



First Call for Proposals for Innovative Business Ideas

Frequently Asked Questions

Part I

(Answers to questions received by 19 May 2017)

1.	Q	Please deliver us the criteria for companies that wish to apply for program CHALLENGE TO CHALLENGE.
	A	The criteria you requested is in the Guidelines for Applicants under <i>Publications</i> at the website www.c2c.ba .
2.	Q	Dear Sir/Mme, we are interested in participation in the project Challenge to Change. We are registered as association with VAT number, giro account number and all the other requirements for craft business. Also, we are financed from our own operations and funds and successfully provide payments for the unemployed we occasionally hire in the course of our activities. In the recent future we plan to employ at least one person on full-time basis and we are interested to know whether we can apply for funds from the project Challenge to Change as association.
	A	Guidelines for Applicants, Chapter 4 <i>Eligibility of applicants and partners</i> contain detailed information about which profit-oriented business subjects may be applicants and which legal subjects may be partners and take part in the First public call of the Challenge fund. Non-profit association may only participate as a partner.
3.	Q	Kind regards, I would like to know if a start-up which started performing activities in January (registered since 18 January 2017) may apply. Thank you and best regards.
	A	Start-ups which are registered business entities performing activities between 6 and 24 months from date of registration till publishing Public call are eligible. In any case, you may apply in the following calls for submissions of project proposals.
4.	Q	Respected, I am reviewing your information for application on C2C and I need one clarification. You said in your document "Guidelines for the Applicant" in section 4 that applicable are Preduzetnici (obrti) as well. Could you confirm this and also let me know how long do these "obrts" need to be open prior to the actual application? Furthermore, could you let me know if NGOs could apply?
	A	Guideline for Applicants describes in section 4. Eligibility of Applicants and Partners that Crafts and Cooperatives are eligible as well. As mentioned in article 3.1. Type and amount of grants the same rules for maximum grants are applicable for craft (they must be registered at least six months before the day of launching call for proposals. NGO cannot be main applicant but they can be a partner in the consortium (please see Eligibility of Partners).
5.	Q	Dear Sir/Mme, we would like to apply but we need addition information on eligibility. Do

		we qualify if we did not perform activities for 6 months at the time the Call was published (27 December 2016) but we will at the time of possible assignment of the grant?
	A	It is stated in the Guidelines for applicants that, in terms of time of registration, grants can be assigned to business entities which are registered minimum 6 months till publishing the Public call.
6.	Q	Is there an Application form and which language is used in the Application form?
	A	In Chapter 7, <i>Method of submission of project proposals</i> , it is stated that: “The possibility of submission of project proposals is carried out exclusively via the application on the web platform www.c2c.ba ”. Therefore, the application is exclusively in online form, in English or local (BHS) language.
7.	Q	Dear Sir/Mme, On behalf of the recently opened company from Bosanski Brod I would like to introduce the best technological innovation in BiH in 2014. However, not much has been done on the implementation of the project since 2014. So far, we have managed to open a company and create development plan. Due to lack of interest from behalf of the BiH institutions we were not able to finish the realization of the project, so we would like to ask you for help in the project realization.
	A	You can apply for the Challenge funds in accordance with the provisions outlined in the <i>Guidelines for applicants</i> available under the section <i>Publications</i> at www.c2c.ba web site.
8.	Q	Dear Sir/Mme, I would like to know whether independent entrepreneurs registered under the legislation in the Republic of Srpska are eligible to apply for Challenge funds regarding some information in the Guidelines for applicants. Namely, it is stated in the Guidelines under point 4.1 that they can but it is also stated under point 8.1 that balance sheet and income statement are required documents. Since independent entrepreneurs can not submit those two documents, can we submit Form 1004 of the Tax Administration of Republic of Srpska “Annual personal income tax return” and Form 1007 of the Tax Administration of Republic of Srpska “SME Tax return”? We are looking forward to your answer, Best regards.
	A	The above mentioned forms are acceptable documents.
9.	Q	Dear Sir/Mme, Is my business eligible for C2C, since we are not in the VAT system and we do not have VAT registration number? We are looking forward to your answer, Best regards.
	A	In accordance with the Guidelines for applicants, section 4.1, businesses can apply for C2C funds.

10.	Q	Dear Sir/Mme, we are a company from Zvornik. We are interested in the project. The funds are required for the purpose of purchasing machines in order to expand our production assortment.
	A	Please see answer to Q7.
11.	Q	Dear Sir/Mme, I am contacting you from Banja Luka. I have seen Public call and applied online. I am mailing you because I have never applied for funds before and a lot of questions from the Form available on the web site are not clear to me and on some of the questions I am not able to answer. Is it possible to arrange a meeting because I believe we are answering all the requirements. Best regards.
	A	Individual direct meetings with the applicants for the purpose of additional clarifications are not planned due to transparency reasons. Info sessions are planned (please see: Activities schedule at the web site www.c2c.ba) where you can ask questions directly or contact us via e-mail info@c2c.ba .
12.	Q	Dear Sir/Mme, I would like to ask a question regarding financing innovative business ideas. How do you define innovative solutions: as improvement of existing business technologies and products by introducing new equipment or as completely new technology and new product which is not available on the market?
	A	Innovative solutions may apply to significant improvement o the existing product/process/service and new product/process/service as well. It is important to emphasize that in terms of the Challenge funding; innovation has to be at the level higher than internal level of the business subject. For example, it can be at municipal, regional, state or higher level. Simply compare your alternative solution of the product/process/service with the similar solutions in your environment and broader.
13.	Q	Dear Sir/Mme, I would like to know am I eligible to apply since I am at the employment bureau for 20 years because I have seen that it is for start-ups/innovative ideas, products and services which can increase employment, competitiveness and sustainable socio-economic development in B&H.
	A	It is stated in the Guidelines for applicants under section 4.1 that, to be eligible for a grant, the applicant must satisfy the following eligibility criteria: -be a legal person; -be registered for profit-making activity; be established in Bosnia and Herzegovina or Sweden; -must provide minimum 50% of cost share; - be directly responsible for the preparation and implementation of the activities with the partners (if any). -the project to be funded needs to have development effects in/for B&H
14.	Q	Dear Sir/Mme, we are a small company which provides internet services (ISP). We have a pending registration at the Regulatory Agency in Sarajevo and we are waiting for authorisation. We are interested to know whether we can apply for the C2C project with our program. Kind regards.

	A	Please see answer to Q7.
15.	Q	<p>Dear Sir/Mme,</p> <p>We are writing regarding the public call for allocation of grants from Challenge fund. Our company was established last year and we started investing in projects in the area of tourism. We have a couple of questions we would like to ask:</p> <p>1.Can a company established as LLC a bit over a year ago be eligible for application for allocation of grants from the Challenge fund and whether it can be in the group of start-up businesses.</p> <p>2.Can we apply for the type of project- introduction of innovative solutions for solving issues in the touristic/hospitality establishment?</p> <p>Kind regards and thank you in advance.</p>
	A	<p>1. In line with the Guidelines for applicants, legal person registered as LLC is acceptable applicant, and the maximum amount of application depends on the period of registration of the legal person.</p> <p>2. Your project idea has to be in accordance with section 5 of the Guidelines for applicants. Please see acceptable project activities and costs stated in the section 5.</p>
16.	Q	<p>Dear Sir/Mme,</p> <p>We are writing about the Public call for co-financing the projects you published. Since we are a public company of primary health care with 360 employees we are primarily interested in taking part in the category “business entity”? Is that possible? Kind regards.</p>
	A	Public call for the Challenge grant is exclusively for applicants which are profit-oriented legal entities employing up to 250 workers, registered in B&H or Sweden. Non-profit legal persons can only be partners with the same limitation in the number of employees.
17.	Q	<p>Dear Sir/Mme,</p> <p>I have some questions regarding your project and I would appreciate if you could clarify: are only registered companies eligible for application or someone else can apply as well, for example natural person from the employment bureau with the idea for the project? If so, can the funds be used for financing the registration of the company and other costs? Is there any description of the criteria for application? Is there a business plan form and where? What is the application procedure and which documents are required?</p> <p>I need the above mentioned information in order to provide them to farmers and other interested parties.</p> <p>Kind regards.</p>
	A	Applicant has to be registered as business entity in B&H or Sweden and all the criteria and application procedure are available in the application package available under <i>Publications</i> at the web site www.c2c.ba .
18.	Q	<p>Dear Sir/Mme,</p> <p>We would appreciate if you could provide us with information about the conditions for allocation of grants. Since this is the First call for proposals, does that mean there would be more public calls? If yes, when do you expect the next one? We hope to receive your answers. Kind regards.</p>
	A	Program Challenge to Change will consist of five more public calls for allocation of grants

		from the Challenge fund. The next call is scheduled for autumn this year.
19.	Q	Dear Sir/Mme, I am business owner and my primary activity is organic agriculture. Am I eligible to apply for the grant? Kind regards
	A	In accordance with the Guidelines for applicants, section 4.1 <i>Eligibility of applicants</i> you are eligible to apply under the condition that your business is registered over 6 months till publishing public call.
20.	Q	Dear Sir/Mme, I would appreciate if you could tell me whether it is acceptable if the complete amount of up to 10,000 euro for start-ups covers 50% of costs of raising the fence and watering system? Thank you in advance, Best regards.
	A	It is stated in the Guidelines for applicants that the idea has to provide innovative solutions which can relate to the existing products/processes/services and new products/processes/services. For more details about the acceptable costs please see section 5 of the Guidelines for applicants. Also see answer to Q12 for definition of innovative solution.
21.	Q	DERA SIR/MME, I'M IN THE PROCESS OF OPENING A BAKERY IN PETROVO AND FOR THAT PURPOSE I REQUIRE ABOUT BAM 8,000. I WOULD LIKE TO KNOW IF THAT FORM OF BUSINESS IS SUPPORTED BY PROJECTS LIKE THIS ONE AND IN WHAT MANNER. KIND REGARDS AND THANK YOU IN ADVANCE FOR YOUR ANSWER.
	A	According to the Guidelines for applicants, only business subjects registered 6 months prior to call are eligible. When you register, you can participate in the calls for proposals of the Challenge fund which will follow.
22.	Q	Dear Sir/Mme, We would like to apply for your project. Do we have to register and get the number? How do we do that? Can we have partners from Bulgaria and Montenegro? Can they also register?
	A	Complete process of application is described in detail in the Application Package available under <i>Publications</i> in the document <i>Application Manual</i> . Business subjects can be registered in either B&H or Sweden to apply for grants from Challenge fund.
23.	Q	Dear Sir/Mme, I would like some information about C2C project. In the Application form, step 2 there is a part where categories which are subject of the project proposal are required. Could you please explain what does the term "Categories" refer to?
	A	Category is form of registration of the business subject.
24.	Q	I would like to fill in the application form at your website: http://c2c.ba/bs/user/profile I have a question regarding the part about the business owner: since our business is in the ownership of three people and I have the option to enter only one person, what should I

		do?
	A	Enter the data about the person who is majority stockholder of the business. If all the owners own equal parts, it is sufficient to state one of the co-owners.
25.	Q	Dear Sir/Mme, How can I apply for start-up funds? I need funds to start software business. I find the product innovative at global level because it increases the speed of development of new software solutions.
	A	Application process is described in detail in the Application Manual which is a part of the Application package.
26.	Q	Dear Sir/Mme, Can agricultural businesses and agricultural farms apply for your program?
	A	Agricultural businesses and commercial farms are eligible for grants from the Challenge fund. Profit-oriented agricultural businesses or farms registered as companies or business companies can be applicants.
27.	Q	Dear Sir/Mme, I would like to know the following: is it allowed to apply for two projects, one for the mother company and one for the branch office? Mother company and branch office perform two different activities and the projects would be totally independent. I would also like to know whether you provide assistance with establishing contacts with companies from Sweden which are interested and seek for partners since the implementation location is B&H? Thank you for your answers in advance.
	A	Guidelines for applicants define the number of applications and number of allocated grants per call in the following manner: - The applicant may not submit more than 1 application under a single call for proposals; - The applicant may be a partner in another application at the same call for proposals (at one proposal within the same call); - A partner may submit more than one project idea application under the same call for proposals; - A partner may not be awarded more than one grant under a call for proposals You must establish contacts with the potential partners from Sweden on your own.
28.	Q	Dear Sir/Mme, Our accountant is having troubles with the point 4 in Applicants data (Financial indicators). We are applying in 2017 so does the item apply to 2016 in the part "Last year" and to 2015 in the item "Previous year"?
	A	Last year is the final financial report that the business subject submitted to the competent institutions.
29.	Q	Dear Sir/Mme, please confirm whether it is possible to get the payment of the grant in advance (advance payment invoice) and that the applicant provides an unconditional bank guarantee for the amount requested and with deadline not longer than project implementation deadline. We also need information whether the equipment procured has to be new and originating from the EU or it may be manufactured in Croatia or Serbia. Thank you in advance.
	A	In accordance with point 3.2, <i>Financial reallocation</i> , during the implementation of the projects, financial reallocations from Challenge fund will be carried in next two ways: - in one tranche - in several tranches.

		<p>For every single project, depending of the type of the project (dynamics of realization of project activities and other elements of project), method of payment will be defined at the level of the individual user agreement (terms of use, type of realisation (allocation) of the grant, reporting and other rights and obligations).</p> <p>Second hand equipment may be subject of procurement if it is procured from legal person and with relevant supporting documentation.</p>
30.	Q	<p>Dear Sir/Mme,</p> <p>Is it possible to apply for second hand equipment? Regarding the fact that the equipment in the lumber industry is very costly, we are not in position to purchase new equipment. Those are mostly imported machines. That detail is not listed but I would like to check first because the application might be invalid due to that fact.</p> <p>Thank you in advance.</p> <p>Best regards.</p>
	A	<p>Second hand equipment may be subject of procurement if it is procured from legal person and with relevant supporting documentation.</p>
31.	Q	<p>It is stated in the Guidelines for applicants that eligible applicants are legal persons. I have a question regarding novices in business. It is a legal person registered in line with the Law on Entrepreneurship who performs activities in the area of production and processing of berry fruit and herbs, registered a few months ago. Can an entrepreneur apply for grants allocated for start-ups?</p> <p>Thank you in advance.</p> <p>Kind regards.</p>
	A	<p>It is defined in the Guidelines for applicants that business subjects which are registered business entities performing activities at least 6 from date of registration till publishing Public call are eligible.</p>
32.	Q	<p>Good afternoon, we need some information about the application and we do not have your phone number. Is it possible to apply for grant now when we are in the process of constructing (drying) kilns. We are producing beech lumber. Please send us telephone number of a person who can provide us necessary information. Thank you.</p>
	A	<p>For transparency reasons direct contacts with applicants are not an option. For all the questions you may have, please contact: info@c2c.ba.</p>
33.	Q	<p>Dear Sir/Mme, we are a company in production and installation of metal sheets. Regarding the Public Call for Proposals, prior to application, we are interested in the following: can we apply for the purpose of purchasing of metal sheet profiling machine and if there is a rule whether the machine has to be new or we can apply for the purpose of purchasing second hand machine. Thank yo</p>
	A	<p>Procurement of equipment is one of the acceptable expenditures and purchasing of second hand equipment can be realized if it is procured from legal person with the supporting documentation.</p>
34.	Q	<p>Company for production of plastic packaging with 86 employees, in the category of medium enterprises, is interested in your public call for allocation of grants from the Challenge fund.</p> <p>We require information whether our company is eligible to apply for the purpose of procurement of machines, a technology which would modernise our production process</p>

		<p>and make significant contribution. This year is a year of investment for us and we will mostly finance ourselves from the credits at commercial banks so this public call is a great chance for our company and we would like to make the best of it.</p>
	A	Your company is within the category of eligible applicants.
35.	Q	<p>Dear Sir/Mme, I am contacting you regarding the project of the Challenge fund. Could you please tell me: When does the beginning of implementation period of 12 months start? We planned to have procurement of equipment necessary for expanding our business activities, which is the subject of our proposal.</p>
	A	Project implementation period starts from the day of signing the agreement with the beneficiary.
36.	Q	<p>I am writing from Mostar and I require some information regarding the Public call for proposals "Challenge to change":</p> <ol style="list-style-type: none"> 1) Regarding the expenditures for co-financing, how are they accounted for and are they calculated from the moment of signing the contract? Company owner has already invested in the reconstruction of business facilities where they plan to start new business activities with production lines and the investment took place this year, and the suppliers have already been paid. He has an evaluation from the court expert on the value of the investment of this part of the facilities so I would like to know can that be a form of co-financing. 2) Regarding the start-ups, it is written that start-ups registered between 6 and 12 months may apply; does that exclude the companies which perform activities between 0 and 6 months? The company has just recently been established and the idea is very innovative, at the territory of Herzegovina and with possible market so we are interested to know whether we are eligible for application because we require additional investment. 3) Does the application have to be in English?
	A	<ol style="list-style-type: none"> 1. Only the expenditures created in the course of project implementation are regarded acceptable. 2. Guidelines for applicants define that only business subjects registered over 6 months till publishing the Public call are eligible. 3. Application is submitted in online form in local (BHS) or English language.