



LUXAID DEMONSTRATION FUND

Scaling impact through innovation

PRACTICAL GUIDE

Apply by 6 February 2025 via the GoodGrants platform: <https://luxaidbusiness4impact.grantplatform.com/>

Are you a Kosovo-based enterprise offering high-impact commercial green or digital innovations? Are you looking for capital to accelerate or scale your solution?

Discover the co-financing opportunities offered by the LuxAid Demonstration Fund (LDF)!

What are the LuxAid private sector engagement funds?

The LuxAid private sector engagement funds are a new initiative from the Luxembourg Cooperation aimed at pioneering commercial solutions that tackle development challenges. The current call for proposals offers one funding window:

The LuxAid Demonstration Fund targets well-established, mature enterprises in Kosovo with proven innovative and commercially viable solutions. The Fund will typically focus on supporting the scale-up of the solutions whose impact has been proven on a smaller scale, yet present challenges to grow. Moreover, it targets projects with a potential to inspire changes in a value chain or market segment. Through this second call for proposals, 3 – 4 innovative solutions will be granted up to EUR 350,000 per project, representing up to 50% of their project costs.

You are eligible for LuxAid Demonstration Fund if...

- Your enterprise is a formal commercial or cooperative company, legally registered in Kosovo before 1/11/2022 (sole proprietorships/individual businesses, associations and NGOs are not eligible). Please note that you will need to provide a business registration certificate, as well as articles of incorporation and tax clearance certificate;
- Your enterprise can demonstrate having at least 5 individuals with legal employment contracts (List of Employees by the Tax Administration of Kosovo), and no more than 250 employees, and a turnover below EUR 50 million. Please note that you will need to provide copies of the contracts and financial statements;
- Your enterprise has not obtained more than EUR 500,000 in external funding (grants, equity, loans, etc.) within the three years preceding the submission deadline;
- Your enterprise has a project proposal centred around an innovation in one of the thematic areas of the current call for proposals. The proposed solution represents the core business of the enterprise and has a clear commercialisation plan including proof of client pipeline/interest and the majority of the applicant's revenue comes from the innovation proposed in the submitted project;
- The innovative product/service proposed has been tested on the market and generated sales revenue for at least one year by the submission deadline, demonstrates clear commercial viability potential and has a clear scale-up plan to allow for significant SDG related impact;
- The proposed business project has a duration of 1 to 2 years and requires grant co-financing between EUR 100,000 and EUR 350,000;

- Your enterprise can co-finance at least 50% of the total project costs via external investments, founders' own funds, the enterprise's own free cashflow available in the beginning of the project and/or through sales.

The call for proposals

- **Geographical focus of co-financed projects - Kosovo**
- **Thematic areas and axes**

The overarching goal of the LuxAid private sector engagement funds is to contribute towards the achievement of the Sustainable Development Goals (SDGs).

The call for proposals will be open to **innovative commercially viable solutions** focusing on specific areas:

1. Digital innovation

- ICT and digital transformation as key enablers of growth and exports — supporting companies that provide digital tools (AI, data analytics, software development, automation, fintech, e-commerce, and cybersecurity).
- Export-ready ICT service providers and outsourcing companies scaling their digital innovations and expanding international partnerships.
- Private-sector-led skills-to-jobs initiatives focused on building digital and green skills directly linked to employment opportunities in emerging industries.
- HealthTech and e-health innovations in relation to cardio-vascular health.

2. Green innovation

- Energy efficiency and clean-energy transition in business operations (renewable integration, smart energy management, energy-saving technologies).
- Circular economy and waste valorisation (reducing resource use and promoting reuse, recycling, and recovery of materials across production chains).
- Sustainable agribusiness and circular agri-processing, turning agricultural by-products and organic waste into new products and materials, and promoting low-carbon, resource-efficient production models.
- Climate adaptation and resource-security solutions (water efficiency, nature-based solutions, circular materials).

All supported innovations must demonstrate measurable contributions to the SDGs. Examples thereof can be found below:

- Creation of gainful employment. Formal full-time or part-time jobs that offer decent working conditions, opportunities for skill development, and upward mobility.
How to measure this indicator: Number of new employees
- Improved financial outcomes for end-users. Evidence that users are saving or earning more.
How to measure this indicator: Number of new end-users saving or earning more.

What are the benefits?

Selected solutions will benefit from co-financing ranging between EUR 100,000 and EUR 350,000, representing a maximum of 50% of the total costs of the project.

Expected results of co-financed projects

The ideal results of a project co-financed by the LuxAid Demonstration Fund will ultimately consist of:

- a proven and cost-effective solution that delivers direct and measurable commercial, financial, social, and/or environmental results;
- a strengthened business model ready to be scaled, expand its impact on the target community and achieve commercial viability;

- mobilising other capital (ideally private) to enable the expansion of the solution within two years of the end of the project.

The project leader is solely responsible for the proper execution of the project. For any project that has not been implemented, LuxDev may request reimbursement for its co-financing.

Selection criteria

The Selection Committee for the LDF will prioritise systemic development solutions that target root causes rather than symptoms of structural problems. The Funds aim to strengthen innovative and inclusive economic models that act on the vicious circle of poverty/access to basic socio-economic goods and services.

Projects will be evaluated according to the following selection criteria:

1. Innovation and (cost-) effectiveness;
2. Societal impact, scaling potential, and futureproof;
3. Project viability and financial sustainability;
4. Implementation capacity;
5. Additionality.

Calendar

Preselection stage – Until Mid-February 2026

Following receipt of applications, the pre-selection phase begins. Once the eligibility and exclusion criteria have been analysed, the applications will be evaluated based on the selection criteria. The result of the preselection consists in identifying the top 10 LDF applications and inviting them to the next phase of the selection process due diligence phase.

Due diligence stage – March - April 2026

10 shortlisted LDF candidates will be invited to the next phase of **due diligence which will include field visits, personalised coaching sessions** aimed at improving their candidatures and if needed the **revision or provision of specific documentation**.

Coaching & proposal strengthening – Mid April – End May 2026

The pre-selected candidates will be offered individual pitch coaching sessions and be supported, if needed, in strengthening their proposal.

Pitch Day and Selection Committee – June 2026

Following candidates' presentation during the Pitch Day, the Selection Committee will meet to analyse the due diligence reports.

Selection Committee decision – June 2026

The Selection Committee will deliberate based on the due diligence reports and the pitch session and take a final selection decision. We expect to co-finance 3-4 LDF projects.

Contractualisation – July 2026

Following the notification of the candidates by Embassy of the Grand Duchy of Luxembourg in Pristina, LuxDev will engage in contract negotiations with the selected enterprises.

FAQs

Updated following the webinar on 14 January 2026 (cf. last question)

ELIGIBILITY CRITERIA

1) What kind of entities are eligible for the LuxAid Demonstration Fund?

All commercial or cooperative companies legally registered in Kosovo are eligible. Sole proprietorships/individual businesses, associations and NGOs are not eligible. To be eligible for the LDF, the company must be registered before 1/11/2022. Please check the list of all eligibility criteria above.

2) What do you mean by registration date?

The registration date is the date of the business registration certificate provided by ARBK. More details here: <https://arbk.rks-gov.net/Page/33>

3) Should the innovative project be for the citizens of Kosovo, or can it be an international project?

Submissions must be made by companies registered in Kosovo. Customers can potentially be abroad, depending on the business model. However, the project must generate a local impact for Kosovo's population, either directly or indirectly (e.g., through jobs, economic growth, or environmental improvement).

4) If a business changes its registration type (e.g. from an individual business to a commercial company), will it be eligible?

The entity applying must comply with all eligibility criteria of the fund. Such changes should have happened before November 1, 2022, for LuxAid Demonstration Fund.

5) Can one owner with two companies apply separately for the LDF?

Yes, there are no restrictions related to one person applying to the LDF with different companies.

6) Can companies established in other countries apply for the LuxAid Demonstration Fund if they seek to manufacture in Kosovo?

The applicant needs to be a Kosovo-based company which complies with all eligibility criteria.

7) Is an enterprise established outside Kosovo, but which also offers activities in the country, eligible?

If the enterprise has not been registered in Kosovo before 1/11/2022, it will not be eligible.

8) Is a project implemented outside Kosovo eligible?

While the enterprise might have business operations in other countries, the project submitted for co-financing must be implemented and have a measurable impact in Kosovo.

9) Are there other admissibility or exclusion criteria?

Yes. As outlined in the application form, in order to be considered for LuxAid co-financing, the applicant must confirm on behalf of the enterprise he represents, the following:

- The enterprise is neither responsible for nor involved in environmental degradation, human rights violations, forced labor, or child labor;
- The enterprise and the solution do not present any significant risks to people or the land;
- The enterprise is not subject to any ongoing criminal proceedings related to fraud, corruption, money laundering, terrorism, or human trafficking, and does not engage in discrimination based on race, colour, age, sex, gender identity and expression, ethnic or national origin, disability, pregnancy, religion, political affiliation, union membership, veteran status, protected genetic information, or marital status in hiring and employment practices, including wages, promotions, rewards, and access to training;
- The enterprise is not subject to sanctions by the European Union (EU) and its representatives (owners or executives) are not listed on the EU sanctions list;
- the enterprise has fulfilled their obligations relating to the payment of taxes and social security contribution in accordance with the legal provisions of the country in which it is established;

- the enterprise complies with the United Nations Guiding Principles on Business and Human Rights and with the OECD Guiding Principles on Human rights (chapter IV) for itself and the whole value chain of which it is part;
- the enterprise is not bankrupt, insolvent, is not being wound up, has not ceased operations, is not having its affairs administered by the courts, has not entered into an arrangement with creditors and is not in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- the proposed project does not imply operations in the following sectors: weapons, mining, alcohol, gambling, tobacco, pornography, extractive industries, and non-renewable energy.

10) Is it possible to create a consortium of enterprises to apply?

The applicant for the LuxAid Demonstration Fund must meet all the eligibility criteria. That being said, proposals involving multiple partners/a consortium are permitted.

11) What if my enterprise was not registered between the dates mentioned, but its activities related to the thematic areas mentioned in the call for proposals started between the dates indicated?

To be eligible, all criteria must be met. Only applications complying with all eligibility criteria indicated above will be evaluated against the selection criteria.

12) Is an enterprise created after November 1, 2022, or in the process of being established, eligible?

No, the LuxAid Demonstration Fund targets enterprises legally registered in Kosovo before 01/11/2022 and obtaining significant sales revenue from the innovation for at least one year.

13) Are B2B/B2G models eligible (services or products targeting other enterprises or government structures as clients)?

Yes, if the application meets all other eligibility criteria.

14) Is a service provider and general trade enterprise eligible?

Yes, applications from commercial enterprises that meet all the eligibility criteria are welcome to submit their projects.

15) Can an innovative solution be eligible if it already exists in the EU market but is new to Kosovo?

Yes, projects introducing innovations that are new to the Kosovar market are eligible, provided the novelty is clearly demonstrated and that it aligns with the company's core business. Please see the definition of innovation provided in this FAQ.

16) Should the idea be entirely unique, or can it improve an existing solution?

Both are acceptable. Please see the definition of "innovation" provided in this FAQ.

17) Are Higher Education Institutions or Vocational Training Centers eligible?

It depends on the legal form of these organisations. Only commercial companies are eligible for these funds.

18) Are R&D projects eligible?

The solution proposed by the enterprise must have been tested in the market and must have generated commercial revenue for the enterprise for at least 1 year in the case of the LDF applications. If the project meets this and all other criteria, it will be eligible. If the project includes an R&D product, the LuxAid Demonstration Fund application should target the scaling of such R&D activity which should have already proven its commercial viability.

19) Is an enterprise with employees under service contracts (i.e. contracts for specific tasks and duties) eligible?

The enterprise must have at least 5 employees, with an employment contract. Contracts for specific tasks and duties are eligible as long as they are compliant with the local law. However, if the enterprise obtains the LDF co-financing it must commit to supporting stable employment and will therefore strive to formalize its collaborators with employment contracts for fixed or indefinite periods as soon as possible, following the principles of Responsible Business Conduct (RBC). In general, enterprises need to prove that all employees are official and registered.

20) Does the requirement of minimum 5 employees apply for the whole period, or just at the time of submission?

The eligibility assessment will look at the moment of application with the expectations that these positions will be maintained. The goal is to support the acceleration or scaling of the innovation.

21) Do employment contracts have to be drawn up in writing? Are employment contracts concluded orally accepted?

To count as an employee of the enterprise, it is necessary to prove the legal existence of an employment contract under national legislation, therefore a written contract is mandatory.

SELECTION

22) How many projects will be selected for co-financing?

We expect to select a total of 3 to 4 projects.

23) How do you define innovation? Does the product or service have to be innovative?

In the context of this call for proposals, an innovation is a new solution with the transformative capacity to accelerate impact. Innovation involves creating, finding, adapting, and applying new ideas, approaches, products, services, or methods to solve existing problems or address unmet needs. It is not limited to the creation of something completely new, it also encompasses the significant and creative modification of what already exists in another sector. Also, innovation can provide a solution that had no local demand because it was not known, but which meets a real need in terms of impact.

To be considered "innovative", the solution must be sufficiently distinct from other products, services, or approaches already on the market in the country in question. This may result in distinctions in product/service design features to better meet needs, distribution model, customer segment (i.e. offering new products or services to populations previously poorly served), the economic model (who pays and who benefits, the price), the resilience of the product or service (anticipation of future developments).

24) How do you define additionality?

In the context of this call for proposals, additionality marks a positive contribution that would not have happened without co-financing and generally characterizes projects taking bold risks to deliver innovative and impactful solutions. To assess additionality, the selection committees will analyse:

- The extent to which the enterprise cannot self-finance the project (within a reasonable time frame) or access equivalent support from a commercial investor;
- The extent to which the project results would not have occurred without the co-financing, are larger in scale, of better quality, or occur more quickly;
- The potential of the project to stimulate model replication or systemic change in that market or industry.

25) How do you define the futureproof criterion?

In the context of this call for proposals, the futureproof criterion refers to adaptation to future risks and trends. Looking at the overall potential impact of the project (positive and negative, short and long term), is the project economically, socially, and environmentally sustainable and forward-looking concerning risks, threats, and major global trends? For example, depending on the objectives of each action, does the project include in its analysis the risks and impacts as well as the opportunities that megatrends such as climate change and the fourth industrial revolution (among others) could have on its analysis of profitability?

26) Who is part of the selection committees?

Applications will be evaluated by a selection committee composed of ideally 5 members representing LuxDev Kosovo office and the Luxembourg Embassy in Pristina, as well as other national or international experts. Other non-voting members and observers may be invited to attend the *pitch sessions* and the discussions of the committee. The selection committee reserve the right to delegate the analysis of applications to LuxDev and/or to an external supplier with a view to pre-selecting the best applications, organizing field visits, and conducting due diligence on each shortlisted project and enterprise. Anyone involved in or having access to documents provided by the enterprises will sign a confidentiality declaration. The members of the selection committee will also sign a declaration of impartiality and absence of conflict of interest.

27) Why is the LuxAid Demonstration Fund targeting specifically these enterprises?

The LDF supports more mature enterprises to scale commercial solutions whose SDG impact can be proven. The LuxAid Demonstration Fund does not target enterprises or solutions that can easily benefit from traditional financing from private investors (equity, debt, etc.). The specific focus of LDF consists in enterprises which are not yet attractive to investors/traditional financing vehicles for different reasons such as the size of the investment – too small or too big, the development of the investment market, the level of perceived risk.

28) Can a manufacturing company propose to acquire/ invest in an IT solution (digitalization) to install it onto its manufacturing process, so that it can achieve a circular economy innovation and reduce its waste?

The LDF is focusing on solutions that accelerate the SDGs. The focus therefore is not on the development of the company *per se*, although this is a positive externality on the company. The funds only support core business solutions. In this example, the fund could support the commercialisation of IT solutions for the manufacturing sector, but not the purchase and installation of an IT solution by a manufacturing company.

29) Does the EUR 500,000 funding threshold include loans?

Yes, the thresholds encompass the total amount of grants, equity, loans, and any other external funding received over the past three years.

30) Regarding the maximum threshold in external funding obtained to date (EUR 500,000 for the LDF, including grants, equity, loans, etc.), for what duration or period does this rule apply? Do the EUR 500,000 threshold refer exclusively to outstanding amounts of a loan?

In order to ensure a high financial additionality that does not crowd out other types of investors, the LDF targets impactful innovative companies that have not yet raised significant amounts of external capital, and which are in their early commercialisation and growth phase. The underlying assumption is that a company which has already proven to be credit or investment worthy (involving significant amounts) should be able to continue to attract external capital for new innovations and the financial additionality of a potential investment is lower.

The total amount of external funding obtained over the past three years should not surpass the thresholds indicated for LDF. The applicants will be required to provide a list of all sources and amounts of external funding obtained. In case of loans, the total amount of the principal is to be considered i.e. the funding which entered the company's accounts.

CO-FINANCING AND PERSONAL CONTRIBUTION

31) Will the co-financing have to be repaid?

The financial support granted is non-refundable.

32) In what currency will the co-financing be paid?

The selected enterprises will sign a co-financing agreement with LuxDev specifying the amount of the co-financing in euros. The payment will be made in EUR.

33) If my project is selected, when can I expect to receive the co-financing?

The co-financing will be paid in three tranches: a first tranche of 25% upon signature of the contract (after lifting any suspensive conditions), a second tranche of 50% mid-way, upon validation of the first results and expenditure report and a third tranche of 25% after the project finishes, upon validation of the final financial and technical/results report. The final tranche will be capped to balance the total expenses incurred.

34) Is advance payment planned when the contract is signed?

Yes, the first tranche is an advance. Follow-up tranches are released upon the achievement of pre-defined impact indicators and financial expenditure.

35) What are the ineligible expenses?

Ineligible expenses are costs spent outside the project duration indicated in the co-financing agreement, as well as dividends paid by the enterprise, debt charges, interest rates, and exchange losses, and costs related to the preparation of the project proposal.

36) What types of expenses are eligible?

To be eligible and covered by co-financing, expenses must meet all of the following criteria (without being exhaustive):

- be necessary for carrying out the action (economic activity), directly attributable to the latter, resulting directly from its implementation;
- be borne by the enterprise, that is to say, that they represent real expenses truly and effectively borne by the project leader;
- be reasonable, justified, and consistent with the principle of sound financial management, as well as being consistent with the usual practices of the project leader, regardless of the source of financing. Procurement contracts must follow standard purchasing practices, provided that the contract is awarded to the offer offering the best value for money and any conflict of interest is avoided;

- be due during the implementation period of the co-financed project, consistent with the scope and timetable of the activities;
- be identifiable and supported by supporting documents, more particularly determined and recorded by the usual accounting practices of the productive project leader;
- comply with the provisions of applicable tax and social legislation, considering the privileges and other advantages granted to the project leader.

Examples of expenses that can be eligible for the LDF co-financing:

- **General operating costs** which are used to finance any activity linked to production and sales, such as: cost of goods sold (CPV), salaries, overhead (for example we ask all applicants to include the cost of an audit of the project-related expenses).
- **Capital expenditure (CAPEX)** - investments that enable a strengthening of production capacity, productivity, competitiveness, diversification, and quality, such as expenditure for the acquisition of infrastructure - creation, rehabilitation, extension, equipment - acquisition, installation, and commissioning or intangible assets – acquisition or subscription to databases, software, and search algorithms, certification fees, studies etc. If co-financing is used for acquisitions, it is prohibited to resell them within 3 years following the closure of the co-financed project.
- **Technical assistance expenses** that enhance the “proper implementation” of the activity, its competitiveness, and its sustainability, such as: training costs (accounting, finance, marketing etc.), acquiring consulting and advisory services e.g. consultancy/sector expertise, market access, and pricing strategy, relating to certifications, licenses, and standards, development of business plans, financial management, digitalisation, human resources management and training, development of a strategy and results/impact management plan etc.

37) The cap on external funding raised to date (EUR 500.000 for LDF) applies to the subsidiaries as well?

The cap applies only to the legal entity / commercial enterprise applying for the call for proposals.

38) If the company applies with an innovation which is a separate business line, will the threshold for external funding obtained apply only for the specific business line or the entity overall?

The maximum threshold for external funding will be assessed at the level of the legal entity applying for cofinancing.

39) My enterprise took out a loan for the construction of our factory. Is this loan part considered as external funding as per the eligibility criteria?

The cap on external funding to date includes debt funding, so this loan should indeed be calculated.

40) What is co-financing and are there any rules to follow?

Co-financing grants¹ are financial non-commercial payments by a contracting authority towards another entity. Their purpose traditionally is to finance an action (or the operation of the beneficiary) that supports specific SDG results following the objectives set within the framework of the call for projects. The use of co-financing is only possible when the initiative comes from the private sector and the results of the financed action are the property of the beneficiary of the co-financing.

Co-financing is subject to the rule of non-profit/non-profit purpose of the project. That is to say that on the one hand, the co-financing cannot have the object or effect of generating a profit within the framework of the project and on the other hand the creation of reserves is not authorized through the project. The profit margins obtained following the implementation of the co-financed project and collected during the execution of the project must be reinvested in the execution of the project.

Double financing of project costs and expenditure for actions that took place before the signing of a co-financing agreement is not authorized (principle of non-cumulative allocation and absence of double financing and the principle of non-retroactivity).

41) Are operational expenses considered as part of the cost share?

Operational expenses directly linked to the innovation, such as costs of goods sold, salaries, and overheads, are considered eligible.

¹ While the terms "co-financing" and "subsidies" or "subsidies" are often used interchangeably, according to the European Union, subsidies/subsidies refer to current payments made by a public entity to resident producers who are not required to be reimbursed. The main purpose of subsidies is to influence production levels or prices, or to compensate producers for production costs. **They are not subject to the non-profit rule.** On the other hand, co-financing is intended to finance activities whose results support specific objectives such as social inclusion, access to healthcare, innovation in food systems, job creation, etc.

42) Must the 50% co-financing requirement/matching fund/enterprise contribution for LDF be in cash, or can it include in-kind contributions? And will prior expenses on equipment count?

The enterprise's contribution can consist in external investments, founders' own funds, the enterprise's own free cashflow available in the beginning of the project and/or sales. To be counted as the enterprise's co-financing, the contribution must imply a resource invested into the project during the project's lifetime – for example, a donation or acquisition of a fixed asset made during the period of the project could be counted.

43) Is the fund available for projects focused on exporting goods and does the fund cover export market certification costs?

Yes, export-related projects are eligible, and certification costs contributing to the scaling (LDF) are covered.

44) Are there any limitations regarding the origin of the proposed equipment?

There are no limitations regarding the origin of the equipment bought using LDF co-financing. However, companies are encouraged to seek expert advice before acquiring equipment and to ensure that local maintenance services are available for the equipment they plan to acquire. In addition, companies must follow good business practices when acquiring goods, works or services, including reasonable transparency and fair treatment in procurement processes.

Equipment and infrastructure acquired through LDF co-financing cannot be resold during the implementation of the project and for three years after the project end date.

45) Is it possible to combine a grant from Luxembourg cooperation with co-financing from the LuxAid Demonstration Fund?

It is not possible to combine another grant from the Luxembourg Cooperation in the budget of the proposed project. However, grants from other cooperations on the same project can be included in the other resources (personal contribution).

46) Can the minimum contribution of 50% for LDF consist of fixed assets (land, installations already built, etc.) or is it only a cash contribution?

Fixed assets made before the project start date (as per the contract signed with LuxDev) cannot be considered in the personal contribution. On the other hand, if the entrepreneur makes a personal donation in the form of a building or equipment that is necessary for the implementation of the project, this represents a new resource invested and therefore can count in the other resources / personal contribution.

APPLICATION

47) Is there any support offered in completing the application form? Is it possible to discuss my application with LuxDev before submitting it?

We offer information sessions on the call for projects, in the form of webinars. Dates and links to register will be available and shared timely on this page. At least one recording will also be made available in case you cannot join any of the webinars.

Due to the large number of applications, we receive, we will not be able to provide feedback on the suitability of your application. If you have a question about the application process or the criteria applied, before writing, we recommend that you read this FAQ carefully to check if your question has not been already answered here. If this is not the case, you can send your questions to ldf@luxdev.lu. Any response shared will then be included in this FAQ section.

Shortlisted candidates for the LDF will be contacted by LuxDev or an external supplier to discuss their application. In the different pre-selection phases, candidates for the LDF will be offered free coaching sessions aimed at preparing the pitch, or other aspects depending on the needs identified, such as a review of the investment plan, and improvement of the results chain, etc.

48) Who to contact in the event of a technical problem on the application platform?

For any technical issues concerning LuxAid Demonstration Fund, please contact ldf@luxdev.lu

49) In what language should I submit the application form?

Applications must be written in English.

50) What is the recommended duration of projects?

The duration of projects should be between 12 and 24 months from the start of the co-financing contract.

51) What do you mean by “official financial statement”?

Financial statements are accounting documents that provide information about the financial position of an enterprise at a specific point in time: They include the balance sheet, the income statement, the cash flow statement, and the retained earnings statement, statement of changes in equity.

52) Can official documents such as articles of incorporation/statutes be submitted in local languages?

Yes, they can be in any of the official languages of Kosovo.

53) For the financial statements, is the electronic format issued by the Tax Administration of Kosovo for the year 2023 be an acceptable format to be submitted with the application?

Yes, that would be acceptable.

CALENDAR

54) I need more time to complete the application form – can I submit it later?

In the interest of fairness, no applications will be considered outside of this process and timeline. Applications must be submitted via the online portal latest on submission deadline, at 23:59 CEST.

55) When can I expect a response about my application?

As indicated previously, LuxDev undertakes to keep you informed of the decision taken latest within 6 months from the application deadline.

MISCELLANEOUS

56) What policy applies regarding intellectual property?

The enterprise receiving co-financing retains full ownership of its innovation, given that LuxDev acts under Public Development Assistance. As part of the impact evaluations carried out on interventions benefiting from co-financing, LuxDev requires the publication of the results and encourages the opening and making available of the data collected and the analysis scripts underlying the evaluation.

57) What is the “do no harm” selection approach?

To enable LuxDev on the one hand to identify the potential risks of implementing a solution, and on the other hand to develop, in collaboration with the selected enterprises, mitigation strategies, the pre-selected projects will be analysed using the following warning criteria:

- modification of habitats/ecosystems/forests (reduction, degradation, change) as well as any change in aquatic resources;
- introduction of invasive species;
- land degradation;
- chains related to livestock, cocoa, coffee, palm oil, soy, wood, rubber, charcoal and paper products;
- increased environmental pollution, particularly hazardous waste, energy needs, and use of water resources;
- change in land rights/access and community protection.

58) If my project is selected, what should I expect in terms of monitoring and reporting?

Enterprises benefiting from co-financing will be required to provide LuxDev with biannual technical and financial reports. Projects are expected to report against indicators two years after project end.

The biannual reports will focus on the results indicators and targets proposed by the enterprises in their application and the negotiation process, agreed with LuxDev, and mentioned in the annexes to the co-financing contract. The achievement of certain results will trigger the co-financing payment instalments.

Following each report (semi-annual or final), the enterprise will be invited to participate in a brief meeting (virtual or on-site) with the LuxDev team and the Luxembourg Embassy in the country. To evaluate the results of selected projects and improve learning, LuxDev reserves the right to request on-site visits, carried out by its staff, as well as external evaluations.

Depending on the progress observed, LuxDev will select certain projects for which an external impact assessment will be carried out.

59) Is there an advantage for gender-sensitive enterprises?

Proposals including a solution targeting gender issues will be prioritised.

60) Does this call for proposals have a complaints mechanism?

LuxDev complaints mechanism for issues around transparency and fair treatment can be found at

61) Do projects related to public institutions require approval before application submission?

Any obligation towards public or private customers, partners, suppliers or investors are the company's responsibility.

62) Do selected companies need to provide documentation to confirm they are not under criminal procedures?

Yes, pre-selected companies will be required to criminal records for key managers and owners confirming they are not involved in any criminal procedures.

QUESTION ADDED FOLLOWING THE WEBINAR – 14 JANUARY 2026

63) Does the innovated product need to generate revenue specifically in 2025 to be eligible, or are revenues from 2023 or 2024 sufficient? What if no revenue was generated in 2025?

The eligibility criterion requires that the innovated product has generated **revenue for at least one year before the application deadline**. The call does not strictly limit this to revenues generated only in 2025.

That said, 2025 is the implied reference year, as the fund is designed to support existing, active, and market-validated solutions, not dormant products.

Here's how this is assessed in practice:

- Revenues generated in 2023 or 2024 can fulfil the eligibility criterion if the product is still active and commercially relevant.
- If no revenue was generated in 2025, the application may still be considered only in exceptional cases, provided that:
 - o there is a clear and credible justification for the lack of 2025 revenue, and
 - o the applicant can demonstrate signed contracts, confirmed orders, or strong evidence of revenue generation planned for 2026.

If the product has no recent commercial activity and no concrete pipeline, it is unlikely to be considered eligible.

The fund looks for real market traction and continuity, not just historical sales. If 2025 revenues are missing, you need strong proof that the product is very much alive and scaling next. We highly encourage you to tell the story clearly, and back it up with evidence.