



Ministry of Energy, Commerce, Industry and Tourism



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Republic of Cyprus



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Call for Interest: **Grants to SMEs for Business Advisory Services**

In May 2017, the Ministry of Energy, Commerce, Industry and Tourism (the MECIT) of the Republic of Cyprus and the European Bank for Reconstruction and Development (the EBRD) signed a cooperation agreement for the implementation of the *Advice for Small Businesses* (ASB) a three-year programme, that supports small and medium-sized enterprises (SMEs) registered and operating in the Republic of Cyprus.

The programme is targeted at helping over 120 SMEs (over the course of three years) to improve competitiveness, strengthen performance, and drive growth by providing financial support in the form of grants for the engagement of local consultants or international industry advisers. The programme also provides SMEs with training, networking opportunities and mentoring support.

Another objective of the programme is the development of the local consultancy market by providing training to consulting companies, to improve the quality of business advisory services.

The objective of the call

This call is an integral part of the ASB programme and is targeted **at co-financing the cost of business advisory services for 30 Cypriot SMEs to solve their business needs**. Business advisory services shall be delivered by local consulting companies.

The grants will be approved based on a “**first applied – first received**” approach (if applicant’s eligibility and grant approval criteria are both met).

Approval of funding to business advisory services is at the sole discretion of the EBRD. .

The deadline for the submission of applications – **26 October 2018**.



Documents should be submitted to the EBRD electronically at: knowhowcyprus@ebrd.com and filipova@ebrd.com.

The content of the call

1. Eligibility criteria for company applying for the grant (“the applicant”)
2. Business advisory services to be subsidised by the grant
3. Grant disbursement rules
4. Documents to be submitted by the applicant to apply for the grant
5. Illustrative timeline for grants approval and subsequent monitoring
6. Contact information for enquiries related to the call

1. Eligibility criteria for company applying for the grant (“the applicant”)

The programme supports privately owned SMEs, incorporated in the areas controlled by the Republic of Cyprus, which fully correspond to the eligibility criteria listed below.

| Criteria | Explanation of the criteria |
|---------------------------------|--|
| Size | <p>Applicant should meet the EU criteria on SMEs:</p> <ol style="list-style-type: none"> 1) Up to 250 employees AND 2) Less than €50 million of annual turnover OR 3) Less than €43 million of total assets <p>If an SME is part of a larger group or a holding company, it is considered autonomous provided that no more than 25 per cent of its capital or voting rights belong to one or more other enterprises which do not meet the definition of a SME.</p> <p>Where these thresholds are exceeded, related companies must be included in the calculation on eligibility, and therefore also the applicable level of grant based on enterprise size.</p> <p>For more information, including instructions on calculating data based on partner and linked enterprises, see the file attached below:</p> <div style="text-align: center;">  <p>SME Definition Guide.pdf</p> </div> |
| Industry | Applicant can belong to any industry except: banking, financial services, insurance, gambling, tobacco or military activities |
| Maturity | Applicant must be operating for over two years |
| Financial sustainability | <p>Applicant should not be a financial distressed enterprise, that is, accumulated losses - reduced by reserves which can be considered part of company's own funds - should not exceed 50 per cent of the subscribed share capital.</p> <p>Detailed information is given in the file attached below (clause 2.2):</p> <div style="text-align: center;">  <p>ERDF Regulation & Company eligibility.pdf</p> </div> |
| De minimis | Total amount of the EU grants received by the applicant should not exceed €200,000 over the period of three financial years |
| Integrity | Enterprise and management should be credible and respectable with no previous or ongoing legal proceedings which may affect the implementation |

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| | of the project(s) or constitute reputational risk to the MECIT or the EBRD. The recent audited financial statements of the Applicant should have clean audit opinion. |
| Previous grant from ASB programme | If the enterprise has benefited from the ASB programme in the past, it is not eligible for another grant in the context of this call. |

2. Business advisory services to be subsidised by the grant

Business advisory services can be supported by the grant only if they cover the primary needs of the applicant and belong to one of the consulting services listed below:

| Type of consulting services | Subtype of consulting services |
|---|--|
| Strategy | <ul style="list-style-type: none"> • Strategic planning • Business planning • Feasibility studies • Financial long-term analysis planning |
| Export promotion | <ul style="list-style-type: none"> • Company export readiness assessment • Product export readiness assessment • Research of foreign markets • Export strategy and export plan development |
| Marketing | <ul style="list-style-type: none"> • Sales management • Market research • Marketing strategy (including digital marketing) • Branding and promotion • E-marketing (including websites, e-shops) |
| Organisation | <ul style="list-style-type: none"> • Organisational design • Human resources management |
| Operations | <ul style="list-style-type: none"> • Business process re-engineering • Supply chain management |
| Information and communication technology | <ul style="list-style-type: none"> • Enterprise resource planning systems (ERP) • Industry-specific systems • Process management systems • Document management systems • IT infrastructure optimisation |
| Engineering solutions | <ul style="list-style-type: none"> • Machinery and equipment, production optimisation • Architectural planning/design • Infrastructure/utilities planning/design |

| | |
|---|--|
| Quality management | <ul style="list-style-type: none"> • Quality management systems (including ISO) • Safety at work systems • Product safety |
| Energy/resource efficiency | <ul style="list-style-type: none"> • Energy audit • Energy management systems • Energy efficiency engineering solutions • Renewable energy |
| Environmental management | <ul style="list-style-type: none"> • Environmental audit • Environmental management systems • Environmental engineering solutions |
| Accounting and financial reporting | <ul style="list-style-type: none"> • Accounting processes and systems • Financial reporting • Management reporting and systems |

Business advisory services delivered to the applicant and subsidised by the grant should belong **only to one type of consulting service** listed above.

Project duration should range **between three to six months**, exceptions (up to 9 months) are acceptable if extension of duration is well explained by the type of consulting services.

Net project cost (excluding VAT) should not exceed **€15,000**.

The applicant can select the consultant it wants to work with, or request a recommendation from the EBRD. In the latter case, after the applicant's eligibility is confirmed, the EBRD will recommend a minimum of three local consulting companies to the applicant, pre-qualified in the EBRD database to deliver the type of consulting services related to the applicant's primary business needs.

3. Grants disbursement rules

The grant will cover 65 per cent of the total project net cost (that is, the cost excluding VAT).



Maximum grant amount per applicant depending on the annual revenue is given below:

| Applicant's annual revenue, euros | Maximum project cost, euros | Maximum grant amount per project, euros |
|-----------------------------------|-----------------------------|---|
| 100,000 and above | 15,000 | 10,000 |
| 50,000 – 99,999 | 7,500 | 5,000 |
| 20,000 – 49,999 | 3,000 | 2,000 |

In the context of this call, **one applicant is eligible for a grant to subsidy one business advisory project**.

The grant is payable to the applicant after business advisory services are delivered and paid by the applicant to the consultant.

4. Documents to be submitted by the applicant to apply for the grant

| Type of documents | Explanation |
|------------------------------------|--|
| <p>Application form</p> | <p>Three-page document, which requests general and financial information about the applicant and its business needs; the file is attached.</p> <div style="text-align: center;">  <p>Application Form (EN) - ASB Facility.PDF</p> </div> |
| <p>De minimis form</p> | <p>The file is attached.</p> <div style="text-align: center;">  <p>De-minimis Form - ASB Facility.pdf</p> </div> |
| <p>Financial statements</p> | <p>Audited and signed financial statements for the years 2017 and 2016, with clean audit opinion.</p> <p>If financial statements for 2017 are not yet audited, then audited and signed financial statements for the years 2016 and 2015 with clean audit opinion must be provided, as well as draft financial statements for 2017.</p> <p>If the applicant has partner enterprises or linked enterprises, then financial statements for the last two financial years should also be submitted for these enterprises.</p> |
| <p>Legal documents</p> | <p>Statutory documents:</p> <ul style="list-style-type: none"> • certificate of incorporation • certificate of shareholders • certificate of directors <p>If the applicant has partner enterprises or linked enterprises, then the abovementioned statutory documents should also be submitted for these enterprises.</p> <p>Copy of the IDs of shareholders and directors of the applicant, partner and linked enterprises.</p> |

5. Illustrative timeline for grants approval and subsequent monitoring

| Timeline | Description of activities |
|---|--|
| 26 October 2018 | Submission of documents by the applicants |
| 09 November 2018 | Feedback from ASB team about: <ul style="list-style-type: none"> - compliance of the applicant with eligibility criteria and - individual grant review and approval time schedule for each eligible applicant |
| 09 November 2018 – 31 January 2019 (illustrative) | Grant review and approval process, including: <ul style="list-style-type: none"> - meeting with the applicant to confirm business needs - match the applicant with consultant, specialising on business advisory services which can solve the applicant's business needs (in case the applicant has no preferred/already-selected consultant) - preparation of the terms of reference, with description of the applicant's business, business needs, project targets, scope of services, deliverables, project implementation schedule and cost of the project. Sign off the terms of reference between the applicant and consultant - sign off the grant agreement between the applicant and the EBRD <p>The first 15 applications will be reviewed and approved by 31 December 2018. Another 15 applications will be approved by 31 January 2019.</p> <p>It is expected that the applicant will take no longer than 1 week to select a consultant out of the three proposed by the EBRD.</p> |
| 01 February 2019 – 31 July 2019 (illustrative) | Execution of business advisory projects, subsidised in context of this call. <p>Business advisory services can start to be delivered immediately after the grant agreement is signed off.</p> |
| July 2019 (illustrative) | Completion of the projects subsidised in the context of this call. <p>Actual completion date will depend on the project's individual implementation time schedule.</p> <p>Grant disbursement to applicant after completion of the project and payment of the project cost by applicant to consultant.</p> |

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| July 2020 (illustrative) | <p>Evaluation of the projects subsidised in the context of this call.</p> <p>Evaluation is an integral part of the grant provision process: the financial results of the applicant are compared with targets approved in the terms of reference.</p> <p>According to the grant agreement, the applicant is obliged to submit the information required for the evaluation process to the EBRD.</p> <p>The evaluation is carried out a year after the project's completion. The actual evaluation date will depend on the project's individual completion date.</p> |
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6. Contact information for enquiries related to the call

For questions related to the call please contact:

EBRD ASB Cyprus

By phone: +357 22 395 500

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