



GUIDELINE

FOR THE SECOND CALL FOR THE
EXPRESSIONS OF INTEREST OF THE
REGIONAL CHALLENGE FUND IN
THE WESTERN BALKAN 6

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List of abbreviations

CT – Cooperative Training
Eol – Expression of Interest
KfW – German Development Bank
Q&A – Questions and answers
RCF – Regional Challenge Fund
VET – Vocational education and training
VTI – Vocational training institute
WB – Western Balkan



GENERAL INFORMATION

The **Regional Challenge Fund (RCF)** is a financing facility designed to increase employability, especially youth. It boosts the competitiveness of enterprises in Western Balkan 6 economies by funding investments in equipment and infrastructure for selected cooperative or dual training projects implemented through partnerships between vocational training institutes and enterprises. The grants are allocated through a competitive regional challenge.

The German Ministry for Economic Development and Cooperation (BMZ) has commissioned a total of 39m Euro to German Development Bank (KfW) to support investments in cooperative training projects in the WB6 economies. The project executing agency is the WB6 Chamber Investment Forum which is supported by an international consortium of consultants to implement the overall program.

The RCF had a very successful first Call for Expressions of interest opened in 2021 that resulted in **37 most successful projects** being proposed for finance, allocating approximately 15,4 million Euros to the Western Balkans 6 region.

Now the RCF opens the second Call for Expressions of interest and invites interested consortia of vocational training institutes and enterprises devoted to joint implementation of cooperative training programmes to apply and:

- Compete for the opportunity to realize substantial investments in training equipment and training facilities at vocational training institutes and encourage the introduction of new technologies
- Support the development of cooperative training methods to address human resource shortages effectively and strategically approach capacity building
- Improve employability of trainees/VET graduates and their integration into the labour market
- Increase productivity and competitiveness of local enterprises as a result of successfully implemented cooperative training programmes.

THE SECOND CALL FOR EXPRESSIONS OF INTEREST WILL BE OPEN FROM MARCH 7TH TO APRIL 14TH, 2022, AT 23:59. THE CALL IS PUBLISHED SIMULTANEOUSLY IN THE SIX WESTERN BALKAN ECONOMIES: ALBANIA, BOSNIA AND HERZEGOVINA, KOSOVO, MONTENEGRO, NORTH MACEDONIA, AND SERBIA. THE RCF INVITES APPLICATIONS FROM ALL SIX ECONOMIES AND ALL ECONOMIC SECTORS.



ELIGIBLE APPLICANTS

To be eligible for the RCF funding, **leading applicants** must satisfy the following criteria:

- Registered in one of the Western Balkan 6 economies for at least 2 years before the Call announcement
- Provide vocational education and training as their core activity (vocational education and training institute – VTI)
- Be public, private, or non for profit
- Recognised by the relevant authority (licenced or accredited per national regulations) as vocational education and training institutions
- Have engaged in the past, or are willing to engage, in preparing and implementing cooperative training programmes or dual education programmes per national regulations
- Offer officially recognised long term or short term vocational education and training programmes (educational profiles) leading to officially recognised qualifications that are following the regulations of national qualifications authorities, or the equivalent
- Public VTIs are supported by the relevant authorities (ministries, VET agencies, municipal governments, etc.) for their regular operation and maintenance



The criteria mentioned above are also applicable for the co-applicants (second VTI – optional). Vocational training institutes that do not comply with the criteria stated above will be considered non-eligible, and their application will be rejected.

To be eligible for the RCF funding, **partnering enterprises** must satisfy the following criteria:

- Registered in one of the Western Balkan 6 economies for at least 2 years before the call announcement
- Private or public or not for profit
- Working in all sectors and all sizes (micro, small, medium, large)
- Operate with a positive financial result in the year preceding submission of an Expression of Interest
- Offer sufficient workplace learning capacities for all learners under the cooperative training project
- Have already gained some experience with cooperative training initiatives or have decided to participate in them, are committed to supporting the delivery of cooperative training, and are ready to integrate elements of practical education in their work processes
- Not involved in any activity described in the [KfW Exclusion List and Sectorial Guidelines](#)
- Not owned by individuals or legal entities based in countries under the UN, UK or US or EU or German sanctions
- Not convicted of any criminal activity in the past

Enterprises that do not comply with the criteria stated above will be considered non-eligible, and their participation will be excluded.



To be eligible, **vocational training institutes and enterprises must:**

- Agree to disclose their published and/or interim financial statements/reports of the last 2 years during the application phase
 - Are only represented in one project proposal per Call
 - Commit to operate in compliance with international environmental, social, health, safety, and labour standards during the execution of their projects as described in the [RCF Occupational Health and Security](#) and [Environmental and Social Management guidelines](#)
 - Appoint cooperative training co-ordinators who will be in charge of planning and coordinating the jointly implemented training programmes and provide the necessary support to trainees
- VTIs and enterprises that do not comply with the criteria stated above will be considered non-eligible for the RCF funding.



ELIGIBLE CONSORTIA

The RCF grant support programme is intended to strengthen cooperative training and increase the quality and employment-relevance of vocational training measures. For this purpose, the RCF supports the establishment of consortia between vocational training institutes and enterprises to implement cooperative training programmes.

Project partners must be prepared to engage in joint training activities to qualify trainees based on qualifications and/or occupational standards that correspond to the demand of the labor market.

To be eligible for the RCF support, **VET consortia** must fulfil the following criteria:

- Consortia should be formed from eligible VTIs and eligible enterprises, as described in section 2
- Consist of at least one vocational training institute as a lead partner and applicant and **at least two** partnering enterprises per CT programme
- Consortia members consent to publishing good practices and sharing knowledge with RCF stakeholders
- Consortia are based on a cooperative training partnership which is documented in a **Memorandum of Understanding** between the participating parties
- One enterprise can support implementation of more than one cooperative training programme.



Consortia that do not comply with the criteria stated above and fail to submit a dully signed Memorandum of Understanding in the form required by the RCF and hyperlinked above will be considered non-eligible for the RCF funding.



ELIGIBLE PROJECTS

The consortia interested in applying for the RCF need to propose projects. The projects should be focused on joint preparation and implementation of the cooperative or dual training programme, or multiple cooperative or dual training programmes, preferably supplying for the same or similar economic sector and using similar machinery and equipment.

To better understand the concept of cooperative training promoted by the RCF, it is strongly recommended for consortia to familiarize themselves with [the RCF Cooperative Training Guidelines](#).

The RCF supports initiatives to improve or introduce cooperative training programmes, work-based learning programmes, and dual training programmes, at all levels of education (secondary, tertiary, adult education) in accordance with national regulations.



To be eligible, proposed projects must fulfil the following criteria:

- The projects must be submitted on time, i.e., by the submission deadline,
- The projects are submitted online, following the format and procedures prescribed by the RCF
- The requested funding from the RCF must range between EUR 150,000 and EUR 600,000
- VET consortia must contribute to the projects by making a matching contribution of at least 10% of the amount requested for funding from the RCF
- Consortia ensure that accident insurance for all trainees is provided in line with national regulations (considered as a matching contribution or co-financed)
- RCF funded projects provide training places for at least 30 students by the end of the second year.²

² The sum of 30 students can be achieved during the first and the second year of the CT programme(s) implementation

- RCF funded cooperative training projects are open to all ethnic groups. The project proposal may not exclude any ethnic (minority) group from the offered training.
- Cooperative vocational training programmes proposed for the RCF funding lead to nationally recognized qualifications and comply with the applicable national qualification frameworks.
- The proposed project does not increase the number of students at the VTI by more than 50% compared to the average of the last two years.
- The relevant authority supports the project. Accordingly, the leading VTI should obtain a [Support Letter](#) from the relevant authority (ministry or other as per national regulations)³ confirming its commitment to support the VTI during the implementation of the project and the delivery of the proposed cooperative training programme(s).
- Anticipated project duration is 3 years maximum starting from the date of signing of the Contract with the RCF (in case of 4-year long programmes the project proposed also lasts for 3 years)
- The cooperative training programmes can be carried out in a sustainable form after the completion of the project
- Projects and cooperative training programmes proposed do not support any activity described in the [KfW Exclusion List and Sectorial Guidelines](#) or similar.

Proposed projects that do not comply with the criteria stated above and fail to submit duly signed Letter of Support in the form required by the RCF and hyperlinked above, will be considered as non-eligible for the RCF funding and rejected.



³ Private VTIs need to obtain the Letter of Support signed by the authorized representative (owner, dean, or similar), as per internal Statutes.



USE OF FUNDS

To reach its goals of strengthening the quality and labour market relevance of VET and, at the same time, to increase the availability of skilled workers for companies, RCF awards grants to be used for investments that will allow for better learning environment for trainees and increasing the quality of cooperative training activities.

As stated above, the consortia may apply for the funding from the RCF ranging between EUR 150,000 as a minimum amount requested from the RCF and EUR 600,000 as a maximum estimated amount requested from the RCF.

Grants shall be used for investments in certain goods, works, and services, obtained through the public procurement process conducted by the Fund Management Unit of the Regional Challenge Fund in line with the KfW Procurement Guidelines. The awarded consortia will not purchase goods, works, or services by themselves.

ELIGIBLE COSTS

The following costs are considered as eligible for the RCF funding:

- Investments in machinery and equipment at the premises of the VTI that are needed for the implementation of the practical part of the proposed cooperative training programme(s) in line with curricula
- Financing of rehabilitation/extension/adaptation/construction of training-related facilities at the premises of the VTI needed for the implementation of the practical part of the proposed cooperative training programme(s), including costs for obtaining building permits and design of the rehabilitation/extension/adaptation/construction projects
- Training of teachers (training on using new equipment and machinery, pedagogical training, etc.)
- Training of in-company trainers (pedagogical training on how to work with trainees and how to mentor them during the work-based learning, other training relevant for the joint implementation of CT programme(s))
- Advisory support to the VTI or enterprises related to the implementation of CT programme(s), upgrade of curricula and teaching materials during the implementation of CT programme(s)⁴

⁴ Private VTIs need to obtain the Letter of Support signed by the authorized representative (owner, dean, or similar), as per internal Statutes.

- Costs for teaching materials/media for practical training in VTIs as required within the scope of the cooperative training programme(s)
- Expenses for consumables (training materials) to a limited extent relating solely to the implementation of the planned cooperative training programme(s)
- Support to related aspects such as occupational health and safety (OHS), provision of appropriate working conditions for trainees, VET teachers, and in-company trainers, both at the VTIs and their cooperating enterprises' premises.
- Maintenance costs for the equipment and machinery, training facilities, supplied from the RCF funds during the project duration
- Costs of promoting the cooperative programme(s) among potential trainees and their parents

- ✓ The list of costs given above is not obligatory – consortia can but are not obliged to include all these costs in their request for funding from the RCF.
- ✓ All the costs mentioned above are eligible for financing from the RCF and can also be calculated as a matching contribution if preferred by the consortia.
 - ✓ The costs should be estimated based on market research.
 - ✓ The costs should be calculated gross – VAT and other relevant taxes included.
- ✓ The budget form advised to be used for calculating the costs is available [here](#). Submission of this budget form is optional at the EoI stage but will become obligatory for the applicants shortlisted to the full application form stage.



COSTS THAT CANNOT BE FINANCED BY THE RCF

The following costs **cannot be financed from the RCF funds but can be calculated as a matching contribution**:

- Operating costs of VTIs or partnering enterprises:
 - salaries of the teachers directly involved in implementation of the CT programme(s), (including fees/salaries for CT Coordinators)
 - salaries of the employees at the partnering enterprises directly involved in implementation of the CT programme(s)
 - costs of utilities (water, heating, electricity, etc.) in the proportion of usage needed for implementation of the proposed CT programme(s) and all other operational costs other than those eligible in the previous section
- Accident insurance for all trainees (must be provided by consortia)
- Costs of remuneration for the trainees
- Transportation costs for the teachers, trainees, or in-company trainers and employees related to the delivery of CT programme(s) proposed within the project
- Costs of amortization and depreciation of the equipment and machinery used for the practical training during delivery of CT programme(s) proposed within the project

VET consortia must contribute to the projects by making a matching contribution of at least 10% of the total requested funding amount. The contribution may be provided financially and/or in-kind to the coverage of operational costs and/or investment costs by the Vocational training institutes and/or the enterprises or jointly. For detailed instructions on how to calculate matching contributions, [click here](#).

The following costs cannot be financed from the RCF funds, nor calculated as a matching contribution, hence are entirely ineligible:

- Purchase/maintenance/depreciation of equipment and machinery which is not directly related to the establishment of a new or upgrading of existing cooperative training (CT) programme
- Direct financial support to partnering enterprises for purchasing equipment or machinery
- Operating costs used for purposes other than direct delivery of CT programme(s) proposed within the project (e.g., salaries of teachers involved in other programmes delivered by the VTI, etc.)
- All other costs not directly related to the delivery of CT programme(s) proposed within the project



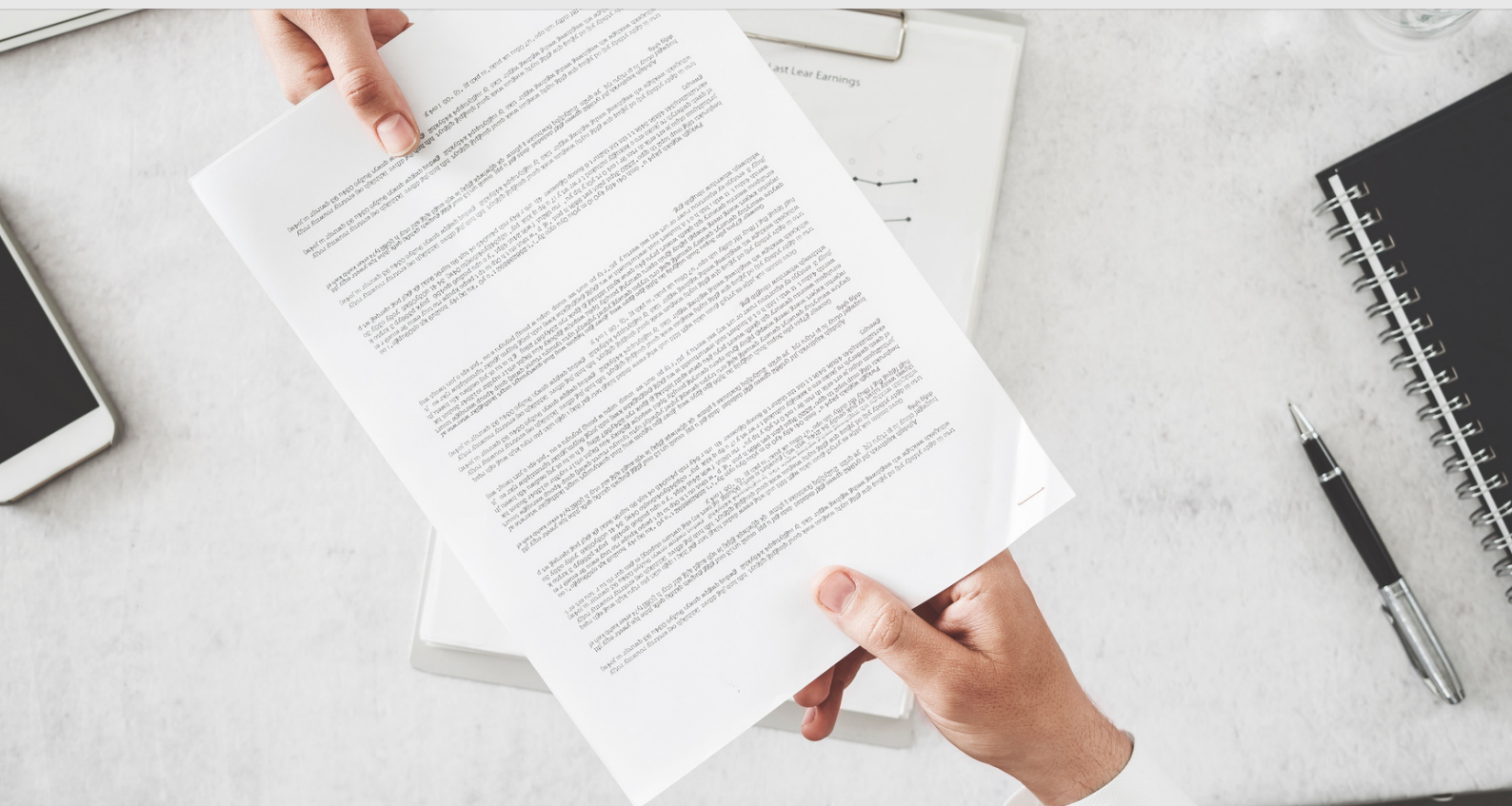
THE LIST OF ANNEXES

For information only:

- Expression of Interest Form (the submission is to be done entirely online, see the next chapter for detailed instructions)
- RCF Occupational Health and Security
- Environmental and Social Management guidelines
- Matching Contribution Guidelines
- Cooperative Training Guidelines

To be filled in/submitted online:

- Memorandum of Understanding
- Letter of Support
- The licence that demonstrates the VTIs registration
- Accreditation for the proposed CT programme(s)
- Business registration acts for all partnering enterprises and private VTIs
- Budget calculation – optional





HOW TO APPLY

Eligible consortia of vocational training institutes and enterprises interested in funding investments in equipment and infrastructure for VET providers that engage or plan to engage in cooperative training are invited to submit an Expression of Interest through an online procedure. The application process is managed within the Grant Management System of the RCF.

GRANT MANAGEMENT PORTAL

The application process is conducted fully online through the RCF's virtual platform – [grant management system](#). All interested applicants are invited to register and create their accounts by clicking [here](#). Forms sent via email or in any other way will not be accepted.

You will need to accept the privacy settings during the registration and fill in all the mandatory fields. Upon signing in, make sure to select the RCF Expression of Interest Form under the Available Grants and start with filling in the details. Some questions will ask for a textual explanation, others for checking the appropriate boxes, and under some, you will need to upload the indicated documents.

Please fill out the form using the English language.

If you are re-applying for the RCF support, you do not have to create another account, but you will have to start another Expression of Interest and re-submit all the supporting documents required.⁵

For the leading applicant to submit the form, the approvals from the partnering enterprises will have to be obtained online, as indicated in the instructions given within the system.

Forms will have to be submitted before the deadline of **April 14th, 2022, at 23:59**. After the deadline, the submission will no longer be possible.

APPLICATION AND SELECTION PROCESS

The application and selection process is implemented through a two-stage process. In the first stage, a consortium expresses interest by submitting an Expression of Interest via Grant Management System before the indicated deadline. Applicants should make sure to upload all the mandatory supporting documents and fill in all the mandatory fields.

⁵ Returning applicants need to prepare Memorandum of Understanding and the Letter of Support dated in 2022. Data from previous forms will not be copied automatically.

After the submission and expiration of the deadline for submission of the Eols, the Fund Management Unit will organize the eligibility check. During the Eol appraisal process, formal eligibility is checked following the predefined criteria described in sections 2, 3, 4, and 5 of this document. Shortlisting of the checked Expressions of Interest is subject to the funds available for the Call, both through national and regional windows.

If an Expression of Interest passes the eligibility check and shortlisting, the leading applicant will be formally notified through the Grant Management System. They will be invited to prepare the full application form before the given deadline. The full application form will require the preparation of a comprehensive project proposal within 45 days of receiving notice that their Eol was accepted.

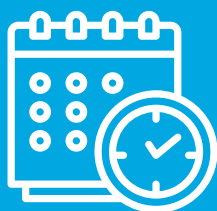
The project proposal is first checked against the formal criteria (whether the application is complete, all required documents have been submitted, compliance with the eligibility criteria, etc.). In the second stage of the selection process, the three selection experts from the international pool of VET international experts will individually and independently evaluate the project proposals based on the selection criteria concerning the concept, feasibility, plausibility, and ambition of the project proposal.

Conceptual criteria (maximum 40 points)
Feasibility criteria (maximum 30 points)
Plausibility criteria (maximum 30 points)
Ambition criteria (maximum 30 points)

To learn more about the [selection criteria](#), [click here](#).

After a proposal is initially approved, the technical experts' review will be pending to verify the proposed investment plan. Finally, the funding agreement will be negotiated and closed between the RCF and the pre-selected VET consortium, led by the VTIs as the main beneficiaries based on the technical experts' input. Then, based on the list of items approved for the investments, the FMU team will organize procurement processes according to the abiding procedures.

The awarded consortia will have an obligation to report on the implemented activities and cooperative training programme(s), the involvement of trainees and partnering enterprises, the quality of the work-based learning component, the usage of the equipment, etc., once per quarter. Monitoring visits from the RCF team will be organized to supervise the project implementation.



SCHEDULE OF ONLINE INFO ACTIVITIES

To present the Second Call for the Expressions of Interests and the eligibility criteria, the Fund Management Unit of the RCF will organize a series of online information sessions. In addition, Tutorials and QA sessions will provide further detailed insights about certain aspects relevant to preparing the Expressions of Interests and accompanying documents.

The events will be held in the local language with English translation provided. To receive the link for ZOOM webinars, interested participants need to register following the links presented [here](#). The online info events will be recorded, and the recordings will be available [here](#) for all those interested.



COMMUNICATION WITH THE REGIONAL CHALLENGE FUND

In case you need further clarifications about some additional issues not covered by this Guideline, you can reach out to the RCF Fund Management Unit team using the contacts indicated in the table below:

Questions about the Grant Management System from the applicants based in all economies should be addressed to the following email address, preferably in English:	applications@rcf-wb6.org
Questions from Albania and Kosovo:	renato.vasili@rcf-wb6.org
Questions from North Macedonia and Montenegro:	biljana.simeonova@rcf-wb6.org
Questions from Serbia and Bosnia and Herzegovina:	jelena.manic@rcf-wb6.org

We strongly advise addressing the questions you might have in a timely manner, avoiding the days near the deadline.