



GUIDELINE

FOR THE FOURTH CALL FOR
THE EXPRESSIONS OF INTEREST OF
THE REGIONAL CHALLENGE FUND
IN THE WESTERN BALKANS 6

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LIST OF ABBREVIATIONS

CT – Cooperative Training
Eoi – 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
CIF – Chamber Investment Forum
SDC – Swiss Development and Cooperation

1. GENERAL INFORMATION ABOUT THE FOURTH CALL FOR THE EXPRESSIONS OF INTEREST

The Regional Challenge Fund (RCF) is a financing facility designed to increase employability, especially youth. It boosts the competitiveness of enterprises in the 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 Euro 64.43 million EUR for the RCF, and the Swiss Government, represented by the SDC Swiss Development Cooperation, co-financed an additional 10 million EUR. The funds were commissioned to the KfW German Development Bank and executed by the Western Balkans Six Chamber Investment Forum (WB6-CIF), a joint initiative of chambers of commerce from the region.

The first three rounds of applications attracted more than 455 Expressions of Interest from all Western Balkans economies. The selection process led to the selection of 99 projects for financing and allocating approximately 44 million euros for investments in equipment, infrastructure, and training to vocational education consortia.

Now, the RCF opens the Fourth 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 skills shortages effectively and strategically approach capacity building
- Improve the 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 Call for expressions of interest will be open from **April 7th to June 6th, 2025, at 23:59**. The Call is published simultaneously in the six Western Balkan economies: Albania, Bosnia and Hercegovina, Kosovo, Montenegro, North Macedonia, and Serbia. The RCF invites applications from all six economies. The RCF particularly encourages applications from consortia that address green transition, and/or digitalization, and/or gender equality and social inclusion, and/or one of the national priorities presented in the Annex to this document.

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 (licensed 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 follow 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
- ✓ VTIs can benefit from financing from the RCF up to 1.2 million euros in total (accumulated throughout different calls)¹.

The abovementioned criteria also apply to the co-applicants (second VTI – optional). Vocational training institutes that do not comply with the above criteria 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](#)

¹ For Kosovo this also includes Kosovo Challenge Fund awarded financing.

- ✓ Not owned by individuals or legal entities based in countries under the UN, UK or US, EU, German or Swiss sanctions
- ✓ Not convicted of any criminal activity in the past
- ✓ Partnering enterprises can participate in the RCF-funded projects up to 2 times.

Enterprises not complying with the above criteria 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 RCF funding.



2. 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 three** 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 the implementation of more than one cooperative training programme in the same economic sector.

3. 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 that consortia 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, and 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 500,000
- 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 year²
- 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 frameworks³
- VTI can propose a maximum of 2 CT programmes (educational profiles, study programmes, or similar as per national regulations) per Expression of Interest
- The proposed project does not increase the number of students at the VTI by more than 50% compared to the last two years' average
- 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)⁴ 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.

To be eligible, projects must address one or more of the following thematic priorities of the RCF:

- green transition** (proposed CT programme is partially or entirely focused on building green skills; budget includes investments for greening practices in schools or enterprises).
- gender equality and social inclusion** (consortia demonstrate a strong commitment to increase gender equality by attracting more females in traditionally male-dominated occupations or vice versa and to include students from vulnerable groups; infrastructure support for persons with disabilities or for fostering inclusion of all genders).
- digital transformation** (proposed CT programme is partially or entirely focused on building digital skills and/or implemented via digital tools; budget includes investments in innovative technologies).

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

³ Accreditation is mandatory for the proposed CT programmes. If the VTI is in the process of the accreditation, they can still submit the EOI, however they will be obliged to submit the official accreditation letter not later than 3 months after receiving the official decision on funding from the RCF.

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

d) **national priorities** (CT programme addresses one of the preferred economic growth sectors, and/or models, e.g. dual or WBL, and/or strategic VET priorities) as stipulated in the Annex.

Proposed projects that do not comply with the criteria stated above and fail to submit a 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.

4. 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 a better learning environment for trainees and increasing the quality of cooperative training activities.

As stated above, the consortia may apply for funding from the RCF ranging between EUR 150,000 as a minimum amount requested from the RCF and EUR 500,000 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.

ELIGIBLE COSTS

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

Equipment and Machinery

Investments in Machinery and Equipment at the premises of the VTI that are necessary for the implementation of the practical part of the proposed cooperative training programme(s) in line with curricula and defined learning objectives

- Training on using new Equipment and Machinery, manuals, installation
- Maintenance costs for the Equipment and Machinery supplied from the RCF funds.

Works

Financing of rehabilitation/extension/adaptation/construction of training-related facilities at the premises of the VTI necessary for the implementation of the practical part of the proposed cooperative training programme(s), under the following conditions:

- A detailed Bill of Quantities with estimated costs must be prepared and submitted with the Expression of Interest for all types of works
- If a construction permit is required for the envisaged works according to the national regulations, applicants must submit the relevant preliminary project design with the Expressions of Interest and the detailed Bill of Quantities
- Should the project be shortlisted, the main (final) project design should be presented within the full application form
- Should the project be selected for funding, and the construction permit is necessary, the construction permit must be obtained and presented to the RCF not later than 3 months after receiving the official decision on the award from the RCF.

Cooperative Training Programme Costs (maximum 20% of the total requested RCF funding)

- Training of teachers and in-company trainers (pedagogical training, training on mentoring, training on green transition, fostering gender equality and social inclusion, and similar)
- 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)⁵
- 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
- Costs of marketing and promoting the cooperative programme(s) among potential trainees and their parents, including costs for reaching out to all genders and vulnerable groups.

⁵ Expenses for advisors and/or consultants during the application phase for accreditation and licensing are not supported.

IMPORTANT NOTES

- ✓ 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 – VAT⁶ and all additional costs and taxes included (transportation, installation, customs, etc.).
- ✓ The Budget Form to be used to calculate the costs is available [here](#). Submission of the Budget Form, including the Bill of Quantity for works, is mandatory.
- ✓ The number of budget positions to be financed by the RCF within the Budget Form should be up to 10. The estimated value of each position should be a minimum of 10.000 EUR for the Equipment, Machinery, and Works, and a minimum of 5.000 EUR for the other costs.



⁶ Except in Kosovo where VAT exemption is in place for RCF and KCF funded projects.

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.

5. 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**
- **Matching Contribution Checklist**
- **Cooperative Training Guidelines**

To be filled in/submitted online:

- **Memorandum of Understanding**
- **Letter of Support**
- The licence that demonstrates the VTI registration
- Accreditation for the proposed CT programme(s)
- Business registration acts for all partnering enterprises and private VTIs
- **Budget Form, including the Bill of Quantities (where applicable).**

6. 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 RCF Grant Management System.

GRANT MANAGEMENT PORTAL

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

You must 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 filling in the details. Some questions will ask for a textual explanation, others will require you to check the appropriate boxes, and under some, you will need to upload the indicated documents.

Please fill out the form using English.

If you are re-applying for 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.⁷

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 **June 6th, 2025, 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 the Grant Management System before the indicated deadline. Applicants should make sure to upload all the mandatory supporting documents and fill in all the compulsory fields.

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

⁷ Returning applicants need to prepare Memorandum of Understanding and the Letter of Support dated in 2025. Data from previous forms will not be copied automatically.

If an Expression of Interest passes the eligibility check and shortlisting, the leading applicant will be formally notified through the Grant Management System. The applicant 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 EoI was accepted.

The project proposal is checked against the formal criteria (whether the application is complete, all required documents have been submitted, compliance with the eligibility criteria, etc.). Furthermore, three selection experts will individually and independently evaluate the project proposals based on the selection criteria concerning the project proposal's concept, feasibility, plausibility, and ambition.

- Conceptual criteria (maximum 40 points)
- Feasibility criteria (maximum 25 points)
- Plausibility criteria (maximum 35 points)
- Ambition criteria (maximum 35 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, based on the technical experts' input, the funding agreement will be negotiated and closed between the RCF and the pre-selected VET consortium, led by the VTIs as the primary beneficiaries. 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 year. Monitoring visits from the RCF team will be organized to supervise the project implementation.

7. SCHEDULE OF ONLINE INFO ACTIVITIES

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

The events will be held in the local language. To receive the link for 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.

8. 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:

| | |
|------------------------------------|-------------------------------|
| Albania | renato.vasili@rcf-wb6.org |
| Bosnia and Hercegovina; Montenegro | sven.dominkovic@rcf-wb6.org |
| Kosovo | vesa.shehu@rcf-wb6.org |
| North Macedonia | biljana.simeonova@rcf-wb6.org |
| Serbia | jelena.manic@rcf-wb6.org |

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

9. ANNEX – NATIONAL PRIORITIES

To be eligible, **projects** must address **one or more** of the following thematic priorities of the RCF:

- a) **green transition** (proposed CT programme is partially or completely focused on building green skills; budget includes investments for greening practices in schools or enterprises).
- b) **gender equality and social inclusion** (consortia demonstrate a strong commitment to increase gender equality by attracting more females in traditionally male-dominated occupations or vice versa and to include students from vulnerable groups; infrastructure support for persons with disabilities or for fostering inclusion of all genders).
- c) **digital transformation** (proposed CT programme is partially or entirely focused on building digital skills and/or implemented via digital tools; budget includes investments in innovative technologies).
- d) **national priorities** (CT programme addresses one of the preferred economic growth sectors, and/or models, e.g. dual or WBL, and/or strategic VET priorities) as stipulated in the Annex below.

| Economy | Economic Sector | VET Focus |
|-----------------|---|--|
| Albania | <ul style="list-style-type: none"> • ICT and related value chain sectors i.e. Cybersecurity and Data Protection, Innovation Labs, AI and Big Data Computing • Construction and related value chain sectors i.e. Facility Management, Real Estate Management, Manufacturing and Processing of Materials, Thermohydraulic • Hospitality and Tourism and related value chain sectors i.e. accommodation, food and beverages, travel services and tour operators | N/A |
| BH | <ul style="list-style-type: none"> • Metal Processing • Wood Processing • Tourism | Public VET providers |
| Montenegro | N/A | Public VET providers and/or VET institutions licensed to implement adult education programs and/or those in the process of licensing |
| Kosovo | <ul style="list-style-type: none"> • ICT • Food Processing • Wood and Metal Processing | Public VET providers |
| North Macedonia | N/A | Dual Education / Dual Studies |
| Serbia | N/A | Dual Education / Dual Studies |