Project:

**Building municipal capacity for project implementation**

**Call for proposals:**

**Preparation of local development projects for financing from national and international development funds – “Technical documentation fund”**

**Guidelines for applicants**

**1. „TECHNICAL DOCUMENTATION FUND” BASIC INFORMATION**

**1.1. Background**

In November 2018 the UNDP and the Swedish international development agency (SIDA) have signed the Project document, marking the start of the implementation of the project „Building municipal capacity for project implementation”. One of the three main objectives of this Project is to „design, establish and manage a technical documentation fund that would provide the financial resources that less-developed municipalities need to undertake necessary preparatory work (including urbanization plans) for development projects that are eligible for EU, state or donor funding, either through direct grants or low-interest loans.“. The Project is also expected to set-up a Municipal development index, a tool that will help the Government, the donors and other stakeholders in regional development policy to determine which are the less-developed municipalities according to the set of indicators, based on statistical and other officially available data. Gender mainstreaming will be effectively considered in all aspects of the implementation of the project as well as gender disaggregated data so as to identify different needs and priorities for men and women.

**1.2. Principles, objectives and priorities of the Fund**

As identified in the above-mentioned Project document, one of the biggest problems that the municipalities of North Macedonia face in a typical project cycle[[1]](#footnote-2) is at the “formulation” stage. This stage in a project cycle requires complex preparation of development projects in order to obtain financing, especially those projects that bring long-term benefits and impact (beyond the average political mandate). It also needs to take into account all other stages of the project cycle, and therefore stronger capacity to formulate good quality development projects contributes to increased capacity to cope with the complete project cycle(s). Project documents such as business plans, feasibility studies, environmental impact assessments, construction projects (all stages, including multiple books: engineering, electricity, heating and plumbing, etc.), architectural and urban/rural plans and planning studies, bills of quantities and the like employ significant resources. This means that stronger effort at the formulation stage for credible development projects can trigger disproportionally greater positive development impact once they are implemented.

The objective of the Technical Documentation Fund is to increase the municipalities' capacity to prepare basic and more complex (infrastructure) development projects that will be ready for funding from other sources.

The specific objectives of the Technical Documentation Fund are:

* to strengthen municipal capacity to develop, finance and implement good quality local development projects;
* to provide immediate funding to those most in need for preparation of development projects, in expectation of new funding lines for this purpose;
* to promote Municipal development index and the SDGs and related indicators as the elements of planning and implementing balanced and sustainable regional and rural development policies and measures;
* to further increase the quality of life for both women and men, primarily in the most underdeveloped municipalities and for the most vulnerable social groups.

**1.3. Sustainable development goals**

The SDGs and related indicators are used to determine which types of projects and from which sectors should be considered to receive funding for technical documentation. Indicators have been selected to respond to the overall Project objectives, and those against which the Republic of North Macedonia marks insufficient progress are marked with **(!)**:

SDG 11: Sustainable cities and communities

Indicators:

* **(!)** Annual mean concentration of particulate matter of less than 2.5 microns of diameter (μg/m3)
* Improved water source, piped (%)
* **(!)** Satisfaction with public transport (%)

SDG 4: Quality education

Indicators:

* **(!)** Net primary school enrolment rate (%)
* **(!)** Lower secondary completion rate (%)

SDG 5: Gender equality

Indicators:

* **(!)** Female years of schooling (% male)
* **(!)** Female labor force participation (% male)

SDG 8: Decent work and economic growth

Indicators:

* **(!)** Unemployment rate (%)

SDG 6: Clean water and sanitation

Indicators:

* **(!)** Population using at least basic drinking water services (%)
* **(!)** Population using at least basic sanitation services (%)
* Freshwater withdrawal (%)
* Imported groundwater depletion (m3/year/capita)
* **(!)** Wastewater treated (%)

SDG 7: Affordable and clean energy

Indicators:

* Access to electricity (%)
* **(!)** Access to clean fuels (%)
* **(!)** CO2 from fuels & electricity (MtCO2/TWh)

SDG 12: Responsible consumption and production

* **(!)** Municipal solid waste (kg/person/day)
* **(!)** E-waste (kg/capita)
* **(!)** Nitrogen production footprint (kg/capita)

SDG 13: Climate action

* **(!)** CO2 emissions from energy (tCO2/capita)
* **(!)** Imported CO2 emissions (tCO2/capita)
* **(!)** People affected by climate-related disasters (per 100,000 population)
* CO2 emissions embodied in fossil fuel exports (kg/capita)

**1.4. Available financial resources and financial obligations of applicants**

Total available sum for this Call for Proposals is USD 1,000,000.00.

Minimum and maximum amounts that an individual applicant may apply for are set as follows:

* minimum amount is USD 10,000.00
* maximum amount is USD 30,000.00

In cases of applications submitted in partnership between two or more municipalities, the sums from the previous paragraph can be multiplied by the number of participating partners – municipalities, e.g. 60.000 USD for 2 municipalities acting in partnership. The minimum amount rule remains the same regardless of any partnership agreement.

The maximum intensity of support under this Call for proposals is 100%, e.g. there is no need for co-financing from the applicants in cases where the final amount of support, determined through the selection and procurement procedures, falls within the limits described above.

However, in cases where this final amount exceeds these limits, the applicant will be required to provide co-financing up to the final amount from own or other resources.

**2. RULES OF THE CALL FOR PROPOSALS**

**2.1. Eligibility criteria**

2.1.1. Eligibility of applicants – Who can apply?

The only eligible applicants under this Call for proposals are municipalities.

Final beneficiaries, e.g. users of the produced technical documentation can be any other public entity founded by the applying municipality(ies) and operating in the territory of the applying municipality(ies), such as public utility and communal infrastructure maintenance companies, schools, kindergartens, and other institutions. However, the application must be submitted and signed, and implementation guaranteed by the responsible person in the applying municipality.

Participation of the final beneficiaries in the implementation, e.g. production of the requested technical documentation, needs to be described and explained in the Application form.

In cases where the application is submitted in partnership by two or more municipalities, one of them needs to be designated as a lead partner. The individual roles of each partner in such joint application need to be explained in the above-mentioned section of the Application form, as well as in the Partnership agreement.

Each municipality can submit ONLY ONE Application, regardless if it is individual or in partnership with another municipality(ies).

2.1.2. Eligibility of projects – Which types of projects can receive funding?

The eligibility of local development projects that can receive funding in the preparation (formulation) stage under this Call for proposals has been determined (primarily) by the level of achievement of relevant Sustainable Development Goals (SDGs) at national level, as well as situation analysis and data provided by the municipalities in developing Municipal Development Index (MDI).

Eligible are those projects falling within the following 3 main groups:

1. Communal, transport and business infrastructure:

* local roads (re)construction, incl. asphalting and sidewalks construction. A proof needs to be submitted that the current traffic is causing “bottlenecks”, presents an obstacle to local economic development, or that there are safety considerations for drivers, cyclists and pedestrians;
* construction and rehabilitation of water supply networks (main pipelines, distribution networks, sewerage collectors etc.);
* local bridges, pedestrian crossings, bicycle and walking paths, public transport facilities (bus eaves, railway stations, etc.);
* electricity supply (re)construction projects, street lightning, electrification or increase in capacity for business related infrastructure. A proof is needed in form of signed contracts and/or letters of intent will need to be submitted;
* projects of business-related infrastructure limited to small and medium-sized enterprises (SMEs): (re)construction of open and closed markets, business and entrepreneurial zones, business incubators, start-up facilities etc.

2. Social infrastructure:

* (re)construction of education and education infrastructure: schools and kindergartens;
* (re)construction of elderly care facilities;
* projects of adjustment of any public infrastructure or other facility to become accessible for persons with disabilities;
* (re)construction of public spaces for enjoying nature, sports, recreation, family, social activities and personal reflection;
* (re)construction of buildings that support social inclusion and community well-being;
* (re)construction of historic or notable buildings that have artistic or cultural value.

3. Environmental, climate change and water infrastructure:

* solid waste management projects: closure and/or rehabilitation of landfills; recycling, sorting or other treatment facilities (re)construction; collection and initial treatment equipment. This needs to be in line with national and EU strategies and guidelines.
* Replacement or introduction of central heating systems – transition towards sustainable energy sources, for example switching from fossil fuels to more sustainable energy sources; Technical documentation for assessment of the potentials of the use of renewables.
* water supply projects: protection of sources, construction of pipelines and other parts of the system – treatment facilities, pumps, storage units, etc. (up until households' connections)
* waste-water treatment systems, incl. (re)construction of drainage and sewage systems, (re)construction of waste-water treatment plants;
* (re)construction of riverbeds and other flood protection/management measures.

Non-eligible types and sectors of projects under this Call for proposals are:

* sports' halls, except those adjacent to or primarily used and managed by schools;
* any infrastructure project that requires resolution of property issues, e.g. property rights are not clear, or there are disputes;
* any business-related infrastructure project that brings benefits to a single user and/or large enterprises(s) – company or other legal person, according to the EU rules on autonomous, partner and linked enterprises[[2]](#footnote-3).
* any environmental infrastructure project that is not aligned with national and EU strategies, legislation and guidelines.

The lists of both eligible and ineligible project types and sectors presented here are non-exhaustive, and UNDP reserves the right to accept or decline any project proposal not listed here, subject to written explanation and justification.

2.1.3. Eligibility of activities: What types of documentation can be financed from the Call?

The following types of project documents are eligible to receive funding:

* construction projects at all stages (preliminary design, main design...)
* geodetic, geological, geophysical, geo-mechanical and hydrological surveys
* feasibility studies
* cost-benefit analyses
* investment studies & business plans (for business-related infrastructure)
* environmental impact assessments
* individual parts of construction projects (electricity, static survey, water and sewage, heating/cooling, etc.) – only if needed to complete the existing documentation

Optionally, the following types of documents can be considered eligible:

* detailed urban plans (plans applying to one or more urban blocks necessary to allow for greenfield and brownfield investment, construction of public facilities, etc.), in cases where this decision has been reached through public consultations – community forums at least;
* revision of the existing sets of project documentation;
* full sets of application documents for applying to other funds – application forms, budgets, technical specifications, bills of quantities, etc.;
* technical specifications for complex equipment (for example waste management equipment)
* technical-technological studies, etc.

The lists of both eligible and conditionally eligible types of project documents presented here are non-exhaustive, and UNDP reserves the right to accept or decline any application for project documentation not listed here, subject to written explanation and justification.

2.1.4. Eligibility of costs

Eligible costs under this Call for proposals are all services provided by third parties necessary to produce the required technical documentation.

Non-eligible costs are:

* Management or other fees for municipal staff;
* Per-diems or travel costs;
* Costs of equipment necessary for measurements, surveys, etc.

2.1.5. Applicants’ co-financing

In cases where the final established amount for contracting exceeds the limits set in point 1.4. above, the applicant(s) will be required to provide co-financing up to the final amount from own or other resources.

UNDP will manage the procurement of services and will be responsible for executing the contracts with third parties, e.g. payments to service providers. For this reason, the applicants will be required to sign a cost-sharing agreement and transfer the required funds to UNDP according to UNDP standard procedures and schedule determined by contract.

2.1.6. Other pre-conditions

In order to secure accurate data for evaluation of the applications, the municipalities that have not yet submitted all requested data for calculation of the Municipal development index will be required to do so together with the rest of application documents.

**2.2. Application procedure and content**

2.2.1. Content of the Application

The mandatory application “package” consists of:

* Application form (signed and stamped)
* Supporting documents: studies, reports, decisions – only if they are referred to in the Application form

Application form cannot be altered in any way, except for adding (copying) additional tables for “Applicant Basic information”, in cases of partnership applications.

2.2.2. Where and how to submit application?

* Application form in electronic format must be delivered **by email** to **info@lokalenrazvoj.mk** with email subject **MUNICIPALITY OF [name of municipality] – APPLICATION TO THE TECHNICAL DOCUMENTATION FUND**; **AND**
* Signed original application form and supporting documents in paper versions must be delivered **by post** addressed to: **UNDP SKOPJE, UL. “JORDAN HADZIKONSTANTINOV DZINOT” NO.23, SKOPJE 1000**, and marked as: **APPLICATION TO THE TECHNICAL DOCUMENTATION FUND – PROJECT 106869.**

2.2.3. Application deadline

* **30 November 2019**

2.2.4. Additional information

During the Call application period, the potential applicants will have a chance to ask questions and clarifications regarding the Call. The questions should be addressed to the following e-mail: filip.nelkovski@undp.org.

The questions will be answered at the project web site regularly once a week during the Call, in such a way that both, questions and answers are visible to all potential applicants. Questions will be allowed up to five days before the Call closure.

Individual and phone inquiries are not permitted.

UNDP reserves the right to change elements of the Call, amongst other following the questions by the potential applicants. If the nature of changes is such that it requires additional effort on the side of applicants, or the changes are introduced close to Call closure date, UNDP may grant prolongation of the Call application period.

**2.3. Evaluation and selection of applications**

Upon closure of the Call for proposals, the evaluation of the applications will be carried out in order to establish the ranking list of proposals and determine those that will be awarded funding under this Call. The evaluation will be carried out by the Evaluation committee with the assistance of the UNDP designated civil engineer. **Minimum of 55 points is required for the project to be eligible for funding.**

The evaluation will be carried out according to the following pre-determined criteria and evaluation grid:

1. ADMINISTRATIVE CRITERIA AND ELIGIBILITY OF APPLICANT(S) / PROJECTS / ACTIVITIES

|  |  |
| --- | --- |
| CRITERION | mark / grade |
| Is the applicant eligible according to the rules of Call for proposals? (section 2.1.1) | YES / NO |
| Does the project proposed to receive funding for preparation fall within the list of eligible projects for funding? (section 2.1.2) | YES / NO |
| Is the type of project documentation for which the funding is sought fall within the list of eligible project documents? (section 2.1.3) | YES / NO |
| Has the project been approved/endorsed by the municipal council? Is the council decision attached? | YES / NO |
| There are no remaining legal / property issues that present a serious obstacle to the proposed project implementation?  | YES / NO |
| Has the Applicant submitted the requested available data necessary for calculation of the Index? | YES / NO |

2. GRADING ACCORDING TO THE MUNICIPAL DEVELOPMENT INDEX AND INTER-MUNICIPAL COOPERATION (Maximum possible points: 40)

|  |  |
| --- | --- |
| CRITERION | Maximum points obtainable |
| To which category of the Municipal development index, according to the current development index value, does the Applicant belong? | 30 |
| Is the application submitted by two or more municipalities in cooperation? | 10 |

3. PROJECT RELEVANCE (Maximum possible points: 30)

|  |  |
| --- | --- |
| CRITERION | Maximum points obtainable |
| The project clearly addresses the described problem.  | 10 |
| The project is aligned and/or part of a local / national / EU programme or strategy. | 5 |
| The project has been selected / endorsed at the municipal community forum | 5 |
| The project contributes to the achievement of one of the SDGs listed in the Guidelines for applicants | 5 |
| The project clearly defines the gender impact (addressing the needs of both women and men) and/or addresses the needs of vulnerable groups | 5 |

4. PROJECT SUSTAINABILITY (Maximum possible points: 30)

|  |  |
| --- | --- |
| CRITERION | Maximum points obtainable |
| The project has clear potential to mobilize resources | 15 |
| The project clearly addresses the issues of sustainability of the planned infrastructure intervention  | 10 |
| The Municipality agrees to co-finance the project | 5 |

The results of the evaluation process will be published at the project web site and communicated to the successful applicants directly.

**2.4. AWARD OF FUNDING AND IMPLEMENTATION ARRANGEMENTS**

**2.4.1. Letters of agreement, contracts**

Memorandum of Understanding will be signed with each successful municipality stipulating mutual rights and obligations between UNDP and the municipality once the exact amounts of each contract have been determined through the procurement process. Following the formation of the ranking list, the UNDP will undertake procurement of the required services, and the contracts will be awarded up to the maximum available funds for this Call for proposals.

In cases where co-financing is necessary, Cost-sharing agreements with municipalities will have to be signed before the contract(s) with service providers.

In cases where funding is granted for projects applied for by more than one municipality, the Memorandum of Understanding will be signed by all municipalities participating in such partnership.

**2.4.2. Implementation: obligations of applicants, reporting, monitoring**

Each successful applicant will have to provide at least one qualified person – a designated contact person for both service providers (engineers, architects, etc.) and UNDP monitoring staff, including UNDP’s in-house engineer. This person should be capable of providing necessary information, documentation and all other support to the service providers in executing their tasks.

Monitoring of the whole process will be carried out by the UNDP Project staff, with assistance from the UNDP’s in-house engineer.

In cases where serious breaches of the terms of contract (Cost-sharing agreement…) have been detected, UNDP reserves the right to cancel the agreement and, if possible, re-allocate the funds to another project / applicant.

Upon completion of tasks and delivery of the final product – set(s) of project technical documentation; the transfer of ownership over the final product will be carried out according to UNDP’s standard procedures.

1. Programming→Identification→Formulation→Financing→Implementation→Evaluation→ (in a circular form) [↑](#footnote-ref-2)
2. <https://ec.europa.eu/docsroom/documents/15582/attachments/1/translations> [↑](#footnote-ref-3)