

 <p>This Trust Fund is funded by the European Union</p>	 <p>EU Local and Regional Competitiveness Project</p>	 <p>This Trust Fund is administered by the World Bank</p>
--	--	---

Second Call for proposals

Sub-grant investments in tourism-related infrastructure and linkages at destinations

General

The Project Implementation Unit of the Local and Regional Competitiveness Project (LRCP) funded by a grant from the European Union is pleased to invite interested applicants to submit expressions of interest for support of key investments in infrastructure and non-infrastructure activities. These activities will contribute to increasing the attractiveness of key destinations through upgraded product offerings and linkages with local economies, capturing greater share of economic benefits at the destinations.

The objective of LRCP is to enhance the contribution of tourism to local economic development and improve the capacity of the government and public entities to foster tourism growth and facilitate destination management. LRCP aims to substantially raise the attractiveness of participating destinations and thus increase economic activity at these destinations and support the growth and development of the tourism sector at the central, regional, and local levels. The project works directly with public, not-for-profit, and private entities, and is designed to deliver financial, economic and social benefits to local communities and the private sector.

Under this Call for Expressions of Interest an indicative amount of EUR 14.300.000 (MKD 875.104.230) is available for the sub-grant proposals. LRCP reserves the right not to award all available funds.

LRCP will finance the following types of sub-grants:

1. Sub-grants for tourism related infrastructure investments to upgrade the tourism-related infrastructure at selected destinations and increase the attractiveness of the destinations through upgraded product offerings (e.g. cultural, historic and/or natural heritage sites) and through linkages with local economies in order to capture a greater share of economic benefits. Sub-projects proposals may be submitted by municipalities (single or groups), regional development centers and other public entities responsible for cultural heritage and tourism infrastructure in the country.
2. Sub-grants for enhanced tourism service-delivery and local economic impact (linkages and innovation grants) available to the following groups of beneficiaries:
 1. Sub-grants to non-profit tourism sector organizations and educational institutions to improve their ability to increase service quality, access to information and services including training for skills, innovation and business development.
 2. Matching sub-grants for local micro and small sized enterprises to improve their ability to invest in new or improved products or services, renovation of existing facilities that will improve competitiveness or upgrade the service and/or categorization, new knowledge through market research, business plan or marketing strategy development, adoption and implementation of

international quality standards, investment in business linkages and innovation, and training.

Objectives of the Call

This Call for Expressions of Interest invites applications that will address **A) non destination-specific gaps** identified and described in the [Tourism Development Plans, specifically Volume II, chapter 2](#). The non-destination specific gaps are also referred to as cross-destination gaps, occur across multiple destinations and at the national level, and include:

- Service Culture and quality of service;
- Guiding capacity and skills of licensed tour guides;
- Waste collection and waste management culture;
- Online marketing and communication;
- Signage and roadside information;
- Roadside visitor infrastructure

and

B) destination- specific gaps identified and described in the [Tourism Development Plans for each of the ten destinations](#) are identified for each destination in the following categories:

- Accommodation and Hospitality
- Activities and Experiences
- Attractions
- Capacity Building
- Marketing, branding and access to information
- Accesibility and infrastructure

The expressions of interest need to address one or more of the abovementioned gaps on cross destination and/or destination level, and must demonstrate how they will benefit at least one of the 10 destinations that are focus for the project. The selection of destinations is described in the [Tourism Development Plans, specifically Volume I, chapter 2](#).

Eligible destinations

“A tourism destination is defined as a physical space in which a visitor spends at least one overnight. It includes tourism products such as support services and attractions, and tourism resources within one day’s return travel time. It has boundaries defining its management, and images and perceptions defining its market competitiveness”- (United National World Tourism Organization). Destinations are marketplaces or physical clusters of economic activity where tourism goods and services are consumed and experienced by tourists. The sub-project should focus on unlocking the potential of country’s ten tourist destinations in order to increase the contribution of tourism to the local and regional economic development. To be eligible for funding, the sub-project must demonstrate how it relates to at least one of the ten destinations included in the project:

Destination 1 Encompasses Ohrid, Struga, Prespa and their surroundings;
Destination 2 Encompasses Skopje, Kumanovo and their surroundings;
Destination 3 Encompasses Pelagonija and surroundings;
Destination 4 Encompasses the Tikvesh region and surroundings;
Destination 5 Encompasses Maleshevo and surroundings;
Destination 6 Encompasses the Reka area, Mavrovo and surroundings;
Destination 7 Encompasses Gevgelija and Dojran and surroundings;
Destination 8 Encompasses the Polog area (Tetovo, Popova Shapka) and surroundings;
Destination 9 Encompasses Strumica and its surroundings;
Destination 10 Encompasses Stip, Radovis, and their surroundings.

The “destination” is not defined by administrative boundaries but rather by key elements that make up a destination from a visitor perspective, as per the definition above. The destinations are described in the [Tourism Destination Plans, Volume I, chapter 2](#).

The Tourism Development Plans also include important information to guide preparation of sub-grant proposals, including market segmentation and analysis.

Sub-grants for infrastructure investments

For this type of sub-grants, any requested sub-grant must fall between the following amounts:

- For single applicant: from minimum EUR 100.000 up to EUR 1 million or
- For partnership between two or more applicants (integrated sub-projects) from minimum EUR 100.000 up to EUR 3 million.

Eligibility: All municipalities (single or groups), Regional Development Centers and other public entities, related to cultural heritage and tourism infrastructure as defined in the Law on Public Entities (Official Gazette of the RM No. 32/05) are eligible to apply for funding under this sub-grant investments. The Project Steering Committee members may apply only if they withdraw from their Project Steering Committee membership. Applicants can submit sub-project proposals alone or in partnership with other public entities.

Applicants Contribution: Under this type of sub-grants, applicants are required to co-finance at least 10 percent of the amount from the requested sub-grant (cash, in-kind or both).

Sub-grants for enhanced tourism service-delivery and local economic impact (linkages and innovation grants):

- *Sub-grants to tourism sector organizations and educational and training service providers*

For this type of sub-grants, any requested sub-grant must fall between the following amounts:

- For single applicant: up to EUR 50,000 or
- For partnership between two or more applicants (integrated sub-projects): up to EUR 150,000.

Non-profit entities

Eligibility: These sub-grant investments will finance sub-projects submitted by non-profit entities (e.g. business associations, chambers of commerce), civil society organizations, educational and training service providers.

Applicants Contribution (non-profit entities): Co-financing of at least 10 percent contribution from the requested sub-grant will be required. Only cash co-financing will be accepted as applicants' contribution.

For-profit entities

Applicants Contribution (for-profit entities): Co-financing of at least 50 percent contribution from the requested sub-grant will be required. Only cash co-financing will be accepted as applicants' contribution.

Eligibility: For-profit educational and training service providers are eligible to apply for this type of sub-grants.

- *Matching grants for local micro and small sized enterprises*

For this type of sub-grants, any requested sub-grant must fall between the following amounts:

- For single applicant: up to EUR 100,000 or
- For partnership between two or more applicants (integrated sub-projects): up to EUR 300,000.

Applicant Contribution: Applicants must provide at least 50 percent in cash co-financing from the requested sub-grant amount.

Eligibility: Micro and small enterprises (size according to the criteria defined in the Company Law), operative for at least 1 (one) year before applying for sub-grant.

Submission procedures

This award process Call consists of two stages: Expression of Interest (EoI) (first stage) and Full Proposals (second stage). The second stage is applicable only for those applicants that have passed the Expression of Interest administrative and eligibility check.

1st Stage Deadline:

1. Expression of Interest- no later than Monday, April 30th, 2018;

2nd Stage Deadlines:

1. Starting date for eligible applicant to develop full proposals is Monday, May 28th, 2018;
2. Full Proposal submission for Infrastructure Investments is Monday, August 6th, 2018;
3. Full Proposal submission for tourism sector organization and educational and training service providers is Monday, July 16th, 2018;
4. Full Proposal submission for local micro and small sized enterprises is Monday, July 23rd, 2018.

The Applications submitted after the deadline will not be considered for the eligibility check.

Detailed description of the rules and selection procedure for this Call for Proposals including the set of documents for the EoI and Full Proposal are described in the Grant Manual, available on the LRCP website: www.lrcp.mk.

Information sessions in each of the 10 destinations will be announced on the LRCP website.

Questions and Answers concerning the Call can be addressed to the info@lrcp.org.mk by Monday, April 16th, 2018 and will be published on LRCP's web site at the latest by Monday, April 23rd, 2018.

The applications shall be submitted in Macedonian and English.

How to Apply

All Expressions of Interest, in electronic (CD or USB) and hard copy shall be sent to the following address:

Postal Address:
Project Implementation Unit (PIU)
Local and Regional Competitiveness Project (LRCP)
Str. Miroslav Krleza no.60/1, Skopje

The outer envelope shall indicate the following:

“Expression of Interest – Call for Proposal No. LRCP-1/18 _____
[applicants fill the type of sub-grant which they are applying for]”

LRCP is a 18 million euros Grant received through the European Union's Instrument for Pre-Accession Assistance II and Governmental contribution of 3.2 million euros and administered by the World Bank, using World Bank's applicable guidelines and procedures on environmental and social management, financial management, procurement and implementation support.