

EU4INNOVATION CHALLENGE FUND

2ND CALL FOR PROPOSALS



Guidelines for Applicants

IPA ANNUAL ACTION PLAN IN FAVOUR OF ALBANIA FOR 2021

IPA III WINDOW AND THEMATIC PRIORITY 4: COMPETITIVENESS AND
INCLUSIVE GROWTH

DEADLINE FOR SUBMISSION OF APPLICATIONS
21 JUNE 2024, 15:00 HRS

Contracting Authority

Partners Albania for Change and Development

Challenge Fund | EU4Innovation Phase II, 2023 - 2026

Guidelines for Applicants

IPA III Annual Action Plan in favour of Albania for 2021

IPA III Competitiveness and Inclusive Growth

Deadline for submission of online Application

21 June 2024, 15:00 hrs.

The European Commission Instrument for Pre-Accession (IPA III) 2021-2027, through its Action Programme 2021 supports growth and competitiveness with the aim to facilitate Albania in its accession process. Such support includes private sector development, trade, research, and innovation. Funded by the European Union, and with additional support from the German Federal Ministry for Economic Cooperation and Development (BMZ) as well as the Swedish International Development Cooperation Agency (Sida), the “EU4Innovation - phase II” project interventions will support the development of a dynamic and innovative ecosystem in Albania by providing technical and financial support to start-ups and ISOs. The focus of EU4Innovation is to increase the maturity and exposure of the Albanian start-up and innovation ecosystem and its stakeholders. The project will run until June 2026 and is implemented by GIZ and Sida. The project has a budget of up to 11.750.000 EUR (EU contribution: 10.000.000 EUR, German contribution: 1.200.000 EUR; Swedish contribution: 550.000 EUR).

Challenge Fund - 2nd Call for Proposals

Guidelines for Applicants

This document relates to the “Challenge Fund - 2nd Call for Proposals”, which provides an opportunity for funding for Albanian MSMEs, start-ups with innovative solutions, start-ups with a prominent tech content and with the potential to go global and grow fast.

These guidelines provide information about the “Challenge Fund - 2nd Call for Proposals” including eligibility criteria, the application submission process, the evaluation process as well as general information about the fund.

Applicants should have read through these guidelines before applying to the “Challenge Fund - 2nd Call for Proposals” in order to ensure an adherence to its rules and criteria.

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Abbreviations

BMZ	German Federal Ministry for Economic Cooperation and Development
CA	Contracting Authority
CFP	Call for Proposals
EU	European Union
FAQ	Frequently Asked Questions
GIZ	German Agency for International Cooperation
HR	Human Resources
ICT	Information and communications technology
ISOs	Innovation Support Organizations
IPA	Instrument for Pre-Accession
MSME	Micro Small and Medium Enterprises
OECD	Organization for Economic Co-operation and Development
QKB	National Business Center
Q&A	Questions and Answers
Sida	Swedish International Development Cooperation Agency

1. Introduction

This is a guide for the start-ups applying to the “Challenge Fund – 2nd Call for Proposals”. The document clarifies who can apply for a grant, what costs the grant can cover (i.e. eligible and non-eligible activities and costs), the evaluation process, conditions and criteria, the data and documentation to be submitted, as well as guidelines and rules for the application process.

- All information and documentation about the “Challenge Fund – 2nd Call for Proposals”, can be found on the website <https://challengefund.euforinnovation.al/>
- Please note that the application must be submitted online. When filling out the online application we also recommend consulting the document **Application Instructions**, which guides you through the application process on the online platform.
- In case of any discrepancy between this Guidelines and the online application, the online application shall prevail.

2. What is the “Challenge Fund”?

The Challenge Fund is the grant scheme of the project EU4Innovation, Phase II, 2023-2026 in support of innovative start-ups. The objective of the Challenge Fund is to boost a vibrant innovation ecosystem in Albania, by offering an opportunity for access to finance to Albanian start-ups through an open, transparent, and competitive application process. The Challenge Fund provides applicants with a grant to overcome the uncertainties that inhibit innovation, research, and development. The assumption is that without challenge-fund support, such activities are either unlikely to happen, or will occur at a later stage, with reduced developmental effects. The fund is managed by The Swedish International Development Cooperation Agency (Sida) and implemented by Partners Albania for Change and Development.

The overall fund of the Challenge Fund which will be distributed in three (3) Calls for Proposals, in the period of 2023-2026, is **EUR 1,000,000**. The fund will support up to 50 start-ups, with an average of 16 - 17 grantees from all subcategories of start-ups awarded in each Call for Proposals.

For the purpose of this Call for Proposals, Start-ups are individuals and natural or legal persons, which have been conceived, created, and operating in the market for a period of up to 6 years, presenting an innovative product and/or service, and/or business model, with a fast growth and scale up potential (intention to grow the number of employees and/or turnover and/or markets in which they operate), practically applicable.

Innovation is defined as “*the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations (OECD).*”

In relation to the “Challenge Fund” innovation will be assessed in the Albanian context, i.e. is it a pioneering venture within the country?

Applications are only accepted in English language to allow a transparent selection process.

3. Who can apply?

The Challenge Fund is open to Albanian start-ups created around an innovative business concept, registered or to be registered and operating in Albania.

The Challenge Fund is open to three subcategories of start-ups:

- **Lot 1: Idea and Validation stage start-ups**, i.e. a founder or a team in the early stages of developing an innovative business idea (not registered in QKB).
- **Lot 2: Growth stage start-ups**, i.e. an active registered business entity (MSME) within the first 12 months of registration (from the official registration date of the business entity at QKB to the date of publishing of this Call for Proposals).
- **Lot 3: Scale-up stage start-ups**, an active registered business entity (MSME) within the first 13 months to 6 years of registration (from the official registration date of the business entity at QKB to the date of publishing of this Call for Proposals).

A start-up within any sector is eligible to apply. There are no limits in terms of sector or business focus apart from those normal in donor support such as alcoholic beverages, tobacco, weapons, etc. Nevertheless, the Challenge Fund will give priority to the sectors with considerable importance to the current Albanian economy and/or in which Albanian economy is considered to have comparative advantage in a regional, EU or global contexts, such as *tourism and its related industries; agriculture and Agri-related industries, green economy including climate smart innovations and energy, not excluding ICT which is regarded as enabling (cross-cutting) technology for various sectors.*

The Challenge Fund supports gender equality improvements in employment rate, increased number of women entrepreneurs, women founded start-ups and gender diversity in the team. Thus, women led business ventures and start-ups operating in disciplines with generally stronger women participation, are particularly encouraged to apply.

It is a requirement of the donors that all projects take into consideration environment and climate aspects. Environmental and climate issues, and business ideas, innovative products and processes that are focused on environmentally friendly technologies, energy saving and using alternative energy sources will be prioritised. Therefore, innovative start-ups providing potential solutions to such issues are highly encouraged to apply.

Start-ups with a prominent tech content and with potential to grow and go global are also strongly encouraged to apply.

3.1 Eligibility criteria

All applicants must meet the following eligibility criteria to be eligible for a grant under the Challenge Fund:

- be a legal person (business entity - MSME) already registered and operating in Albania (*applicable only for Lots 2 & 3*);
- ensure that the start-up will be registered as a business entity - MSME and operate in Albania (*applicable only for Lot 1*);
- Albanian diaspora, and non-Albanian applicants¹ would be also eligible to apply as long as the business is assured to take place in Albania;
- have not been registered in QKB for more than 6 years from the date of publication of this Call for Proposals;
- the operating status of the business is **ACTIVE** at the moment of application for this Call for Proposals;
- must provide the co-financing share of the total value of the proposed budget, in the respective %, as provided in section 4.2. of these guidelines;
- has no tax payment obligations to national and local authorities (*applicable only for Lot 2 & 3*);
- is not prosecuted by the Prosecution;
- does not have any penal cases in process in Court;
- is not convicted for a penal case with a final decision of the Court;
- is directly responsible for the preparation and implementation of the activities outlined in the application.

3.2 Non-eligibility criteria

Potential applicants are **not eligible** to a grant from the Challenge Fund if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation, arising from a similar procedure provided for in the national legislation;
- b) they have been convicted of an offence concerning professional conduct by a judgment which has the force of res judicata (i.e., against which no appeal is possible);
- c) they are guilty of serious professional misconduct proven by any means;

¹ Non-Albanian applicants should provide in their application a residence permit according to Law No. 79/2021 “On Aliens”.

- d) they have not fulfilled obligations relating to the payment of debts to the consolidated state budget;
- e) they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the national financial interests;
- f) they have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection with a procurement procedure or other grant award procedure financed by the national budget, or international donors;
- g) are subject to a conflict of interests; the conflict of interests represents any circumstances that may affect the assessment or implementation process, in an objective and impartial manner. Such circumstances may result from economic interests, political or national preferences or family connections;
- h) are guilty of misrepresentation in supplying the information required by the Challenge Fund team as a condition of participation in the Call for Proposals or fail to supply this information;
- i) have attempted to obtain confidential information or influence the evaluators during the assessment process of current or previous Calls for Proposals;
- k) they **do not** fulfil standard requirements with regards to wages or accept the decent work agenda (i.e. adhere to offering productive work for women and men in conditions of freedom, equity, security, and human dignity);
- l) any entity that has been found to have misused Sida or other donor or public funds in the past;
- m) political parties, groupings, non-profit organisations, or institutions or their subsidiaries and affiliates;
- n) applicants that advocate, promote, or espouse anti-democratic policies or illegal activities;
- o) applicants whose objectives are for discriminatory and religious purposes, and whose main objective for the grant is of a religious nature.

3.3 Number of applications

An applicant may not submit more than one (1) application under the 2nd Call for Proposals for the Challenge Fund.

Avoid submitting the same application more than once through different e-mail accounts.

4. The grant

4.1 The grant amount

Under this Call for Proposals, the three subcategories of start-ups are eligible for a grant from the Challenge Fund of the following amounts:

- **Lot 1: Idea and Validation stage start-ups** - maximum 10 000 EUR [a founder or a team in the early stages of developing an innovative business idea (not registered entity in QKB)]
- **Lot 2: Growth stage start-ups** - maximum 20 000 EUR [an active registered business entity within the first 12 months of registration from the official registration date at the QKB to the date of publishing of this Call for Proposals]
- **Lot 3: Scale-up stage start-ups** - maximum 30 000 EUR [an active registered business entity within the first 13 month and 6 years of registration from the official registration date of the business entity at the QKB to the date of publishing of this Call for Proposals]

The total grant amount from the Challenge Fund must not exceed:

- **Lot 1: Idea and Validation stage start-ups** - 95% of the total budget
- **Lot 2: Growth stage start-ups** - 80% of the total budget
- **Lot 3: Scale-up stage start-ups** - 70% of the total budget

4.2 Cost-sharing

An important element in any challenge fund instrument is the cost-sharing aspect. The Challenge Fund grant is given on a cost-share basis, i.e. the applicant is expected to co-share the costs. For any start-up funds are scarce and that is why the co-shared amount may be in cash or in-kind contributions. Salaries should be proposed only as in cash contributions. Fix assets and equipment should be proposed only as in-kind contributions. In case of Fix Assets, the Net book value should be equal or higher than the amount of co-shared and will be justified with proper documentation as relevant.

The applicant must provide co-financing share of the total value of the proposed budget, in the respective %:

- **Lot 1: Idea and Validation stage start-ups** - 5% of the total budget
- **Lot 2: Growth stage start-ups** - 20% of the total budget
- **Lot 3: Scale-up stage start-ups** - 30% of the total budget

4.3 Eligible costs and activities

The Challenge Fund aims to boost start-up creation and facilitate start-up growth. Each start-up is unique and has unique needs in terms of the allocation of funds. Therefore, the funds from the Challenge Fund may be utilised for a variety of activities, as long as these are deemed to be reasonable and in line with the business proposal objectives.

4.3.1 Examples of eligible activities

The following list offers some examples of eligible activities (not exhaustive):

- developing new products (including protecting intellectual property rights and standards);
- diversification of products, processes, or services through new and innovative solutions;
- refining/improving existing business models and working processes or innovating new ones;
- purchase/development of equipment and software for technological advancement (Note: if it proves to be justified (price, purchase option or the like), the purchase of used equipment from a legal entity is allowed) (Note: the purchased equipment cannot be subject of transfer of ownership for at least two years after the validity period of the grant contract) (Note: The purchased equipment cannot be pledged as a security for a loan for at least two years after the validity period of the grant contract);
- development or improvement of production processes that can lead to an increase in production capacity or new product characteristics;
- development of new energy-efficient solutions;
- etc.

4.3.2 Non-eligible activities

The following types of activities are **not** eligible for a grant from the Challenge Fund:

- activities which endanger the environment;
- activities concerned only or mainly with individual sponsorships for participation in workshops, internships, professional courses, seminars, conferences, and congresses;
- activities concerned only or mainly with individual scholarships for studies;
- activities linked to political parties;
- activities which fall within the general activities of competent state institutions or state administration services, including local government;
- activities confined to charitable donations;
- humanitarian activities.

4.3.3 Eligible costs

All costs added in the budget section of the Financial Form must fulfil **all** of the following criteria:

- a) they are incurred during the implementation period of the grant;

- b) they are in accordance with the budget lines categories in the budget page of the Financial Form;
- c) they are necessary for the implementation of the business idea which is the subject of the grant;
- d) they are identifiable, verifiable, and documented (e.g. contract, invoice, order form), in particular being recorded in the accounting records of the beneficiary and determined to the applicable accounting standards;
- e) they comply with the requirements of applicable tax and social security legislation;
- f) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency;
- g) they are incurred in accordance with Albanian national legislation;
- h) they are not listed as a non-eligible cost;
- j) they are used for transport, installation, guarantee for the period of implementation and training of workers on purchased equipment;
- k) co-financing rate as stipulated in the Contract, is applied to any eligible cost under all budget headings.

4.3.4 Non-eligible costs

The following costs are not eligible:

- a) value-added tax costs;
- b) custom duties;
- c) debts and debt service charges (interest);
- d) provisions for losses or potential future liabilities;
- e) costs declared by the beneficiary and financed by another project or programme;
- f) purchase of land or buildings;
- g) purchase of vehicles and mobile phones. Such costs may be considered for acceptance only if crucial for the implementation of the action;
- h) currency exchange losses;
- i) bank guarantee costs or any other guarantees;
- j) credit to third parties;

- k) fines, financial penalties and expenditure on legal disputes and litigation;
- l) costs of leasing;
- m) products or services which belong to specific sectors that are not eligible in accordance with EU practices (alcohol production, tobacco, gambling, military);
- n) business registration fee.

4.4 Documents to be submitted

In addition to the online application form to be filled on the platform, the applicants should upload and submit the following documentation:

Lot 1: Idea and Validation stage: Maximum 10 000 EUR (a founder or a team in the early stages of developing an innovative business idea (not registered entity in QKB))

- i. Completed Financial Form, including Budget (sheet 1), Key metrics (sheet 2), Cash Flow (sheet 3), Financial Data in the first three years after the Challenge Fund grant (sheet 4); - *in excel format*
- ii. Completed Canvas business model - *in PDF format*
- iii. Indicative Action Plan of the business proposal- *in PDF format*
- iv. ID of the founder of the start-up- *scanned in PDF format*
- v. CV of the founder of the start-up -*in PDF format*
- vi. CV of relevant team members -in *PDF format*
- vii. Judicial Records Certificate (Dëshmi Penaliteti) of the founder of the start-up, issued within three months from the application date (source: <https://e-Albania.al/>); - *scanned in PDF format*
- viii. Document issued by the Court certifying that the founder of the start-up does not have any penal court cases in process, issued within three months from the application date; - *scanned in PDF format*
- ix. Document issued by the Prosecution certifying that the founder of the start-up is not prosecuted by the prosecution, issued within three months from the application date; - *scanned in PDF format*
- x. Residence permit for non-Albanian applicants. - *scanned in PDF format*

Lot 2: Growth stage: Maximum 20 000 EUR (an active registered business entity within the first 12 months of registration from the official registration date at the QKB to the date of publishing of this Call for Proposals)

- i. Completed Financial Form, including Budget (sheet 1), Key metrics (sheet 2), Cash Flow (sheet 3), Financial Data in the first three years after the Challenge Fund grant (sheet 4); - *in excel format*
- ii. Completed Canvas business model; - *in PDF format*
- iii. Indicative Action Plan of the business proposal- *in PDF format*
- iv. ID of the legal owner or administrator of the start-up; - *scanned in PDF format*
- v. CV of key staff and CV of the legal owner or administrator of the start-up; - *merged in one document in PDF format*

- vi. The registration act (NUIS) issued by National Business Center (QKB), from the date of the launching of this Call for Proposals (source: <https://e-Albania.al/>); - *scanned in PDF format*
- vii. Historical extract issued by National Business Center (QKB), from the date of the launching of this Call for Proposals (source: <https://e-Albania.al/>); - *scanned in PDF format*
- viii. Certificate of tax payment obligations (No Debt), issued from the date of the launching of this Call for Proposals (source: <https://e-Albania.al/>); - *in PDF format*
- ix. Certificate of local tax payment obligations (No Debt), issued from the date of the launching of this Call for Proposals; - *in PDF format*
- x. Judicial Records Certificate (Dëshmi Penaliteti) of the legal owner or the administrator of the start-up, issued within three months from the application date (source: <https://e-Albania.al/>); - *scanned in PDF format*
- xi. Document issued by the Court certifying that the legal owner or the administrator of the start-up does not have any penal court cases in process, issued within three months from the application date; - *scanned in PDF format*
- xii. Document issued by the Prosecution certifying that the legal owner or the administrator of the start-up is not prosecuted by the prosecution, issued within three months from the application date; - *scanned in PDF format*
- xiii. Residence permit for non-Albanian applicants. - *scanned in PDF format*

Lot 3: Scale-up stage: Maximum 30 000 EUR (an active registered business entity within the first 13 month and 6 years of registration from the official registration date of the business entity at the QKB to the date of publishing of this Call for Proposals)

- i. Completed Financial Form, including Budget (sheet 1), Key metrics (sheet 2), Cash Flow (sheet 3), Financial Data in the first three years after the Challenge Fund grant (sheet 4); - *in excel format*
- ii. Completed Canvas business model; - *in PDF format*
- iii. Indicative Action Plan of the business concept- *in PDF format*.
- iv. ID of the legal owner or administrator of the start-up; - *scanned as PDF*
- v. CV of key staff and CV of the legal owner or administrator of the start-up; - *merged in one document in PDF format*
- vi. The registration act (NUIS) issued by National Business Center (QKB), from the date of the launching of this Call for Proposals (source: <https://e-Albania.al/>); - *scanned in PDF format*
- vii. Historical extract issued by National Business Center (QKB), from the date of the launching of this Call for Proposals (source: <https://e-Albania.al/>); - *scanned in PDF format*
- viii. Last Financial statements (Profit Loss Accounts and Balance Sheets) or Last simplified profit tax declaration, as applicable, certified copies (signed and sealed) by Tax Authority; - *scanned in PDF format*
- ix. Certificate of tax payment obligations (No Debt), issued from the date of the launching of this Call for Proposals (source: <https://e-Albania.al/>); - *in PDF format*

- x. Certificate of local tax payment obligations (No Debt), issued from the date of the launching of this Call for Proposals; - *in PDF format*
- xi. Judicial Records Certificate (Dëshmi Penaliteti) of the legal owner or the administrator of the start-up, issued within three months from the application date (source: <https://e-Albania.al/>); - *scanned in PDF format*
- xii. Document issued by the Court certifying that the legal owner or the administrator of the start-up does not have any penal court cases in process, issued within three months from the application date; - *scanned in PDF format*
- xiii. Document issued by the Prosecution certifying that the legal owner or the administrator of the start-up is not prosecuted by the prosecution, issued within three months from the application date; - *scanned in PDF format*
- xiv. Residence permit for non-Albanian applicants. - *scanned in PDF format*

Any alternative documentation submitted by the applicants apart from the ones specified above, will not be taken into consideration.

4.5 Duration and disbursement

The period for the implementation of the business proposal will be from **6 (six)** to **12 (twelve)** **months** and the grant must be utilized within this period.

The setup of the disbursement of the grant will be assessed on a case-to-case basis, depending on the specific circumstances and needs of each start-up. The funds may therefore be allocated in two or more tranches. The final tranche, representing 10% of the total eligible costs at the end of the action, will be allocated after the approval of the final reports.

5. The application and evaluation process

5.1 The application process

Applications must be submitted **ONLY** online on the Challenge Fund platform. All applications submitted by other means (mail, e-mail, hand delivery, etc.) will be rejected.

The basic steps in the Challenge Fund application process are as follows:

- A Call for Proposals, including the deadline for submission of proposals, is announced on the Challenge Fund website under Challenge Fund – 2nd Call for Proposals.
- The applicant should register and create an account in the Challenge Fund platform to start an application. Applicants from the 1st Call for Proposals do not need to register again in the online platform, in order to apply in the 2nd Call for Proposal.
- The applicant should fill out the online application form, which consists of the following sections:
 1. Information about the start-up
 2. Business Proposal

3. Attach relevant documents required as mentioned in section 4.4 of this document

For more information about the application process, please see **Application Instructions** document.

Any questions related to the application process should be sent in writing via e-mail no later than **15 days** before the application submission deadline. The contracting authority has no obligation to provide clarifications to questions received after this date. Questions should be sent to the e-mail address challengefund@euforinnovation.al, indicating the reference of the Call for Proposals.

Answers to questions will be published on Challenge Fund website under “Challenge fund FAQ – 2nd Call for Proposals” section no later than **11 days** before the deadline for the submission of applications. It is therefore advisable to consult the abovementioned website regularly in order to be informed on the questions and answered published.

No individual replies will be given to questions. To ensure equal treatment of applicants, the contracting authority cannot give prior opinion on the eligibility of applicants, or actions.

5.2 The evaluation criteria and process

The evaluation process is carried out in a transparent manner based on specific criteria, involving an evaluation committee composed of national and international experts. The evaluation team will especially consider the following criteria:

- **INNOVATION CRITERIA**- the uniqueness of the business concept in the Albanian context and its innovative character, competitive advantages, and potential for growth/success.
- **FEASIBILITY AND SUSTAINABILITY CRITERIA** – potential to contribute to the entrepreneurial innovation ecosystem in Albania, the qualifications of the team and their organizational and technical capacity, the correlation between the activities, the resources and the expected results, feasibility, and consistency of the activities in relation to the expected results/outputs and timeframe, feasibility of the business model as well as the likelihood of sustainability.
- **CROSS-CUTTING ISSUES CRITERIA** – inclusiveness (women led ventures, women in key positions and/or high women participation), the ability to generate employment and business linkages, improved quality of life for the beneficiaries, positive environmental impact, the potential to create new jobs, development of local value chains, linkages to academia, other businesses and relevant research, contribution to the preservation of local traditions. Start-ups located outside of Tirana are encouraged to apply.

The basic steps in the “Challenge Fund” evaluation process are as follows:

- **Stage 1: Administrative check.** This stage consist on the assessment of the eligibility criteria and submission of application’ documentation required.

- Stage 2: Technical evaluation of applications. For this stage of evaluation, applicants that have successfully passed Administrative check, will be requested to submit/upload supporting documents as per following details:
 - (i) Supporting documents on each of the budget lines that will be covered by the applicant as a cost-share – own contribution (e.g. supply contracts, employment contracts, staff contribution payment etc.).
 - (ii) Supporting documents to justify the amounts entered for each of the budget lines supported through Innovation Challenge Fund (e.g. market research, offers, price references, etc.)
 - (iii) Declaration on honour.

This stage of evaluation consists in two steps:

- Step 1: Evaluation by an evaluation committee consisting of international and national experts.
- Step 2: On site monitoring and checks to ensure that the applicant has submitted all requested documents related to Stage 2 evaluation process, the information provided in the application form is in line with the supporting documents and the applicant has all the preconditions to implement the business proposal.
- Stage 3: Pitching event, consisting of an open competition during which applicants that have successfully passed Stage 2 of evaluation process, present their business proposal to a panel of international and national experts. The pitching event takes place in Tirana. The selected applicants are expected to participate at this event at their own expenses. The presentation will be done following a template that is provided in the online platform.

Following each stage of evaluation process, the applicants will be notified via e-mail through the online platform on the results of the evaluation.

6. Contracting

Prior to signing the contract, the Contracting Authority (CA) reserves the right to negotiate the budget proposed with the applicant in order to:

- Ensure cost efficiency of the action;
- Ensure a fair balance between operational and non-operational costs;
- Reflect real market costs;
- Reflect costs in accordance with proposed activities.

The negotiation should in no way change the substantial part of the proposed action, but rather to be in line with the administrative/financial/HR/programmatic rules of the donor and of the CA.

It is a requirement for all applicants selected in **Lot 1: Idea and validation stage**, to be registered as a business entity (MSME), in one of the registration types listed in the application form, before signing of the grant contract.

Contracts with the final grantees will be signed approximately 4 months following the deadline for submission of applications.

The implementation period of business proposals includes regular reporting to the project team as well as financial and legal checks. All start-ups will be audited at the end of the implementation period.

7. Indicative Timeline

	DATE	TIME
1. Publication of 2 nd Call for Proposals	09.05.2024	-
2. Deadline for Q&A about the Call for Proposals	06.06.2024	-
3. Deadline for the Q&A clarifications issued by CA	10.06.2024	-
4. Deadline for submission of applications	21.06.2024	15:00
5. Administrative check (Stage 1)	July 2024	
6. Technical Evaluation (Stage 2)	September 2024	
7. Pitching event (Stage 3)	October 2024	
8. Grant Contracts signature	October 2024	

All times are in the time zone of Albania.

This indicative timeline refers to provisional dates (except for dates 1, 2, 3, and 4) and may be subject to changes during the procedure.

8. Complaints

The applicants will be informed in written regarding the results of their application, and in case of rejection, with the reasons for the decision. An applicant believing that it has been harmed by an error or irregularity during the evaluation process may lodge a complaint within **5 (five) working days** from the day the notification letter has been sent. The complaints will be answered within **5 (five) working days** from the receipt of the complaint. The complaints should be sent to the email address: challengefund.complaints@euforinnovation.al, managed by Sida.

9. Information sessions

To assist all interested applicants in the 2nd Call for Proposals, on-site and online information sessions regarding the procedures and the application process will be organised in the following dates and locations:

DATE	TIME	LOCATION
17.05.2024	10:30 - 12:30	Durrës
20.05.2024	10:30 - 12:30	Online - Linku i sesionit

22.05.2024	10:30 - 12:30	Fier
24.05.2024	10:30 - 12:30	Pogradec
28.05.2024	10:30 - 12:30	Online - Linku i sesionit
31.05.2024	10:30 - 12:30	Sarandë
04.06.2024	10:30 - 12:30	Lezhë
06.06.2024	10:30 - 12:30	Kukës
10 - 13.06.2024	10:30- 12:30	Tirana

All interested applicants, are requested to express their interest to participate in one of the information sessions, at least two days prior to the selected information session, by sending an email to challengefund@euforinnovation.al, specifying the selected session.

Interested applicants to participate in the online information sessions, are requested to register in advance in the link provided in the table above.

The deadline for submission of applications is 21 June 2024, at 15:00 (Tirana time)!

The applicant is strongly advised not to wait until the last day to submit the application, since heavy Internet traffic or a fault with the Internet connection (including electricity failure, etc.) could lead to difficulties in submission. The CA cannot be held responsible for any delay due to such aforementioned technical issues.

Any application submitted after the deadline will be rejected!

10. List of annexes

1. Application Instructions - *for information only*
2. Application forms -*for information only*
3. Financial Form, including Budget (sheet 1), Key metrics (sheet 2), Cash Flow (sheet 3), Financial Data in the first three years after the Challenge Fund grant (sheet 4) - *all sheets are required to be completed in English and uploaded in excel format.*
4. Canvas business model - *to be completed in English and converted and uploaded in PDF format.*
5. Indicative Action Plan Form- *to be completed, converted, and uploaded in PDF format.*

6. Declaration on Honor - *to be completed, signed, and uploaded in scanned PDF format, **ONLY** by applicants that will be selected for Stage 2 of the evaluation process, upon request by the Contracting Authority.*

7. Power Point Presentation form for the Pitching Event - *to be completed and uploaded in the online platform **ONLY** by applicants that will be selected for Stage 3 of the evaluation process: Pitching event, upon request by the Contracting Authority.*

Additional information regarding the “Challenge fund-2nd Call for Proposals” can be found on <https://challengefund.euforinnovation.al/> including information days, the Application Instruction, the online application forms, all relevant dates for application submission, etc. You may also send an email to challengefund@euforinnovation.al.