

The European Union's INSPIRED Program for Bangladesh

**Technical Assistance to Stimulate Applications
For the SME Competitiveness Grant Scheme**

**Grant Application Training
Modules**

April 2013



The project is financed by the
European Union



Project Recipient
Ministry of Industries
Government of Bangladesh



The Project is implemented by PKF
in consortium with WYG
International, Harewelle and SFRA



Accountants &
business advisers

This publication has been produced with the assistance of the European Union. The contents of the publication are the sole responsibility of PKF and can in no way be taken to reflect the views of the European Union.

Introduction

SME Competitiveness Grant Scheme Background

The global objective of the SME competitiveness grant scheme (SCGS) is to “Reduce poverty in Bangladesh by supporting the development of SMEs in the country”.

The immediate objective of the SCGS is “enhanced competitiveness and sustainable pro-poor growth of SMEs in Bangladesh”.

The **specific objective** is to support clusters within the priority sectors that have high growth potential.

The SCGS will provide support for the following:

- Support to cluster and value chain development projects that clearly seek the increase in SME competitiveness in priority sectors agreed between the EC and the GoB in two stages of the cluster /value chain life cycle: (a) Early Growth and (b) Intensive growth and consolidation.
- Support the skills development and capacity building of Business Intermediary Organisations in the priority sectors in lobbying, advocacy, networking, effective public-private sector dialogue and the provision of business development services to their members.

The **eight priority sectors** selected for support are the following; **agro-processing, natural fibres, leather products, plastics, light engineering, electrical and electronics, furniture, textiles/crafts.**

Following the initial phase of the grant aid process (EU Concept Note submission), which was concluded with submissions to the Contracting Authority on January 31, 2013, successful applicants will be invited to proceed and prepare their full SCGS applications.

Training Modules Overview and Methodology

Preparation of a full SCGS grant application will be a challenging and daunting task requiring significant proactive involvement by applicants and local consultants providing application assistance. This training programme has therefore been developed to assist organisations which have been invited to submit full SCGS grant applications. The training programme is also intended to provide local consultants with sufficient knowledge and expertise such that they become a competent local resource able to provide assistance and guidance to SCGS grant applicants as and if requested.

This training programme is intended to be two fold; containing guidance which puts a focus on content as well as the administrative procedures required when full applications are submitted. The applicant must keep in mind that in completing the full application form both technical and administrative sections are equally important and critical to the final evaluation and award of scores.

The following modules will be addressed within the framework of this training exercise:

Technical Modules

Cluster Development

Value Chains Development

BIO/BMO Capacity Building

Administrative and Procedural Modules

1. Understanding the Application Form
2. Suggested methodology for completing the Application Form
3. Developing the Logical Framework
4. Developing the Action Plan
5. Developing the Resource Schedule, Activity Schedule and Budget
6. Completing the Application Form
7. Administration of the Application Form

Although the modules listed above appear as 'standalone' exercises the level of activity within each module does vary and therefore you have the flexibility to tackle as many modules as you wish. You are free to allocate as much of your time to each module as you feel necessary in order to gain a full understanding of the grant application process and the specific requirements relating to this particular grant scheme.

In undertaking this tutorial it is strongly recommend that you follow the following sequence:

- Please start with and complete Module 1 and then Module 2.
- If your proposal relates to Lot 1a and/or Lot1b you should request read and complete the two Technical Modules identified as Cluster Development and Value Chains Development.
- If your proposal relates to Lot 2 BIO/BMO Capacity Building you should request read and complete the Technical Module on BIO Capacity Building.
- Once you complete the above Technical Modules, you are recommended to continue and proceed through each Module from 3 to 7 in sequence.

An approximation of the level of effort/input that may be required to complete the full application is around 30 to 35 working days.

It is most important to understand this training programme has been developed specifically for the SME Competitiveness Grant Scheme under the following reference:

EuropeAid/133-587/C/ACT/BD

In view of the above, please note that the training advice contained in the following modules MAY NOT automatically be applicable to other EU Grant Aid programmes and therefore should NOT BE USED for any other than the above referenced programme.

To gain maximum benefit from this tutorial programme from the *procedural and administrative* point of view, it is necessary for you to ready access to copies of the following documents:

- **SCGS Guidelines** [Guidelines for Applicants](#) ;
- **SCGS Grant Application Form** [Annex A - Grant Application Form](#) ;
- **Corrigendum No 1 on project duration** [Corrigendum](#) 

To prepare *technically sound* applications, it is necessary for you to read study and use the following documents:

- **Technical Modules: Cluster Development and Value Chain development (for Lot 1a and Lot 1b);**
- **Technical Module for BIO Capacity Development (for Lot 2);**
- **Reference Materials:**

*“Clusters and the New Economics of Competition”, Michael Porter, 1998,
<http://hbr.org/1998/11/clusters-and-the-new-economics-of-competition>*

*“The Concept of Clusters and Cluster Policies and Their Role for Competitiveness and Innovation: Main Statistical Results and Lessons Learned.” Europe paper N° 9, 2008,
http://ec.europa.eu/enterprise/policies/innovation/files/clusters-working-document-sec-2008-2635_en.pdf*

“A Handbook for Value Chain Research”, Institute of Development Studies, Raphael Kaplinsky and Mike Morris, 2002, <http://www.srp-guinee.org/download/valuechain-handbook.pdf>

*“Strengthening Clusters and Competitiveness in Europe. Role of Cluster Organisations”, The Cluster Observatory, 2012,
<http://www.clusterobservatory.eu/system/modules/com.gridnine.opencms.modules.eco/providers/getpdf.jsp?uid=24556356-27a4-4be4-8c38-e71775018a19>*

- **Technical Reports (as applicable):**

1. Electronics and Electrical Sector Report

2. Jackfruit Report

3. Natural Fibers

4. Plastics Report

5. Potato Flakes and Powder Report

6. Review of Agroprocessing Reports

7. Furniture Sector Report

8. Light Engineering Sector Report

9. Leather Sector Report

The above documents can be accessed from the Bangladesh INSPIRED Developing SMEs website at www.euinspired.org.bd.