

EU 4 CIRCULAR ECONOMY AND LIVABLE CITIES

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DIGITAL LOOP ACCELERATOR

A startup studio that selects 10 startup Teams and creates 10 new Albanian Circular Economy startups.

**Apply as a startup team. Get up to € 47K in Grants.
Finish with a revenue+ circular economy startup.**

PROJECT GUIDELINES DOCUMENT

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1. Overview

This document introduces the concept of Digital Loops and lays out the plan of execution of the **Digital Loop Accelerator (DLA)**, the important timelines and general guidelines for the participants.

The DLA is, in fact, a **Venture builder** that will accept 10 startup teams and take them through a four-and-a-half-month program that will culminate in the creation of five (5) new Circular Economy Albanian startups, each built around a Digital Loop.

The concept of the Digital Loop is explained below.

NOTE: the DLA program intends to create new circular economy startups from scratch. Not make existing startups compliant with circular principles.

1.1 Background and Program Objective

Albania, a country located in the Balkans has embraced the ambitious goal of transforming its economy to be more circular and environmentally sustainable. This project is a step in that direction by creating five (5) new circular businesses will generate revenue and create new employment opportunities for dozens of young Albanian people.

However, alongside, the project has two more intended purposes. First: make young Albanians knowledgeable and conscious of Circular Economy. They, then, become the new evangelists of the Circular Economy revolution in Albania. Secondly, reverse the brain drain that Albania is facing by giving an opportunity for the Albanian diaspora to participate in meaningful entrepreneurial activity back in their home country.

1.2 Outcomes of Program

The DLA program is conceptualized and designed to have three (3) outcomes in line with the objectives outlined above. They are:

1. At least 100 Albanian youth become aware of Circular Economy concepts and are encouraged to become conscious consumers (i.e., not generate waste)
2. At least one (1) out of the 10 selected startup teams is composed of members of the Albanian Diaspora
3. 10 new Albanian circular economy startups are created, at least three (3) of which, generate revenues by the end of the program (i.e., have a minimum of € 1.00 in monthly sales)

2. What are Digital Loops

Digital Loops are repeatable Circular Economy models or frameworks around which a majority of the world's revenue generating startups are built. Each Digital Loop is a marketplace offering a unique selection of listed products with a specific business model that appeals to a specific segment of the Consumer base.

For example:

- a startup built on a rent-not-buy Digital Loop may list baby clothes available on rent (not sale) to parents of young children. The products are not owned by the startup. Rather, the startup has a revenue share agreement with a large baby-clothes brand
- another startup builds a marketplace that rents bicycles and bicycle gear to cycling enthusiasts. It's built on the same rent-not-buy Digital Loop, but may have a different business model with a different consumer segment

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The below diagram gives a snapshot of the five (5) Digital Loops that the DLA will promote. However, a startup team can come up with their own unique idea of a sixth (6th) Digital Loop.



Figure 1: The five standard Digital Loops that the DLA is based on

To develop a better understanding of the Digital Loop concept, download this [Explainer Document](#) from the DLA Website.

3. Program Design of the DLA

3.1 Design Principles of the DLA

The DLA recognizes that the best startups are built not on the most innovative ideas or revolutionary technology. But, on execution. If the startup doesn't make money, it is not a real startup; it's a science project.

Albania needs real startups that generate revenue and employ people. Competing with Silicon Valley in building the next generation AI foundational model should not necessarily be the country's priority.

Recognizing this need, DLA incorporates the following principles in its design:

1. Anyone should be able to build a startup. You don't need a PhD degree or 10 years working for a startup before you are ready to start your own company
2. Don't spend too much time brainstorming and coming up with a unique idea. Take an idea that has worked elsewhere in the world, replicate it for Albania and start selling
3. Don't spend too much time building technology. Build an MVP quickly and get to execution fast
4. Revenue is "king". Startups that generate revenue quicker, attract the interest of VCs faster

5. Being an entrepreneur is a full-time job. Avoid side jobs. You are being paid decent grant money; pay a small salary to yourself and quit other activity
6. Focus on building a team first. Too large, and it's unwieldy. Too small (solo founder), it will be an struggle managing everything yourself. So, team up with one or two co-founders with complementary skillsets or experience and get started
7. And, lastly: **Do Not Sell Circularity** to customers. Businesses always succeed when they provide **clear value to customer**. Circularity has to be in-built into the business model, not in the value provided to the customer

Now that the design principles are clear, let us talk about the DLA's design.

3.2 DLA Program's Design

The core DLA program is a four-and-a-half month program that starts with offline (in-situ) workshops in Tirana in Oct/2025 and ends with a Demo Day in Feb/2026.

However, there is an extremely important element to the overall DLA program – the Webinars and Seminars. **Attending at least one (1) Webinar or Seminar is important for a startup applicant.**

That said, here are the important phases of the program, with the timelines:

| Phase | Dates† |
|---|-----------------------|
| <p>Webinars – DLA will have 3 online Webinars, each of two hours' duration.</p> <p>Each Webinar serves two purposes:</p> <ol style="list-style-type: none"> 1. Educate the Albanian youth on Circular Economy and the need for responsible shopping and reducing wastage 2. Deep-dive into the concepts of the DLA program, and discuss details like: who can apply, what will be the selection criteria, what will be the timelines, etc. <p>However, crucially, each Webinar will also feature 2 startup case studies. Each case study will present one Circular Economy startup based on a distinct Digital Loop. That way, the potential startup founders get exposed to at least six (6) distinct business models in circular economy.</p> | 14/Aug – 28/Aug, 2025 |
| <p>Seminars – DLA will have 3 in-situ Seminars in 3 different cities of Albania: Korça, Shkodra and Tirana.</p> <p>The Seminars serve the same purpose as Webinars. Except that they offer a chance of closer interaction between Team-DLA and the Albanian youth and potential startup founders.</p> <p>The Seminars won't feature live Speakers from Circular Economy. Rather, the recordings from the Webinars featuring different startup case studies will be replayed at each Seminar.</p> <p>The Seminars will be more in-depth and will offer a chance to the potential startup applicants to learn fully about Circular Economy and get all their doubts on the DLA cleared.</p> | 12/Sep – 19/Sep, 2025 |
| <p>Application Period: DLA offers a six-and-a-half week (6.5 weeks) period for</p> | |



| | |
|---|-----------------------|
| <p>potential startup founders to submit their applications to the DLA program.</p> <p>DLA Program team advises potential applicants to undertake two exercises before submitting the application:</p> <ol style="list-style-type: none"> 1. Team up with at least 1 more co-founder or employee, making sure you're your teammate has a few skills and experience complementary to yours 2. Choose a Digital Loop carefully considering its market potential in Albania and spend a couple of days thinking of a strategy of building and growing your startup | 13/Aug – 26/Sep, 2025 |
| <p>Interviews: Team-DLA will invite anywhere between top 15 to 20 startup team applicants to in-depth interviews with the Evaluation Committee (EvalComm).</p> <p>The selection criteria that will guide the decisions made by the EvalComm are given below.</p> | 01/Oct – 03/Oct, 2025 |
| <p>Top-10 batch composition: the decision made by the neutral, five-member EvalComm is final and is strictly guided by the Selection Criteria laid out below.</p> <p>Email communication will be sent to the Top-10 teams. These are startup teams that will form the startup cohort of the DLA program. The non-qualifying startup teams will also be informed suitably by email.</p> | 03/Oct, 2025 |
| <p>Workshops: The selected 10 startup teams take part in two (2) weeks of rigorous offline (physical) workshops to be held in Tirana.</p> <p>Physical presence in Tirana for the entire duration of the workshops is obligatory for all startup teams.</p> <p>These workshops are primarily led by local Albanian mentors who have a good idea of the Albanian market. The purpose of the workshops is to train startup teams on:</p> <ol style="list-style-type: none"> 1. Principles of circular economy and e-Commerce business fundamentals 2. Fundamentals of Sales and Marketing 3. Logistics | 13/Oct – 24/Oct, 2025 |
| <p>Legal entity & Grant 1st Tranche: Over a one-week period, the startup teams establish their formal legal entities in Albania.</p> <p>Team-DLA transfers the first tranche of Grant money to each of the 10 startups participating in the program.</p> | 27/Oct – 31/Oct, 2025 |
| <p>1-1 Mentoring, Phase 1: An eight-week period, during which, the batch of 10 startups focuses on building the tech platform and driving customer and consumer acquisition in their business.</p> <p>In this endeavour, the startups are helped by a group of about 12-15 Albanian and Foreign mentors. The startup mentors can book 1-1 meetings with the mentors facilitated by execution team of the DLA program t(<i>Team-DLA</i>).</p> <p>Once a week catch up meetings: This phase also involves once-a-week meetings in Tirana with Team-DLA to report the progress and discuss issues with the peer group. Team-DLA also discusses the problems being faced by the startup founders and allocates the right Mentors to the startup or suggests alternative solutions.</p> <p>Physical presence in Tirana of a decision-maker co-founder of the startup is obligatory in such catch-up sessions.</p> | 03/Nov – 26/Dec, 2025 |
| <p>Milestone 1 (M1): This is a crucial performance-evaluation checkpoint.</p> <p>Team-DLA checks and evaluates the performance of the 10 startups throughout the</p> | 29/Dec/2025 |



| | |
|---|---------------------------|
| <p>eight-week 1-1 Mentoring phase 1, against strictly defined startup progress metrics.</p> <p>These metrics are then compiled for each startup and only the Top-5 are chosen and awarded the 2nd Tranche of Grant money.</p> | |
| <p>1-1 Mentoring, Phase 2: The Mentoring phase continues for another eight (8) weeks. This phase is applicable only to five (5) startups that qualified for Tranche 2 after Milestone 1.</p> <p>Their focus shifts to growth: acquiring more customers and consumers and driving revenue growth into the startup.</p> <p>Once a week catch up meetings: such meetings are held exactly in the same format as in the Phase 1 of 1-1 Mentoring.</p> | 29/Dec/2025 – 20/Feb/2026 |
| <p>Milestone 2 (M2): Similar to the Milestone 1, here, startups are evaluated on metrics related to startup growth, customers and consumers acquired and revenues earned.</p> <p>The Top-3 startups are awarded prizes for best performance.</p> | 20/Feb/2026 |
| <p>Demo Day: The Demo Day is a one-day event with about 80 people in attendance. The event recognizes the top-3 performers of the program and brings them to the attention of Albanian and international investors who are invited to the Demo Day.</p> | 25/Feb/2026 |

† Subject to minor changes during the course of the DLA program

4. Eligibility and Evaluation Criteria

4.1 Check your Eligibility

The DLA is a Venture Studio and, therefore has minimal restrictions on who can apply and who can't. Yet, a potential applicant must meet a few basic requirements in order to become eligible for submitting an application:

1. You have to apply as a "Startup Team" with a minimum of two (2) people in the team. You could be all co-founders or a team of co-founders and employees.
2. The DLA program is not an Accelerator. So, we normally don't accept applications from existing startup with an existing legal entity in Albania, even if it qualifies as a Circular Economy startup.
 - However, an exception will be made for such a startup if the Founding team is willing to pivot or do a spin-off that is more in line with the DLA's mission. Then you will be eligible to apply
3. At least one (1) person in the team must speak Albanian as a native speaker. This is because, the startup will be established in Albania and will operate, initially, in the Albanian market.
4. The applicant and all other members of the team should be at least 18 years of age.
5. None of the members of the startup team should have received any Grant funding from Albanian or International donor agencies in the last 12 months

4.2 How to apply?

Team-DLA strongly recommends that startup applicants follow the below steps before they submit an application. They are not mandatory, but will help the startup applicant submit a strong application.

1. Attend a Webinar and/or a live Seminar and understand the concept of Digital Loops and how successful startups have been created in other countries using such standard models. Keep checking the [Calendar](#) for updates.
2. Find a teammate who you have known for some time. And, pair up with him/her and form a team. You could even have a team of three (3) people, but, preferably, not more.
3. Choose a Digital Loop out of the five (5) options given in Sec. 2 above. Or, you may come up with your own idea. Base your decision on your understanding of the Albanian market and the market gap.
4. Think of a short strategy or plan on how your startup will work, acquire customers and consumers and earn revenue
5. Fill up the form and hit the Submit button – before 26/Sept.!!

4.3 Selection Criteria

What criteria and factors will help Team-DLA and the EvalComm decide the Top-10 startup teams and accept them into the startup cohort of the DLA program? What are the respective weightages of these criteria? These are the three (3) criteria with the weightage mentioned upfront:

1. (45%) TEAM: Your team is the most crucial factor. When choosing your teammates, keep in mind their experience and skillsets and if they are complementary to yours. What makes a great team?
 - Size of the team – optimal is two (2), but three (3) is also acceptable
 - One of the team members has some experience or skills in Sales or Marketing
 - The team has some diversity of education, experience or skillsets
 - Bonus points for having a woman co-founder in the team
2. (35%) EXECUTION STRATEGY: It is important for us to know why you chose a particular Digital Loop, what were your assumptions and how you plan to build your startup. We don't expect any understanding of complex startup topics (e.g.: financial modelling) from you.

That said, the following factors are important in judging the quality of your application:

- Is the Consumer demand for a product you sell or rent is high in Albania?
 - What is your rough plan to build a sustainable startup? So, here, think about: How will you build the startup? After the Grant money stops, how will your startup keep running?
 - How will you acquire customers and consumers to your startup? How will your startup earn revenues? As discussed in Sec. 3.1, Revenue is “king”!
3. (20%) INNOVATIVENESS: Team-DLA will give you points for Innovativeness for the following factors:
 - How unique is your idea to the Albanian market?
 - How have you tried to customize one of the popular (5) Digital Loops to the Albanian context?
 - Have you simply copy-pasted one of the 20-25 international circular economy startups showcased in the program? Or, have you introduced your uniqueness on top of their existing model?
 - Have you submitted an idea outside of the five (5) Digital Loops discussed during the program? Digital Loop #6? If it's a viable model, this will fetch maximum points

4.4 Evaluation Criteria (M1, M2)

As already described in Sec. 3.2, during the course of the program, the participating startups will be constantly monitored for their performance and their performance evaluated by the EvalComm at two crucial Milestones: M1 and M2.

While the final criteria for Evaluation at M1 and M2 will be determined by the EvalComm during the course of the program, here is a brief **preliminary overview** of the Milestone Evaluation Criteria (below).

NOTE: these criteria might change depending on the decision of the EvalComm. So, as of now, they should serve as a guiding factor as to what Team-DLA considers most important for the success of the program.

| Milestone 1 (M1) | Milestone 2 (M2) |
|--|---|
| <ul style="list-style-type: none"> Team composition and dynamics: <ul style="list-style-type: none"> Team dynamics Their roles/ responsibilities (R&R) Quality of solution or platform (MVP) created: <ul style="list-style-type: none"> End to end usability of platform (can a Consumer make a purchase online?) UX/UI of the platform Completeness of the solution implemented (the MVP): <ul style="list-style-type: none"> Is there at least a threshold number of goods listed for purchase? Can a Consumer make a purchase (for ex.: is there a payment mechanism in place?) If Consumer makes a purchase, is there a mechanism in place to ship the goods to her/him? Number of B2B Customers onboarded Number of items on sale or rent in the marketplace Number of Consumers registered with the marketplace platform Has the marketplace generated at least 1 sale? Number of products shipped successfully to the Consumer Revenue generated in the last 2 months | <ul style="list-style-type: none"> How was the Grant money been used – how was it distributed among different expense items? Growth of startup since M1: <ul style="list-style-type: none"> Growth in products for sale/rent on platform Growth in no. of B2B customers signed-up Growth in no. of Consumers registered or visiting marketplace platform Growth in revenues of startup Revenues earned by the startup in last 4 months Growth in team, no. of new hires and their employment status Any new funds raised from outside the program (e.g., from Angels or Startup Albania) Plan for growth in 3rd Phase (i.e., months: 6-12) and plan to turn company profitable If they win 1st Prize, how will the startup team utilize the € 20,000 prize money? |

5. Financial Support

5.1 GIZ Financial grants to Startups (GIZ tickets)

The 10 startups participating in the DLA program, put together, are eligible to receive up to a total of € 225,000* in financial grants, via GIZ tickets. The GIZ tickets will be financed through the “EU for Circular Economy and Livable Cities (EU4CELC)” initiative.

The grant money to the startups (grant money) will be distributed per the following amounts and schedule.

| | Grant Money Tranche and Phase | Which Startups are eligible? | Amount (Euros) |
|---|---|--|----------------|
| 1 | Tranche 1: Start of DLA Program. After startups set up a legal entity in Albania | Each of the 10 startups participating in the DLA Program | € 9,000* |
| 2 | Tranche 2: After Milestone 1 (M1) and upon start of 1-1 Mentoring Phase 1 | Each of the Top-5 startups. These are the five (5) startups adjudged best performers at M1 | € 18,000* |
| 3 | 1st Prize: After Milestone 2 (M2) given on Demo Day | The startup adjudged as the best performing startup adjudged at M2 | € 20,000 |
| 4 | 2nd Prize: After M2, given on Demo Day | The startup adjudged as second best performer at M2 | € 15,000 |
| 5 | 3rd Prize: After M2, given on Demo Day | The startup adjudged as third best performer at M2 | € 10,000 |

* These amounts reflect the maximum grant money a startup may receive at a particular stage. The exact amount will depend on the budget presented by the startup

5.2 GIZ conditions for Grant financing to startups

The tickets financed via GIZ (EU4CELC) will be managed through a Grant Agreement assigned to a third-party grant manager, ensuring transparency and accountability throughout the process.

Funding Type: The funding is provided in the form of a grant, transferred under a Grant Agreement, emphasizing the commitment to support most innovative and impactful initiatives in circular economy solutions and systems.

Management: The Grant Agreement will be managed by a designated third-party grant manager, ensuring proper oversight and compliance with funding regulations.

Transparency: The entire funding process, monitoring of implementation of the proposed solution, and reporting will be conducted in a transparent manner, with clear guidelines and procedures outlined in contractual agreements.

Coverage: The funding will cover 100% of the costs of implementation of the startup, based on the budget presented by the startup at the start of each phase listed in Sec. 5.1.

Co-Financing: The grant funding will cover 100% of the cost of implementing the startup solution and there is no co-financing requirement from the startup founding team.

5.3 Eligible and not eligible costs

The eligible costs from this Call for Application include:

- Costs associated with paying salaries of the co-founding team or of full-time or part-time employees hired by the startup

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- Services (for product development, including technology development and testing, R&D, feasibility studies, etc.)
- Subscription fees of third party tools
- Logistics costs: buying delivery vehicles, packaging material, renting warehouses, etc.
- Investing in an inventory of goods that will be sold on the marketplace
- Sales and marketing services (including business development consulting, conference participation expenses or social media advertizing costs)
- Procurement of goods and related services (including equipment, installations, and raw material for manufacturing)
- General expenses such as technology/application/data subscriptions, website construction, etc.
- Patent application and fees, relevant certificates (such as sustainability-related certifications encouraging environmentally friendly practices and products).

The non-eligible costs from this Call for Application include:

- Customs expenses and other taxes.
- Taxes, including VAT, duties and fees.
- Debts and debt service fees (interest).
- Provisions for losses, debts or possible obligations in the future.
- Costs declared by the beneficiary and financed by another financing source;
- Cash payments from the project account.
- Loans to third parties.
- Purchases of land or buildings, leases and any renovations.
- Foreign exchange losses, fees and fines.
- Entertainment and hospitality expenses.
- Recruitment and relocation costs