterprises to business opportunities in the mainstream economy through the provision of a one-stop development and support facility.

In this regard, the Business Centres will receive technical support to increase linking small and micro enterprises to the mainstream business opportunities.

In addition, MLS will establish a scheme for supporting innovative projects. SDC will be involved in the establishment and selection of this scheme, which will be jointly funded by MLS and SDC.

CRDs will receive funding for the implementation of projects, reflecting the development and innovation potentials of the regions, as outlined in the respective regional innovation strategies, developed in a participatory manner.

The total fund for a Scheme for supporting innovative projects for 2019 is 311.841 CHF. Each of the eight planning region will have an opportunity to apply with a project in total value of 38.980 CHF.

The grant scheme for supporting innovative projects also facilitate learning and capacity building for the CRDs and provide useful lessons on how to improve allocation of budgets for project funding.

Type of projects:

Investment projects - have works component and/or supply of equipment as foreseen expenditures for the works component (construction, reconstruction, rehabilitation, renovation, etc) and/or purchase of the equipment. (Trainings, workshops, study trip and other soft measures can be accepted only as accompanying activities). Expenditures for investment activities should form at least 70% of total eligible costs.

NOTE: At the end of the project, the result should represent a complete product that can become immediately operational.

Administrative procedures

The pilot projects will be identified in a transparent three steps procedure.

The first step will consist of identification of innovative project idea and development of project concept note (max. 5 pages).

The Commission will assess the concept notes based on previously defined criteria.

After approval of the project concepts at the 2nd step the project concepts will be approved by RCs in a transparent manner taking into consideration the results from the workshops.

During the step 3 the CRDs and the partners from the region will develop full project proposal and submit to the Commission. The Commission will approve the financing of the full proposals following the already established criteria.

Installments and payment details are to be defined (proposal is: 40% at the beginning of project as advance payment and 60 % after full implementation of the project). Contracts are to last until September 2019.

The process

The pilot projects will be identified in a transparent three steps procedure.

I STEP : The first step will consist of identification of innovative project idea and development of project concept note (max. 5 pages).

For identification of project idea CRDs should organize at least 1 workshop / meetings with involvement of relevant regional stakeholders (business sector, academia, civil society and individual experts). In order to ensure transparency representatives from the project team will be involved in the workshops/ meetings where innovative projects ideas will be discussed. The output of those meetings will be identified minimum. 3 project ideas per region. Based on the identified project ideas, CRDs will develop concept notes (max. 5 pages) and will submit them to the project team. The Commission are to assess the concept notes based on the criteria.

A. At least one concept CRD is of sufficient quality to pass to step 2;

B. There is no Concept of high quality from CRD to pass to step 2;

II STEP: Project concepts which are approved by the Commission are assessed, ranked, prioritized and one project ideas is selected by the RCs in a transparent manner taking into consideration the results from the workshops

III STEP: the step 3 the CRDs and the partners from the region are to develop full project proposal and submit for approval. The Commission will approve the financing of the full proposals following the already established criteria.

At the end of step 3 of the evaluation applicants will be informed that their proposal:

A. fully meets the criteria and is recommended for funding

B. meets only several criteria and will not be funded.

The process is foreseen to be implemented based on the following action plan with expected time frame

| Action | Timeframe | Responsible |
|--|-------------------------|------------------|
| Information on the possibility for innovative pilot projects to CRDs | 18.01.2019 | Project team/MLS |
| Finalizing the selection criteria | 14.01.2019 | Project team/MLS |
| Call for innovative projects | 05.02.2019 | |
| Workshops / Meetings in the regions | 05.02.2019 - 01.03.2019 | CRDs |
| Development of project concept notes (maximum 3 per region) | 15.03.2019 | CRDs |
| Commission meeting for evaluation of the project concept notes | 02.04.2019 | Commission |
| Development of full project proposal | 20.04.2019 | CRDs |
| Approval of the project proposal and quality check | 26.04.2019 | Commission/MLS |
| Signing contracts | 10.05.2019 | MLS/CRDs |
| Implementation of the pilot innovation measure | 10.05.2019 – 20.11.2019 | CRDs |
| Reporting on the projects | 09/2019 and 11/2019 | CRDs |

Assessment criteria for concept notes

The concept notes will be assessed based on the following criteria:

| # | | Maximum score | Score |
|--------------------|---|---------------|-------|
| 1 | The project has a regional dimension | 10 | |
| 1.1 | The project is implemented on the territory of up to two municipalities or up to two municipalities have direct and clear benefits from the project | 0 | |
| 1.2 | The project is implemented on the territory of at least three municipalities or at least three municipalities have direct and clear benefits from the project | 10 | |
| 2 | Involvement of relevant stakeholders in the process of identification of project idea | 10 | |
| 2.1 | Involvement of relevant stakeholders | 10 | |
| 2.2 | No involvement of relevant stakeholders | 0 | |
| 3. | Innovative character of the project | 10 | |
| 3.1. | Completely new product/service/organizational solution/process is obtained with the project / The project upgrades an existing product/service/organizational solution/process by improving its' quality, efficiency or cost effectiveness /The project enables a new way of utilizing an existing product/ tool/ service | 10 | |
| 3.2. | The project is not of an innovative character | 0 | |
| 4. | The project is in line with the priorities defined in the Regional Innovation Strategy | 10 | |
| 4.1. | The benefits of the project refer to at least 1 priority | 10 | |
| 4.2. | The benefits do not refer to the priorities | 0 | |
| | | | |
| Total score | | 40 | |

The Concepts will be rejected if the overall score for any of the criteria no. 1, 2, 3 and 4 equals zero points.

Assessment criteria for project proposals

| # | | Maximum score | Score |
|-----------|---|---------------|-------|
| 1 | Regional dimension of the proposed project (the expected effects have to be realistic, well defined and measurable) | 5 | |
| 1.1. | The project generates positive effects in five municipalities/the whole region | 5 | |
| 1.2. | The project generates positive effects in four municipalities | 3 | |
| 1.3. | The project generates positive effects in three municipalities | 1 | |
| 2. | Innovative character of the project | 5 | |
| 2.1. | A completely new product/service/organizational solution/process is obtained with the project | 5 | |
| 2.2. | The project upgrades an existing product/service/organizational solution/process / The project enables a new way of utilizing an existing product/ tool/ service improving its' quality, efficiency or cost effectiveness | 3 | |
| 2.3. | No innovative character | 0 | |
| 3. | Partnerships and innovation impact | 5 | |
| 3.1. | The project is developed and implemented with partnership between representatives of each of the following types of institutions: the business sector, academic/research institutions and civil society | 5 | |
| 3.2. | The project is developed and implemented with partnership between representatives of two types of institutions: | 3 | |
| 3.3. | The project is developed and implemented without partnership of any type of above mentioned institution | 0 | |
| 4. | The project is in line with the priorities defined in the Regional Innovation Strategy | 5 | |
| 4.1. | The benefits of the project refer to at least 3 priorities | 5 | |
| 4.2. | The benefits refer to 2 priorities | 3 | |

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|-----------|---|----------|--|
| 4.3. | The benefits refer to 1 priority | 1 | |
| 5. | Replicability | 5 | |
| 5.1. | The innovative solution can be directly applied for solving similar problems in other areas | 5 | |
| 5.2. | The innovative solution can be applied for solving similar problems in other areas, but further customization is needed | 3 | |
| 5.3. | The innovative solution cannot be applied for solving similar problems in other areas | 0 | |
| 6. | Sustainability of the project results | 5 | |
| 6.1.. | The project's main results/ outputs have no potential for long - lasting sustainability | 0 | |
| 6.2. | Some project activities are expected to have positive effect but sustainability remains unclear | 3 | |
| 6.3. | The project's main results / outputs are expected to provide significant and long term contribution to solving the targeted challenges | 5 | |
| 7. | The project result represent a complete product that can become immediately operational | 5 | |
| 7.1. | The project result represent a complete product and is immediately operational | 5 | |
| 7.2. | The project result is not complete product and it is not operational | 0 | |
| 8. | Co-financing from the business sector or academic/research institutions | 5 | |
| 8.1. | More than 30% co-financing | 5 | |
| 8.2. | Co-financing up to 30% | 3 | |
| 8.3. | There is no own contribution from the business sector or academic/research institutions | 0 | |
| 9. | The project makes positive contribution to the sustainable development, equal opportunities and non-discrimination, equality between men and women | 5 | |
| 9.1 | No contribution | 0 | |
| 9.2 | Up to a one principle | 1 | |
| 9.3 | Up to a two principles | 3 | |
| 9.4 | Contribution to all principles | 5 | |

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|--------------------|---|-----------|--|
| 10. | The project proposal clearly defines and explains the project risks and the assumptions for project implementation | 5 | |
| 10.1 | None of the project risks and the assumptions for project implementation is defined and explained | 0 | |
| 10.2 | Part of the project risks and the assumptions for project implementation are not included and explained | 3 | |
| 10.3 | The project risks and the assumptions for project implementation are clearly defined and explained | 5 | |
| 11 | The costs are estimated based on real market prices | 5 | |
| 11.1. | Most costs are not based on market prices | 0 | |
| 11.2. | Some costs are not based on market prices. Partial reductions of item prices will optimize cost effectiveness | 3 | |
| 11.3. | All costs are estimated based on market prices | 5 | |
| Total score | | 55 | |

The application has to score at least 40 points in order to qualify for receiving financial support. However, the application will be rejected if the score of any of the criteria no. 2,3,6,7,9,10 and 11 equals zero points.