

Request for Expressions of Interest (EOI)

Preparation of Decarbonization Plans for Micro, Small and Medium Enterprises in North Macedonia

Issuance Date: December 20, 2024

The USAID Partnerships for Economic Growth Activity (Activity) is a six-year activity funded by the United States Agency for International Development (USAID) and implemented by Palladium, designed to enhance the productivity of Macedonian Micro, Small, and Medium Enterprises (MSMEs) to spur economic growth. Under Objective 4: Improved Regional Economic Integration (REI) implemented in partnership with the Center for Development Policies IDEAS DePo (IDEAS DePo), the Activity focuses on supporting legal, procedural, and institutional reforms aimed at boosting North Macedonia's economic and trade cooperation with the Western Balkans and the EU, and advancing country's decarbonization goals in compliance with European climate policies. Assistance is aligned with country's commitments as a WTO member and adds significant value to the strategically most important process of harmonizing Macedonian economy with EU standards, including the EU Green Deal and the Fit for 55 legislative package. The regional framework for the assistance includes CEFTA and its Additional Protocol 5 on Trade Facilitation, the Berlin Process and the Green Agenda for the Western Balkans.

IDEAS DePo launches this request to solicit expressions of interest by business advisory service providers for assisting individual MSMEs from North Macedonia develop plans for decarbonizing their operations.

1. Background

While MSMEs dominate the economy in North Macedonia, their productivity remains below the European Union average. Despite their potential to become a major driver of rapid, sustainable, and broad-based growth for the economy, MSMEs are struggling to invest in innovation and modernization, and thus enhance their productivity and competitiveness.

To further pursue its climate goals, the European Union has set in place the Carbon Border Adjustment Mechanism (CBAM) that encompasses payment of a carbon adjustment fee upon imports of certain goods produced in third countries to the EU. The value of the CBAM fee will vastly depend on the carbon quantities embedded in the exported goods. Furthermore, it is realistic to expect that in an attempt to align its climate policies with the EU and advance its own climate goals, North Macedonia will also move towards introducing some form of a national carbon fee. These developments exert significant pressure on the competitiveness of Macedonian products and urge MSMEs to consider enhancing decarbonisation efforts.

Decarbonization is becoming a strategic imperative for businesses aiming to reduce their environmental impact and align with global sustainability efforts. It is seen as a catalyst for value creation and as a critical segment of maintaining competitiveness against direct competitors and alternative products, as well as sustaining or improving profitability.

Achieving successful decarbonization requires a well-structured and detailed plan that will help the company reduce carbon footprint, meet stakeholder expectations, and prepare for future environmental regulations. The decarbonization plan enables companies to map out their compliance strategy – helping them realize their decarbonization targets in the most efficient way possible. It also identifies specific decarbonization actions, outlines how much carbon each action will reduce, estimates the cost of each action, specifies the time required for implementation, defines the personnel needed, and discusses potential sources for financing these actions. Developing a decarbonization plan is complex and requires a structured and methodical approach that transforms constraints into opportunities for sustainable growth.

2. Opportunity for Business Advisory Service Providers (BASPs)

Recognizing the challenges, the USAID Partnerships for Economic Growth Activity and IDEAS DePo seek to support MSMEs by helping them prepare their decarbonization plans and by strengthening their capacity in this area.

The purpose of this request for EOI is to identify and pre-qualify local companies (Business Advisory Service Providers - BASPs) that are offering advisory services for preparation of decarbonization plans for MSMEs in North Macedonia. BASPs should have good knowledge of the production companies and the challenges they are facing in maintaining and strengthening their competitiveness through green transition. They should also have the capacity to independently identify and propose potential MSME beneficiaries that qualify for the support.

USAID Partnerships for Economic Growth Activity will co-finance with the beneficiary companies the cost of services for preparation of decarbonisation plans. The co-financing amount will be determined in each individual case based on a pre-determined cost-share percentage that cannot exceed a set maximum amount per company.

3. Eligibility and qualifications

- Legal entity registered in North Macedonia;
- Strong expertise and knowledge related to implementation of decarbonization activities and green technologies within production facilities;
- Proven past experience with provision of advisory services for development and implementation of plans for decarbonization of business operations in production companies.

4. Application procedure

BASPs that have the qualifications and meet the eligibility criteria set forth above are encouraged to apply by submitting the following documents in English or Macedonian language:

- Cover letter providing contact information and brief elaboration of applicant’s expertise in the field of decarbonisation overall, or by specific areas (energy efficiency; clean energy sources; carbon capture, utilization and storage; low-carbon fuels, feed stocks and green energy; etc.).
- Company/organization profile and registration form issued by the Central Registry of North Macedonia within the last 6 months;
- Evidence of at least three assignments completed within the last three years of assisting production companies develop decarbonization plans (please include the name of the beneficiary company, brief elaboration of the work performed and a contact person within the company);
- CVs of at least two experts highlighting the required expertise.

Please submit your application in electronic form to info@ideasdepo.mk, no later than January 20, 2025. In the subject line please include: *“Application for Decarbonization Plans North Macedonia”*.

This request for EOI is the first stage in the selection process for BASPs that will provide the services for preparation of decarbonisation plans to individual MSMEs. In the second stage, applicants with satisfactory expertise and experience will be invited by IDEAS DePo to further discuss and finalize the scope and conditions of their engagement, in accordance with the organization's internal procurement procedures.

Unsuccessful applicants will be notified in writing.

Disclaimer: This EOI does not constitute an award commitment on the part of the USAID Partnerships for Economic Growth Activity and IDEAS DePo, nor does it commit IDEAS DePo to pay for costs incurred in the preparation and submission of the application. IDEAS DePo reserves the right to reject any or all applications received subject to strategic decision and/or availability of funds. Should circumstances prevent making an award, all preparation and submission costs are at the expense of the applicant.