1. Purpose of the terms of reference

In order to address common challenges of the Danube region, the EUSDR was jointly developed by the European Commission together with the Danube region countries and stakeholders and was endorsed by the European Council in 2011. The PA 8 of the EUSDR is led by the Ministry for Economic Affairs, Labour and Housing Baden-Württemberg together with the Croatian Ministry of Economy, Entrepreneurship and Crafts and focuses on fostering the competitiveness of enterprises (more information about the EUSDR in general also in the attached Action Plan).

In order to achieve a higher degree of integration of the very heterogeneous Danube region, the Danube Strategy and in our case the Priority Area 8 acts as a policy driver aiming to tackle the common challenges and needs of this field.

This procurement intends to generate proposals for the following issues:

1. State of art in the Danube region at the time of the corona crisis:
   - description of the current situation of the SMEs in the different EUSDR countries,
   - Strengths of the region compared to other emerging countries (e.g. China, India etc.)
   - best practice examples of different measures introduced by governments, cluster organizations, SMEs etc. in order to support SMEs

2. How can transnational cooperation (jointly tackling common issues in a transnational manner) help during and after the corona crisis? Why bears transnational cooperation with an important role when talking about the situation of the SMEs after COVID-19?

3. Based on the strengths of the regions, which concrete long- and short-term potentials of the region could be presented on governance level? Which concrete (3-4) topics (like digitalization, artificial intelligence etc.) could be handled on macroregional level supported by the PA8 of the EUSDR with the aim to support SMEs in the Danube region in the most effective manner?
4. Brief, concrete recommendations for SMEs in order to tackle the crisis followed by COVID-19 (to be published on the PA8 website and to be circulated among relevant intermediaries and SMEs)

5. Listing of web links (as many as possible) on financial support for SMEs (Danube region) after and during COVID-19

1.1 State of art in the Danube region

The EUSDR has no own financial resources, but it supports different stakeholders (decision makers, intermediaries, SMEs) on policy level by financing flagship project preparation, formulating policy recommendations, organizing thematic events, developing handbooks, tools etc. in order to raise the success of the SMEs in the Danube region.

However, this task is quite challenging, as one of the most visible characteristics of this area is the unequal level of economic development. In terms of economic strength, the western part of the area is considerably well ahead the others. This gap will be further enlarged through the pandemic.

In order to be able to prepare our supportive activities within the PA8 it is important to gather information about the current situation of the SMEs in the region:

It is well known, that many SMEs both in the western and eastern part of Europe are currently profiting from transnational cooperation by being part of different value chains. Due to the current law restriction, when the rights for movement of goods and persons are limited, more and more companies are becoming bankruptcy or facing serious financial problems. All governments are in a way forced to provide –among others- the SMEs with as high financial support as possible. However, due to the limited possibilities of the countries, many SMEs introduced innovative “emergency” solutions that could further be used after the crisis.

Furthermore, – even before the pandemic - many SMEs from the Danube region countries proved that they can function in a very effective manner. By introducing innovative solutions in various fields, many partnerships were established among enterprises coming from different Danube countries. The PA8 of the EUSDR aims to highlight some sectors, where SMEs from the Danube countries can compete with enterprises of the emerging countries.

Please note that in case of all points above the thematic focus of the PA 8 (see more in the attached Action Plan of the EUSDR) and the whole Danube region territory must be taken into consideration.
1.2 How can transnational cooperation help during and after the corona crisis? Why bears transnational cooperation with an important role when talking about the situation of the SMEs after COVID-19?

Following the description of the state of art, the contractor has to compile a session with the following content:

- Description of the importance of transnational cooperation, with detailed argumentation why governments should take transnational value chains and transnational cooperation in general more seriously
- Listing and description of the most important recommendations for actions, proposed methods and tools for the PA8 management structures (including the Steering Group, which involves representatives of ministries of the different Danube countries),
- Selected success stories on transnational value chains, transnational cooperation among SMEs.

1.3 Long- and short term potentials of the region

During the last months, it has become obvious what important role this region could have in the years following the pandemic. Due to the restrictions accused by the lockdown, many companies are facing serious problems (both manufacturers and suppliers). The PA 8 of the EUSDR is aiming to show decision makers as well as SMEs the economic advantages of the countries of the Danube (e.g. by offering competence and/or short transport ways) region compared to other emerging countries (e.g. China, India etc.). Based on the above we would like to visualize which long- and short-term potentials the Danube region can offer and in which fields (e.g. digitalization, artificial intelligence etc.) the SMEs can demonstrate their strengths.

Of course, it would also be interesting to see in which fields these SMEs need to develop their competencies in order to become as competitive as possible and to adapt themselves to the market needs.

1.4 Brief, concrete recommendations for SMEs in order to tackle the crisis followed by COVID-19

PA8 aims to provide the SMEs (through the chamber of commerce’s, business organizations and other intermediaries) with concrete, brief recommendations to be followed in order to face as less burdens as possible after the current COVID situation. The contractor should therefore formulate this guidance document (not more than 10 pages), eventually by including useful links.
1.5 Listing of web links (as many as possible) on financial support for SMEs (Danube region) after and during COVID-19

In order to be able to support the SMEs as effective as possible the contracting party needs a summary on all relevant financial instruments, which could play an important role when talking about SME support, especially after the current COVID-19 situation.

2. Timing and deliverables

The entire creation process has to be made in coordination with the contracting authority. The contractor and the contracting authority should discuss by person the expectations and ideas.

The duration of service is scheduled from the signature of contract until the 12 June 2020. The process consists of three main milestones, which are considered as the main deliverables of the contract to be signed with the selected contractor.

The client will provide the selected institution with all relevant documents, which are needed for the performance of the service. For each report, the contractor has to ensure the quality and timely delivery. Related main deliverables must be submitted according to the following timetable:

<table>
<thead>
<tr>
<th>DELIVERABLES</th>
<th>DEADLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kick off meeting with the contractor (via phone or by video conference)</td>
<td>until 12 May 2020</td>
</tr>
<tr>
<td>Tasks 1.1-1.3</td>
<td>Draft version: 29 May 2020</td>
</tr>
<tr>
<td></td>
<td>Final version: 12 June 2020</td>
</tr>
<tr>
<td>Task 1.4-1.5</td>
<td>Final version: 12 June 2020</td>
</tr>
</tbody>
</table>

3. Award Criteria and Priorisation

The most economical offer will be awarded. To identify the most economical offer the following criteria will be considered:

- quality and coherence of the offer (60 %)
- price of the offer (40 %)
4. Remuneration

For the implementation of the above-mentioned service, a maximum budget amounting to **EUR 20,000 (incl. VAT)** is available for remuneration.

4. Deadline for submission of the offer

The offers should be submitted by **8 May 2020** to the following address:

wm-ausschreibungen@wm.bwl.de

with the email subject “Offer PA 8 EUSDR recommendation to economic impact of the Corona crisis (Ref. 62)”.

**Please send the offer only to this address** and **not in copy to employees of the ministry directly.**

In contrast, **if you have questions** to the request for offer, please do not use the address above, but contact Mrs Judit Schrick-Szenczi (**judit.schrick-szenczi@wm.bwl.de**) or Mrs Svenja Kern (**svenja.kern@wm.bwl.de**).

5. Payment modalities

The final invoice should be submitted to the client after completion of all services mentioned under Section 2, but latest until 1 July 2020 listing the itemized amounts and indicating the total amount.

The subject line of the invoice must state ‘Interreg PAC8 DTP’.

6. Other provisions

The General Terms of Contract for the Provision of Supplies and Services (VOL/B) will be an integral part of the contractual agreement.

Please note the information on data protection.