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Notice of Funding Opportunity

Title: U.S. Economic Development Administration (EDA) – 2021 Build to Scale Program
Website: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=331671>
Funding: Total: \$38,000,000. Maximum awards: \$400K-\$1.5M, depending on challenge.
Dates: Application Submission Deadline: April 29, 2021

Summary: EDA's Office of Innovation & Entrepreneurship is committed to furthering tech-based economic development initiatives that accelerate high quality job growth, create more economic opportunities, and support the future of the next generation of industry leading companies. These organizations may be operating initiatives to unlock investment capital across a region or sector, operating programs to accelerate company growth, empowering the next generation of entrepreneurs, and/or enabling technology commercialization. Under the Build to Scale Program, EDA is soliciting applications for two separate competitions: the 2021 Venture Challenge and the 2021 Capital Challenge.

Project Topic Areas:

Venture Challenge

The Venture Challenge invites organizations to submit competitive proposals that seek to support entrepreneurship and accelerate company growth in their community, region, or combination of regions. Competitive proposals will outline how the project will strengthen economic competitiveness through new product innovation or new technology adoption, enhancing research commercialization processes and outcomes, remediating structural barriers that inhibit regional innovation capacity and resilience, and/or leveraging regional competitive strengths to stimulate innovation and job creation. Companies served by the applicant organization should be challenging the status quo of established markets, commercializing technologies, and furthering job creation within their businesses. Applicants should provide evidence that illustrates how funds leveraged through this competition will not only launch new programming and/or scale existing programming, but also generate sustainable added value for the region's entrepreneurial ecosystem by augmenting existing regional assets for innovation and entrepreneurship. The Venture Challenge is a single competition but is comprised of two funding levels: Build and Scale. Venture Challenge Build applicants may not request in excess of \$750,000 over the three-year period of performance. Venture Challenge Scale applicants must request more than \$750,000 and may not request in excess of \$1,500,000 over the three-year period of performance.

Capital Challenge

The Capital Challenge provides operational support for the formation, launch, or scale of investment funds that seek to invest their capital in scalable startups (i.e., venture funds, seed funds, angel funds) or to organizations with a goal to expand capital deployment within a community, region, or regional industry (i.e., angel networks or investor training programs). Funding will primarily support operational and programmatic costs and may not be used as investment capital.

Funding:

EDA has been appropriated \$38 million for grants authorized by Section 27 pursuant to the Consolidated Appropriations Act, 2021. EDA plans to award approximately \$32,000,000 under the 2021 Venture Challenge. The maximum federal share of each Venture Challenge Build award is \$750,000; the maximum federal share of each Venture Challenge Scale award is \$1,500,000. EDA plans to award approximately \$12,000,000 to Venture Challenge Build applicants and approximately \$20,000,000 to Venture Challenge Scale applicants. EDA plans to award approximately \$6,000,000 under the 2021 Capital Challenge. The maximum federal share of each Capital Challenge award is \$400,000. Applicants must provide matching share equal to at least 50 percent of the total project cost; i.e., applicants must match each dollar requested with at least one dollar of applicant match.

Project Requirements:

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Venture Challenge Build applicants: May be piloting a solution to a demonstrated need; May be implementing a proven solution for a new region or community; Demonstrate a commitment and ability to collect agreed upon impacts; Request may not exceed \$750,000 over a 3-year project period; Provide a 1:1 match.

Venture Challenge Scale applicants: May be scaling an existing initiative that has established and achieved impacts; Have a proven track record of successful deployment of programs; Demonstrate a commitment and ability to collect agreed upon impacts; Request must be greater than \$750,000 and may not exceed \$1,500,000 over a 3-year project period; Provide a 1:1 match.

Capital Challenge applicants should: Practice equity-based investing, whether through traditional or hybrid models, or be supporting an initiative whose participants practice equity-based investing (in contrast to debt-based investing, which is not supported under the Capital Challenge); Evaluate companies for high-growth potential as a central factor of their investment strategy; Utilize grant funds to catalyze the deployment of capital within their region and/or related regions; Demonstrate a commitment and ability to collect agreed upon impacts; Request may not exceed \$400,000 over a 3-year project period; Provide a 1:1 match.

Applicants may apply to both Challenges but may only submit one application per Challenge. Awards made under either Challenge may only fund operational and programmatic costs related to developing and supporting regional innovation initiatives. Award funds may not be transferred directly to companies (i.e., startups and individuals) being served by the applicant organization, and award funds may not be used to subsidize such companies' expenses that are unrelated to program activities, including general operating expenses.

Eligible Applicants:

Eligible applicants for EDA financial assistance under this NOFO include: A State; An Indian tribe; A city or other political subdivision of a State; An entity whose application is supported by a State or a political subdivision of a State and that is— a nonprofit organization, an institution of higher education, a public-private partnership, a science or research park, a Federal laboratory, a venture development organization, or an economic development organization or similar; or A consortium of any of the immediately aforementioned entities. EDA is not authorized to provide grants or cooperative agreements to individuals under this Program. Requests from individuals will not be considered for funding.