



FUND MANAGER SELECTION PROCESS BY A PUBLIC PROCUREMENT PROCEDURE – COMPETITIVE NEGOTIATION

FOR IMPLEMENTING THE FINANCIAL INSTRUMENT FOR BUSINESS ACCELERATION FINANCED BY THE REGIONAL PROGRAMME WEST 2021-2027

Policy Objective 1: A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity

Priority 1: A competitive region through innovation, digitalization and dynamic businesses

Specific objective: RSO1.3 Enhancing sustainable growth and increasing SME competitiveness and job creation in SMEs, including through productive investments

Regional Intervention 1.3.E: Financial Instrument for Business Acceleration





FINANCIAL INSTRUMENT FOR BUSINESS ACCELERATION

Total value	EUR 14.000.000
Beneficiary	The Fund Manager selected following a public procurement procedure – competitive negotiation, according to Law No 98/2016
PR West contribution to the created Venture Capital Investment Fund	EUR 11.200.000
Minimum amount of additional private investments attracted by the Fund Manager, to the Fund	EUR 1.250.000
Maximum management fee granted for the implementation of the Financial Instrument	EUR 2.800.000
Stages of the Financial Instrument implementation	PRE-ACCELERATION stage ACCELERATION stage SEED stage
Objectives	Stimulate innovative entrepreneurship; Create a financial culture in Romania's West Region; Support and finance innovative SMEs, using new digital technologies, in Romania's West Region's smart specialization domains.
Minimum number of business ideas developed up to MVP, in the PRE-ACCELERATION stage	100
Minimum number of SMEs financed in the ACCELERATION phase	40
Minimum number of SMEs financed in the SEED phase	10
Minimum number of jobs created in the funded SMEs	50
Minimum number of SMEs with higher productivity level per employee	7



1. CONTEXT

The **West Region Regional Development Agency, as Managing Authority for the West Regional Programme 2021-2027** – MA PR West, will launch a public procurement procedure – competitive negotiation, for the **selection of a Fund Manager**, in order to implement the **Financial Instrument for Business Acceleration**.

The object of the public procurement procedure is the acquisition **of administration and management services – CPV 66140000-3 Portfolio Management Services**, for a **Venture Capital Investment Fund** to be established and financed by the Regional Programme West 2021-2027.

2. THE PURPOSE OF THE FINANCIAL INSTRUMENT

By implementing the Financial Instrument for Business Acceleration, MA PR West aims to:

- ❑ Stimulate innovative entrepreneurship, by creating a financial culture in Romania's West Region and supporting business ideas, and by creating a portfolio of SMEs that can subsequently access equity financing.
- ❑ Support and finance innovative SMEs inside the smart specialization domains identified by the Smart Specialization Strategy of the West Region of Romania (RIS 3). These are SMEs that require capital infusion for economic growth and diversification, develop innovative products and services, using new technologies and have the potential to enter international markets.
- ❑ Development and sustainability of the entrepreneurship environment in the West Region.

3. FINANCIAL ALLOCATION

The total amount allocated from the West PR 2021-2027 to the Financial Instrument for Business Acceleration is **EUR 14.000.000**, of which:

- **EUR 11.200.000** represents **the contribution of the PR West** to the Venture Capital Investment Fund to be established;
- **EUR 2.800.000** represents the maximum amount **of management fee** granted to the Fund Manager, that are subject to the public procurement contract.

4. IMPLEMENTATION OF THE FINANCIAL INSTRUMENT

The financial instrument shall be implemented through **three stages**:

- A. PRE-ACCELERATION stage** - supported by a dedicated management fee of EUR 800.000. The activity in this stage will consist of supporting individuals to develop new business ideas up to the level of the MVP/Minimum Viable Product, by providing training, mentoring and other available and necessary tools for the development of MVPs. The expected result of the activity will be the development of at least 100 MVPs,



of which at least 5 % must be developed in each of the 6 smart specialisation areas identified in the RIS 3 Regional Smart Specialisation Strategy:

- Agriculture and food industry
- Energy efficiency and sustainable construction/buildings
- Manufacturing industry
- Cultural and creative industries
- ICT and Automotive
- Tourism, Health and Quality of Life.

B. ACCELERATION stage - implies combined support provided to eligible SMEs, both equity/quasi-equity investments, in exchange for a capital stake, as well as guidance, training, mentoring and counselling, in order to increase their potential profitability. The allocation for this stage shall be of at least 40 % of the PR West budget allocated to the Venture Capital Investment Fund.

C. SEED stage - provides funding to eligible SMEs that have already obtained a first funding in the ACCELERATOR stage or to other eligible SMEs having a growth potential.

5. EXPECTED RESULTS

The implementation of the Financial Instrument for Business Acceleration will contribute to achieve the following **minimum results**:

1. Number of MVP/Minimum Viable Products developed in the PRE-ACCELERATION Stage: **100**
2. Number of SMEs financed in the ACCELERATION Stage: **40**
3. Number of SMEs financed in the SEED Stage: **10**
4. Number of jobs created in the supported SMEs: **50**
5. Number of SMEs introducing product/service/process innovation: **50**
6. Number of SMEs with increased productivity level per employee: **7**
7. Number of people trained across the 3 stages: **200**
8. Number of supported SMEs with potential to enter international markets – partnerships, collaborations: **15**
9. MOIC – Multiple of Invested Capital at Fund level: **1.5x**
10. Promoting the image of West RDA, as a promoter of innovative entrepreneurship and financial culture in all events in which the Fund Manager participates.

6. THE PUBLIC PROCUREMENT PROCEDURE

The applicable public procurement procedure for selecting the Fund Manager for the implementation of the Financial Instrument for Business Acceleration is the **competitive negotiation procedure**, in accordance with Paragraph 4, Articles 80-85 of Law No 98/2016.



The **Tenderer** should be an authorized **closed-ended Alternative Investment Fund Manager**, defined in accordance with Article 4(1)(b) of Directive 2011/61/EU – DAFI, authorised by the competent authorities of the home State of the AIFM. Alternatively, the Tenderer can be **an association of economic operators**, of which at least one is an existing and authorized fund manager. The latter must be the leader of the consortium.

The **estimated value** of the public procurement is **EUR 2.800.000**, representing the maximum total amount of the management fee

The **management fee cannot exceed EUR 2.800.000** and will be composed of:

- **EUR 800.000** for the management, administration and implementation of the PRE-ACCELERATION stage. Remuneration will be made on a performance-based basis for each MVP developed;
- **a maximum of EUR 2.000.000 fee for the management** of the venture capital fund established and the completion of the ACCELERATION and SEED stages. The final amount will be established in the procurement procedure.

The public procurement procedure requires the **submission of a participation guarantee**, in accordance with the provisions of Article 154 of Law 98/2016.

The procedure is carried out in **two phases**:

PHASE I – submission of applications for participation and selection of candidates, by applying the qualification and selection criteria.

The Tenderer must meet the following **minimum qualification and selection criteria**:

- a. minimum cumulative turnover** over the last 3 years (2021-2023), **of EUR 250.000**;
- b. relevant experience in managing venture capital funds – private equity, mezzanine, technology transfer, accelerators, etc.**, demonstrated by making over the last 5 years investments in SMEs, through capital/quasi-capital instruments, of at least **EUR 500.000**;
- c. experience in providing business acceleration services** – training, mentoring, consulting, demonstrated by the implementation of **at least 3 business acceleration programs/projects** in the last 5 years.

The qualification and selection criteria will be scored as follows:

a. Turnover of the Tenderer over the last 3 years: 2021-2023	Maximum score 30 pts.
The cumulative turnover of the Tenderer, over the last 3 years – 2021-2023, is equal to or higher than EUR 1.0 million	30 pt.
The cumulative turnover of the Tenderer over the last 3 years – 2021-2023, is higher than or equal to EUR 500 thousand and less than EUR 1.0 million	15 pt.
The cumulative turnover of the Tenderer over the last 3 years – 2021-2023, is more than EUR 250 thousand and less than EUR 500 thousand	5 pt.
b. Experience in investing through venture capital in SMEs in the last 5 years	Maximum score 40 pts.



The Tenderer has made investments in SMEs through equity/quasi venture capital over the last 5 years with a cumulative value of EUR 3 million or more	40 pt.
The Tenderer made investments in SMEs through equity/quasi venture capital over the last 5 years with a cumulative value equal to or higher than EUR 1,5 million and less than EUR 3 million	30 pt.
The Tenderer has made investments in SMEs through equity/quasi venture capital in the last 5 years with a cumulative value equal to or higher than EUR 750 thousand and less than EUR 1,5 million	20 pt.
The Tenderer has made investments in SMEs through equity/quasi venture capital over the last 5 years with a cumulative value of equal to or higher than EUR 500 thousand and less than EUR 750 thousand	10 pt.
c. Experience in implementing business acceleration programs – training, mentoring, coaching, preparation for further funding, in the last 5 years	Maximum score 30 pts.
The Tenderer has implemented, in the last 5 years, 6 or more business acceleration programs	30 pt.
The Tenderer has implemented, in the last 5 years, 5 business acceleration programs	20 pt.
The Tenderer has implemented, in the last 5 years, 4 business acceleration programs	10 pt.

Candidates who, after passing the qualification and selection criteria, obtain the first 3 highest scores, in descending order, will be invited to participate in the second phase of the procedure and to submit the initial tenders.

PHASE II, consisting of:

- the submission of initial tenders by the candidates selected in the first phase,
- the assessment of initial tender with the minimum requirements established by the contracting authority and of negotiations in order to improve the initial tenders,
- the submission of final tenders and their evaluation, by applying the award criteria and the evaluation factors.

The negotiation phase is carried out through meetings with each individual Tenderer, respecting the principle of equal treatment and non-discrimination, **in order to improve the initial offer**, namely the technical and financial offer.

The following are not subject to negotiation: the minimum mandatory requirements laid down in the Tender Specifications, the award criteria and the assessment factors.

Upon completion of the negotiations, the Tenderers **will submit their final tenders** within 30 working days.

According to the Tender Specifications, Tenderers must meet the following mandatory minimum **requirements**:

- To make venture capital investments in SMEs, the selected Fund Manager will establish and authorize an **Alternative Investment Fund – AIF**, closed-ended fund, established **in accordance with Directive 2011/61/EU** in a Member State of the European Union, in accordance with the law applicable in that State.
- The investment fund thus created **will be financed from:**



- **PR West funds:** EUR 14.000,000 minus the management fee established following the public procurement procedure;
 - **Funds from independent private investors:** minimum 9 % of the PR West allocation for investments;
 - **Private contribution** of the Fund Manager: minimum 2 % of the PR West allocation for investments.
- c. The indicative duration of the Fund will be 8 years**, with the possibility of extension of maximum 3 years, in extension rounds of 1 year, to allow for exits to be made.
- d. The investment period for the financing of the funds provided by the PR West is from the time of establishment of the Fund until 31.12.2029 at the latest.**
- e. The Tenderer will propose an operational team** which must meet the following **minimum mandatory criteria:**
- i. Minimum 2 key experts, English-speakers, with experience in investing in SMEs through venture capital – equity/quasi-equity.**
The minimum mandatory requirements for each nominated key expert:
 - has carried out, as a private investor, business angel or as a member of the management team/member of the investment committee/ consultative or employee of a legal entity that has as its object the investments through equity/quasi-equity in companies, investments of at least EUR 400.000, in any country/region
 - has made a minimum of 2 investments, each with a value of more than EUR 100.000.
 - ii. Minimum 2 key experts, English-speakers, with experience in carrying out/implementing programs to accelerate/pre-accelerate companies.**
The minimum mandatory requirements for each nominated key expert:
 - has participated in the implementation of at least three acceleration programmes.
 - at least 4 SMEs accelerated under the acceleration programmes in which each expert participated. Each of those SMEs have received funding of more than EUR 25.000.
 - iii. Team leader – the head of the operational team, English-speaker, who may be one of the proposed operational team members or another expert. The minimum requirement** is that the head of the operational team must have management experience of at least two years in at least one Investment Fund, investment committee or manager of an investor team.
- f. The Tenderer shall, in accordance with the terms of the Tender Specifications, have the following obligations:**
- i. Propose an investment strategy aligned with the objectives of PR West** - funded financial instrument, that identifies in which it will operate, its size and potential for development, regional challenges and how to address them,





investment opportunities and SMEs most likely to be successful, methods to attract independent private investors, arrangements to wind up the financial instrument, including the return of resources to the MA PR West;

- ii. Submit a **marketing strategy** for each of the 3 stages of the financial instrument;
- iii. Submit **agreements/letters of cooperation** with possible partners in each county in the West Region, e.g. universities, scientific centers, business incubator, entrepreneurial initiatives, etc. – at least one agreement/letter from each county.
- iv. Have a well-established organizational and governance structure, correlated with the specific activities to be carried out;
- v. To provide a regional organizational structure – regional office, located in the West Region, in the location offered by the West RDA, consisting of **at least 2 experts from the nominated team, Romanian-speakers**: one nominated expert with experience in investment activity and one nominated expert with experience in carrying out pre-acceleration/acceleration programs. They will provide constant support to SMEs and individuals with business ideas, providing information about the services and funding provided by the Financial Instrument for Business Acceleration, ways of applying for funding, implementing the marketing and communication strategy and organizing events for the development of the entrepreneurial community at regional level.

Awarding criteria

The award criteria is “*best quality for money*” and will be applied in relation to the financial offer and qualitative components of the technical offer submitted by the Tenderers in the public procurement procedure.

The tender evaluation grid is:

	Assessment factors	Maximum score
A.	TOTAL OFFER PRICE - FINANCIAL OFFER	10 points
B.	TECHNICAL OFFER	90 points
TOTAL A+B		100 points

CALCULATION METHOD FOR SCORING THE TENDERS:

- A. The score for the assessment factor “ **FINANCIAL OFFER**” shall be awarded as follows:
 - i. for the lowest total price tendered: the maximum score allocated to the evaluation criterion, namely 10 points;
 - ii. for a higher price than that referred to in point (a), the score shall be awarded as follows:



Financial Score of the Current Offer = Minimum price/current offer price x 10

The prices to be compared for scoring are the total prices offered exclusive of VAT..

B. Score for the assessment factor **"TECHNICAL OFFER"** shall be awarded as follows:

<u>Criterion 1:</u> Market description and size of the fund	Maximum score 15 pts.
Sub-criterion 1.1: Market identification in relation to final eligible recipients and sectors targeted for investments	Max score. 7 pts.
Sub-criterion 1.1.1: <i>The market identified by the Tenderer for the Financial Instrument for Business Acceleration is correlated with the eligible recipients proposed in the investment strategy and the sectors targeted for the investments. The Marketing Strategy identifies and details the main actions that are feasible at regional level and specific actions for each implementation stage.</i>	Max score. 3 pts.
Sub-criterion 1.1.2: <i>The Tenderer shall submit at least one agreement/letter/e-mail of cooperation with possible partners in each county in the West Region, e.g. universities, scientific centres, business incubators, entrepreneurial initiatives, etc., expressing the intention to support the implementation of the Financial Instrument for Business Acceleration: identification of possible final recipients, measures to promote investments through equity, etc. These agreements/letters/e-mails of interest contain identification data, contact person, address, e-mail, telephone.</i>	Max score. 4 pts.
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (4 pts.) will be awarded to the Tenderer with the highest number of agreements/letters. - The other Tenderers will be scored based on the following formula: <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: fit-content;"> $\text{Score} = \frac{(\text{The number of the agreements/letters} - 4) \times 4}{(\text{The highest number of agreements/letters} - 4)}$ </div>	
Sub-criterion 1.2: The design and structure of the proposed fund to be established and financed by PR West 2021-2027 Private co-financing proposed in the Offer, as a percentage of the PR West allocation, for investments in final recipients: EUR 14.000.000 minus the amount of the management fee.	Max score. 8 pts.
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (8 pts.) will be awarded to the Tenderer with the highest private co-financing proposed. - The other Tenderers will be scored based on the following formula: <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: fit-content;"> $\text{Score} = \frac{(\text{The private co - financing \%} - 9\%) \times 8}{(\text{The highest private co - financing \%} - 9\%)}$ </div>	
<u>Criterion 2:</u> Professional capacity of the operational team proposed by the Tenderer	Maximum score 40 pts.





<p>Sub-criterion 2.1: The key expert no. 1 with experience in the investment activity, nominated by the Tenderer, has made investments of more than EUR 400 thousand euros, in any country/region, as a private investor, as a business angel or as a member of a management team/member of the investment committee/consultative or employee of a legal entity whose business is making equity investments in companies.</p>	<p>5 pts.</p>
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (5 pts.) will be awarded to the Tenderer who nominates the expert with the highest value of the investments made - The other Tenderers will be scored based on the following formula: <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Score} = \frac{(\text{The value of investments made by the expert 1} - 400.000) \times 5}{(\text{The highest value of the investment made by the expert 1} - 400.000)}$ </div>	
<p>Sub-criterion 2.2: The key expert no. 2 with experience in the investment activity nominated by the Tenderer has made investments of more than EUR 400 thousand, in any country/region, as a private investor, business angel or as a member of a management team, member of the investment committee or advisory or employee of a legal entity whose business is making equity investments in companies.</p>	<p>5 pts.</p>
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (5 pts.) will be awarded to the Tenderer who nominates the expert with the highest value of the investments made. - The other Tenderers will be scored based on the following formula: <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Score} = \frac{(\text{The value of investments made by the expert 2} - 400.000) \times 5}{(\text{The highest value of the investment made by the expert 2} - 400.000)}$ </div>	
<p>Sub-criterion 2.3: The number of investments, each with a value greater than or equal to EUR 100.000, made by the nominated key expert No. 1, with experience in the investment activity.</p>	<p>5 pts.</p>
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (5 pts.) will be awarded to the Tenderer with the highest number of investments made, each equal to or higher than EUR 100.000. - The other Tenderers will be scored based on the following formula: <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Score} = \frac{(\text{Number of investments} \geq 100.000 \text{ Eur made by the expert 1} - 2) \times 5}{(\text{The highest number of investments} \geq 100.000 \text{ Eur made by the expert 1} - 2)}$ </div>	
<p>Sub-criterion 2.4: The number of investments, each with a value greater than or equal to EUR 100.000, made by the nominated key expert No. 2, with experience in the investment activity.</p>	<p>5 pts.</p>





The score is awarded as follows:

- **The maximum number of points (5 pts.)** will be awarded to the Tenderer with **the highest number of investments made, each equal to or greater than EUR 100.000.**
- **The other Tenderers** will be scored based on the following formula:

$$\text{Score} = \frac{(\text{Number of investments} \geq 100.000 \text{ Eur made by the expert 2} - 2) \times 5}{(\text{The highest number of investments} \geq 100.000 \text{ Eur made by the expert 2} - 2)}$$

Sub-criterion 2.5: The key expert no. 1 with experience in carrying out/implementing acceleration/pre-acceleration programs of companies nominated by the Tender participated in the organisation and/or implementation of at least 3 different acceleration programs each as a member of the management team or as an employee of a legal entity having as object of activity the organisation of acceleration programs or as a collaborator/partner in various acceleration programs.

5 pts.

The score is awarded as follows:

- **The maximum number of points (5 pts.)** will be awarded to **the Tenderer with the highest number of acceleration programs**
- **The other Tenderers** will be scored based on the following formula:

$$\text{Score} = \frac{(\text{The number of the acceleration programs made by expert 1} - 3) \times 5}{(\text{The highest number of acceleratin programs made by expert 1} - 3)}$$

Sub-criterion 2.6: The key expert no. 2 with experience in carrying out/implementing acceleration/pre-acceleration programs of companies nominated by the Tender participated in the organisation and/or implementation of at least 3 different acceleration programs each as a member of the management team or as an employee of a legal entity having as object of activity the organisation of acceleration programs or as a collaborator/partner in various acceleration programs.

5 pts.

The score is awarded as follows:

- **The maximum number of points (5 pts)** will be awarded to the Tenderer with **the highest number of acceleration programmes.**
- **The other Tenderers** will be scored based on the following formula:

$$\text{Score} = \frac{(\text{The number of the acceleration programs made by expert 2} - 3) \times 5}{(\text{The highest number of acceleratin programs made by expert 2} - 3)}$$

Sub-criterion 2.7: Number of SMEs that have been accelerated in the programmes mentioned by Key Expert No. 1 with experience in carrying out/implementing acceleration/pre-acceleration programmes of companies and received funding of more than EUR 25.000 under the acceleration programmes.

5 pts.





The score is awarded as follows:

- **The maximum number of points (5 pts.)** will be awarded to the Tenderer with **the highest number of SMEs in which investments of more than EUR 25.000 have been made**, in acceleration programmes attended by the nominated expert
- **The other Tenderers** will be scored based on the following formula:

$$\text{Score} = \frac{(\text{Number of SMEs in which investments have been made by expert 1} - 4) \times 5}{(\text{The highest number of SMEs in which investments have been made by expert 1} - 4)}$$

Sub-criterion 2.8: The number of SMEs that have been accelerated in the programmes mentioned by Key Expert No. 2 with experience in carrying out/implementing acceleration/pre-acceleration programmes of companies and received funding of more than EUR 25.000 under the acceleration programmes

5 pts.

The score is awarded as follows:

- **The maximum number of points (5 pts.)** will be awarded to the Tenderer with **the highest number of SMEs in which investments of more than EUR 25.000 have been made**, in acceleration programmes attended by the nominated expert
- **The other Tenderers** will be scored based on the following formula:

$$\text{Score} = \frac{(\text{Number of SMEs in which investments have been made by expert 2} - 4) \times 5}{(\text{The highest number of SMEs in which investments have been made by expert 2} - 4)}$$

Criterion 3: Alignment of interests between the MA and the Tenderer

Maximum score 20 pts.

Sub-criterion 3.1: Profit distribution

14 pts.

Sub-criterion 3.1.1: The proposed minimum rate of return – hurdle rate, to ensure a profitable rate of return for the Managing Authority and the other private investors contributing to the Fund.

7 pts.

Minimum rate of return higher than 6 %

7 pts.

Minimum rate of return higher than 5 % and less than or equal to 6 %.

5 pts.

Minimum rate of return equal to or higher than 4 % and less than or equal to 5 %

2 pts.

Sub-criterion 3.1.2: Percentage proposed by the Tenderer for participation in additional profit - carried interest.

7 pts.

The score is awarded as follows:

- **The maximum number of points (7 pts.)** will be awarded to the Tenderer who proposes **the lowest participation in the additional profit** for investors
- **The other Tenderers** will be scored based on the following formula:

$$\text{Score} = \frac{(23\% - \text{Participation in the additional profit}\%) \times 7}{(23\% - \text{The lowest participation in the additional profit}\%)}$$

Sub-criterion 3.2: The Tenderer's own contribution

6 pt.



<p>Own contribution of the Tenderer – skin in the game, as a percentage of the allocation from the PR West for investments in final recipients: EUR 14.000.000 minus the amount of management fee requested.</p>	
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (6 pts.) will be awarded to the Tenderer who proposes the highest own contribution of the Tenderer - The other Tenderers will be scored based on the following formula: $\text{Score} = \frac{(\text{The proposed own contribution} - 2\%) \times 6}{(\text{The highest own contribution} - 2\%)}$	
<p>Criterion 4: Ensuring the contribution of the implementation of the Financial Instrument for Business Acceleration to the objectives of PR West</p>	<p>Maximum score 15 pts.</p>
<p>Sub-criterion 4.1 Expected results at each stage</p>	<p>12 pts.</p>
<p>Sub-criterion 4.1.1: Number of business ideas developed, completed with the achievement of MVP, in the PRE-ACCELERATION stage</p>	<p>4 pts.</p>
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (4 pts) will be awarded to the Tenderer who proposes the highest number of business ideas developed during the PRE-ACCELERATION stage - The other Tenderers will be scored based on the following formula: $\text{Score} = \frac{(\text{Number of MVPs proposed} - 100) \times 4}{(\text{The highest number of MVPs proposed} - 100)}$	
<p>Sub-criterion 4.1.2: Number of SMEs financed in the ACCELERATION stage</p>	<p>4 pts.</p>
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (4 pts.) will be awarded to the Tenderer proposing the highest number of SMEs financed during the ACCELERATION stage - The other Tenderers will be scored based on the following formula: $\text{Score} = \frac{(\text{Number of SMEs financed in Accelerator} - 40) \times 4}{(\text{The highest number of SMEs financed in Accelerator} - 40)}$	
<p>Sub-criterion 4.1.3: Number of SMEs financed in the SEED stage</p>	<p>4 pts.</p>
<p>The score is awarded as follows:</p> <ul style="list-style-type: none"> - The maximum number of points (4 pts) will be awarded to the Tenderer proposing the highest number of SMEs financed in the SEED stage - The other Tenderers will be scored based on the following formula: $\text{Score} = \frac{(\text{Number of SMEs financed in SEED} - 10) \times 4}{(\text{The highest number of SMEs financed in SEED} - 10)}$	
<p>Sub-criterion 4.2 Boosting the entrepreneurship ecosystem in the region and supporting the equity ecosystem</p> <p>Number of methods and activities to be implemented other than those carried out for the implementation of the Financial Instrument for Business Acceleration,</p>	<p>3 pts.</p>





which will be used by the Tenderer to develop the portfolio of financeable SMEs, to stimulate the creation of new SMEs, development of new products and services in the region and the use of equity/quasi-equity instruments as a method of financing SMEs. The proposed methods and activities must be based on the own experience of the Tenderer, its international experience and feasible for implementation. These actions should be highlighted in the Work Plan for the Implementation of the Instrument.

The score is awarded as follows:

- **The maximum number of points (3 pts)** will be awarded to the Tenderer who proposes **the highest number of methods and activities to be implemented for supporting entrepreneurship**
- **The other Tenderers** will be scored based on the following formula:

$$\text{Score} = \frac{(\text{Number of methods and activities proposed} - 2) \times 3}{(\text{The highest number of methods and activities proposed} - 2)}$$

7. ELIGIBLE INVESTMENTS

The Fund Manager will make **equity/quasi-equity investments** in selected eligible SMEs. Investments in the form of venture capital, equity/quasi-equity, from the Fund can only be made **in SMEs, defined in accordance with Law 346/2004**, which at the time of the initial investment are not traded on a stock exchange, are not in difficulty and have their registered office, secondary offices or the economic activity for which the investment is made, located in the West Region. SMEs shall comply with the eligibility conditions referred to in Article 21(5) of Regulation (EU) No 651/2014 as well as those of de minimis Regulation 2831/2023.

The investments financed must fall within the areas of smart specialization specified in the West Regional Smart Specialization Strategy RIS3 2021-2027 and comply with the **de minimis aid rules** in the **ACCELERATOR** stage and the **State aid for risk financing rules – Article 21 of Regulation 651/2014**, in the **SEED** stage.

The indicative value of the investments is:

- **for ACCELERATION stage:** between EUR 10.000 and EUR 100.000. On an exceptional basis, up to EUR 200.000 may be provided for SMEs with high growth potential.
- **for SEED stage:** between EUR 200.000 and EUR 500.000. On an exceptional basis, up to EUR 1.000.000 may be provided for SMEs with high growth potential.

The potential for investment in SMEs will be identified, verified and evaluated by the Fund Manager. The latter will undertake, for each financing possibility, a *due diligence* process on key issues such as: the level of detail of the business plan, namely details of products, sales and profitability, development and growth, assessment of investment viability and a clear exit strategy, etc.





The investments will be granted following an analysis of the SME's application, based on transparent, objective and mandatory criteria, and on equal terms to all SMEs, established by the Fund Manager and approved by the Investors' Assembly, which must include at least:

- a. The contribution to program's objectives, and ability to realize the expected output and performance indicators;
- b. Compliance with the RIS 3 smart specialization domains;
- c. Compliance with the fund's investment strategy;
- d. Ability to enter new markets – internationalization;
- e. Competitive advantages over other competitors;
- f. Potential customers;
- g. Capacity for development, sales and profitability;
- h. Capacity, consistency and determination of the management team;
- i. Compliance with State aid requirements;
- j. The viability of the investment and the potential return;
- k. Potential exit strategy.

8. OTHER TOPICS

After the signing of the public procurement contract, a **Financing Agreement** will be signed between the Fund Manager and West RDA as Managing Authority PR West, which also defines the rights and obligations of the parties.

After signing the Financing Agreement, the Fund Manager, under the conditions stipulated in the Financing Agreement, **will receive an advance of 30 % of the value of the financial instrument** to ensure the necessary liquidity to start implementation.

This document represents a **document for public consultation**, prepared by the West Region Regional Development Agency, as Managing Authority for the West Regional Programme 2021-2027.

The public consultation period is **10 working days** from the date of publication on the PR West website (www.vest.ro), from **01.04.2024 until 12.04.2024, h 18:00**.

The final procurement documentation will be finalised after the public consultation process.

