

2. CALL FOR PROJECT PROPOSALS QUESTIONS AND ANSWERS

Part I

(answers to questions submitted by 23 March 2018)

1.	Q	Please, clarify what you mean under the required "Balance Sheet" and "Balance of Payments" documents when it comes from companies applying for a craft with basic or additional business status?
	A	These documents include annual / semi-annual tax returns, which can be obtained in the tax administration.
2.	Q	<p>Our firm is an authorized waste electrical and electronic equipment management system operator. We are registered as a ltd - Limited liability, however, according to the rule book on the management of waste from electrical and electronic products, based on which we have the license as the system operator, it is stated that we operate in a non-profit manner. So, all possible profits are invested in the further development of the activity.</p> <p>1. Whether this is in the contravention of the call for applications, which states that applicants must be profitable. We actually get the profit but it is not shared by the owners.</p> <p>2. In the application, the name and surname of the company owner must be filled in, our owners are legal persons, not physical persons, what to do in this case?</p>
	A	<p>1. In accordance with the Guidelines for Applicants, Section 4.1. The applicant's definition and eligibility for the project, in order to be eligible for grant funding from the Challenge Fund, applicants must meet the following criteria:</p> <ul style="list-style-type: none"> • have the status of a business entity, • be registered in Bosnia and Herzegovina or Sweden, • perform the registered activity for at least 6 months until the date of the public call, • be profitable, • provide foreseen co-financing (at least 50% of the total project value), • directly responsible for the preparation and implementation of project activities (with partners, if any). <p>2.If you are a legal entity, please specify the name of the entity with the highest share capital.</p>
3.	Q	I am interested in some information: - The project I have in mind is based on the Internet portal - Is the lease cost of hosting space (Internet) a part of overheads / utility costs? - Does the budget have to be strictly spent during project implementation – e.g. whether it is possible to announce hosting lease costs for two years?
	A	Given that, the hosting represents necessary infrastructure for IT projects, it can be an acceptable cost.

		Also, only those costs incurred after the signing of the contract, during the period of implementation of project activities, may be subject to funding.
4.	Q	Please, can you provide information about participation in a project for companies that have already participated in the project for the past years, can I participate this year? Our firm has successfully implemented one project in 2015.
	A	If the formal application conditions are met, the business entity can apply for the current call. Participation is allowed, but with the project ideas that were not previously subject to funding from another institution or donor.
5.	Q	I am addressing you on behalf of the Agricultural Cooperative from Laktaši, regarding applying for Call to Challenge to Change. Our primary activity is the production of domestic beer, which is a relatively new product on the BiH market. It started as from a hobby to finally decision to start a business with tremendous self-indulgence and investment. The craftsman brewery has existed for a while in Europe and the time of interest for it, it is just coming. What is characteristic of a craft beer is that it does not contain any artificial additives or preservatives, it is non-filtered and unpasteurized, which means it has preserved nutrients from cereals, hops, herbs, honey, and other natural additives used in its production. According to current regulations in BiH and RS, beer is treated as a food, which is a craft beer (unlike the industrial one) because of all the above. Can we apply for this call?
	A	In accordance with the Guidelines for Applicants, the mentioned sections of interventions are not eligible for funding. If, in accordance with the applicable regulations, your production is treated as "food", please enclose with your application an extract from relevant acts from legal regulation framework that prove this.
6.	Q	I have a couple of questions before filling out the application, and I did not find the answer to the C2C guide. 1. Can my company compete with the same idea as the previous call, if we did not pass the second round? 2. Can I compete with another idea in co-operation with a firm in BiH? The firm is new (3 months in existence) in BiH, but it is a daughter company of a Croatian company that has been in existence for 25 years.
	A	1. If you have participated in the previous call and have not passed successfully, it is permissible for the same company to participate in the same business idea on the next call for proposals. 2. In accordance with the Guidelines for Applicants, applicants must be eligible to receive the following funding criteria in order to be eligible for grant funding from the Challenge Fund, as follows: <ul style="list-style-type: none"> • have the status of a business entity, • be registered in Bosnia and Herzegovina or Sweden, • perform the registered activity for at least 6 months until the date of the opening of public call, • be profitable,

		<ul style="list-style-type: none"> • provide foreseen co-financing (at least 50% of the total project value), • directly responsible for the preparation and implementation of project activities (with partners, if any). <p>Partner must also perform the registered activity for at least 6 months until the date of publication of the Public Call.</p> <p>The number of applications and grants awarded per call are determined by the following rules:</p> <ul style="list-style-type: none"> • the applicant can not submit more than one application within the same call, • the applicant may be a partner on another application for the same call, • partner can be a partner in another application within the same call, • a partner organization can not award more than one grant within the same call.
7.	Q	We are a public company established as a ltd. We supply drinking water, collect waste disposal, clean, and maintain the public areas, etc. We have 96 employees. Can we apply as a public company to this public call, in the sense of submitting a project based on waste collection and disposal?
	A	Public Call of Challenge Fund is intended solely for profit oriented business entities as applicants with up to 250 employees, registered in BiH or Sweden. Non-profit legal entities may only be partners with the same limit of number of employees.
8.	Q	<p>I have seen in the instructions that it supports the infrastructure projects, up to 10% of the value. One of our projects we want to implement, is the asphaltting of our factory's circle and the roadway M17. So, we are interested in whether this can be a project idea for ourselves, or investment in infrastructure alone does not meet the call criteria. Asphaltting the approach would benefit the community, because the public road is partly passed, and as such investment has effects on the local community as well.</p> <p>Other ideas we have are based on investing in new equipment. Please just comment on this.</p>
	A	<p>The project idea consists of a series of activities that must be associated with the anticipated expected results. Infrastructure works can be part of project activities, and as eligible costs, it can be planned up to 10% of the total project value.</p> <p>Equipment procurement may be provided as one of the project activities.</p>
9.	Q	<p>We exist as a non-governmental organization, but we are not registered as a profit organization.</p> <p>For now, we have been producing craft beer, but we want to improve our production and to penetrate the market. Is there a chance to apply for a "C2C".</p>
	A	In accordance with the Guidelines for Applicants, page 5 – Section 4.1., the applicant's definition and acceptability in the project - it is necessary for the applicant to be a registered business entity and profit-oriented.

10.	Q	<p>In the Application Guide on Call, Section 4.1. the eligible applicants are defined for the Challenge Fund. Since they are not explicitly listed, and while some of them are considered by companies, we want to get the following confirmation:</p> <p>1. Can agricultural holdings be applicants? As agricultural holdings are registered with APIF (Intermediary Agency for IT and financial services RS) in accordance with the normative and legislative framework (RS Law on Agriculture), they typically fall into a group of micro enterprises with fewer than 10 employees. We are not sure whether they are doing this to group 3. or are not able to be an applicant and a partner on the project.</p> <p>2. Is the applicant (the company – ltd) need to procure the equipment for his/her needs or he/she can obtain the equipment for the purpose of developing an agricultural holding?</p> <p>3. Is it allowed that the partner on the project and the user of the newly-provided equipment, is a company that is less than six months old if the applicant is an economic entity that exists for more than two years? In Section 4.2. it is said that the partners have the same criteria as an applicant, so would this mean that a partner can not be less than six months old? And does this mean that if a partner is younger than 2 years old, the maximum amount of co-financing is reduced to a maximum of 10,000 euros for investments over 60,000 euros?</p>
	A	<p>1. In accordance with the valid regulations in the Republic of Srpska, eligible applicants are commercial agricultural holdings, which are registered in accordance with the mentioned law.</p> <p>2. The applicant and the partner define project activities, and examples of eligible activities are listed in the Applicant's Guide.</p> <p>3. In the Guidelines for Applicants, the forms of registration and timeframes for applicants and partners are listed. Criteria applied to applicants must also be applied to project partners.</p> <p>If the applicant is an enterprise older than 24 months from the moment of registration until the moment of publication of the public call, the maximum amount of co-financing by the C2C Fund is EUR 30,000.</p>
11.	Q	<p>I'm interested in ways of co-financing of my part for innovative ideas! In what ways can my husband, by way of donation, provide my 50% participation in my clinic account? Does he donate money before applying to show it or maybe later if C2C Program requires additional documents after the application?</p>
	A	<p>Co-financing by the applicant or partner in the project is solely financial (it is not eligible to have contribution in the goods).</p> <p>During applying, it is not necessary to submit any additional documentation about your contribution, but through the realization of the project activities, the applicant or partner is provided it with his/her own.</p>
12.	Q	<p>1. Is the product, process, or service an added value to the existing value chains? Please provide more detailed clarification, what is the value chain and what products, services can be additional value, in what sense?</p>

	<p>2. Please, give the explanation about the list in the Budget, part 1. of Staff.</p> <ul style="list-style-type: none"> ● Which staff here means, whether the staff which already works in the company and who will work directly on the project, and for this staff should calculate its working hours and corresponding costs? ● In this part, are the costs included such as a consultant - technologist or it is in part 3. – “other costs”, that is, the staff who will work part-time on the project during the project period or shortly thereafter? ● Can one here, for example, be a director and project manager who already works in the firm and will work directly on the project, as a part of their working hours? <p>3. Please, explain the budget list, section 3. “Other costs”.</p> <ul style="list-style-type: none"> ● Can one put here a service costs for design of product packaging? ● Can one put here a consulting costs for export, marketing, and product concepts/design? ● Does the project include poorer categories? ● Please clarify, do you consider here the employment of unskilled staff, permanent employment or, for example, seasonal employment, as well?
	<p>A</p> <p>1. The widest form of definition, value chains are related to other business entities and corresponding activities related to: procurement (input logistics), operations (processes, eg common processes with other participants), output logistics to the market, marketing and sales, service support etc. With the describing of a strong value chain/chains in which you participate and expanding "with innovation", you express the greater capacity for the feasibility and sustainability of an innovative idea, and your further development.</p> <p>2. The budget line "staff" implies the engagement of the required staff for the realization of the project idea, whether it is currently employed or newly employed (depending on the project implementation needs and the applicant's and partner's capacity for the project).</p> <ul style="list-style-type: none"> ● Other costs are all costs incurred through the subcontracting process, ie by outsourced persons (such as consultants or specialized consulting enterprises). ● The director and project manager who already work in the firm and will work directly on the project part of their working hours, can be planned in the budget if it requires re-realization of your project. <p>3. In the budget line 3. – “Other costs” are all costs of project implementation that are not defined in any of the previous budget lines (for example: consultancy services, marketing, education, construction works and similar).</p> <p>Please, see Offline Application Form, page 5, which includes some questions that can help you properly define your answers.</p>
13.	<p>Q</p> <p>Last year our limited liability company from Mostar applied for Challenge Fund allocation call, but the proposed project was not accepted. The purpose of the proposed compost system is to eliminate dangerous organisms and restore nutrients to the soil. The implementation of such systems in critical areas (such as nature parks) solves the problem of waste water in the long run without the need for sewerage systems and treatment plants. Compared to conventional sewage systems using vast amounts of drinking water, compost systems do not use rinse water and thus preserve this natural resource. Can you give us information? 1) Is it allowed to apply this year to this project?</p>

	A	1.If your project has not been approved in the previous call, your company may apply for this call with the same project proposal.
14.	Q	We signed up for the first public call in 2017. and our application has not passed. We would like to apply again to the 2nd public call for submission of project proposals for the use of Challenge Fund and we would like to know whether we need to re-register because we have been registered from the previous 1. call through which we can access the online application and to fill in again.
	A	If you have registered for the First Public Call, you do not need to re-register, but conduct the application process to the Second Call under the same registration from the previous period.
15.	Q	Our firm is implementing a project to improve the production innovation, which lasts from 10th of 2017. For sure, the realization will last for another four months. 1. Can we apply with this project that is still ongoing and started before the second call is made? 2. Is there a period in which an applicant makes a payment from his own resources?
	A	1. If the process of realization of a project has begun, and a further upgrade of the project is envisaged, it is possible to apply for the second call. However, all activities and costs with the corresponding results that have already been achieved are not eligible for co-financing by the C2C Fund. Practically, only new activities and costs (without overlapping with the previous ones) that have arisen during the implementation period (after the signing of the Contract) may be subject to eligible costs, and therefore co-financing from the C2C fund. 2. No prior transfer of own contribution before project implementation is required. Individual participation is provided through the implementation of project activities.
16.	Q	In the guide it is stated that they are not acceptable categories - alcohol, tobacco production, happiness games etc. Since I own a micro craft brewery, and beer is a food product by regulation, I wonder if I can apply for a project which concerns beer production?
	A	In the Guidelines for Applicants, there are sections of interventions that are not eligible for funding. If, in accordance with the applicable regulations, your production is treated as "food", please enclose with your application an extract from relevant legal acts that prove this.
17.	Q	My craft brewery has been founded in 2015 and it's brewing two types of beer: American pale ale and India pale ale. We are planning to brew two more different beers; Stout and red ale. I really do hope you will have understanding and that you will help us to improve and upgrade our craft beer brand who is already becoming a more recognizable every day.
	A	If you meet the requirements set out in the Applicant's Guide, you can apply until the scheduled deadline, April 10.
	Q	

18.		I'm interested in the explanation of item "Project feasibility from the aspect of market, cost, and time needs" in application form. Should we mention here and submit corresponding documents to confirm whether we have conducted market research, sign up the subcontracts with future clients or proof on completion of previous projects?
	A	It is enough to provide the required information in accordance with the form guidelines, but it certainly increases the quality of your answers if you document the attachments and state the already existing steps that are directly related or have some certain support for innovation development (such as market research, subcontracts, letters intentions, etc.).
19.	Q	Is the product, process, or service an added value to existing value chains? In the bracket, it is stated that it should be written a maximum of 15. Is this related to 15 different chain members? Since different products / services can have different chains where the key is essentially 3.4, this question is not the clearest one.
	A	Key participants and partners in value chains need to be listed. In the widest form of definition, the value chain is related to other business entities and the corresponding activities related to: procurement (input logistics), operations (processes, eg common processes with other participants), output logistics to the market, marketing and sales, support services and more.