

CALL FOR PROPOSALS - SMALL GRANT SCHEME SUPPORT OF NEWLY ESTABLISHED BUSINESSES (START-UPS)

BUSINESS DEVELOPMENT, INNOVATION AND SMES

NORWAY GRANTS 2014-2021 SLOVAKIA

1. BASIC DATA AND CONDITIONS

The objective of the open call is to support newly established innovative enterprises (start-ups) and to foster their business growth. The call aims to support start-ups aiming at development, application and commercialization of innovative technologies/processes/solutions within two main focus areas: **Green Industry Innovation (GII)** and **Welfare Technology and Ambient Assisted Living Technologies (WT/AAL)**.

Date of call launching:	29 June 2020
Date of call closure:	23 October 2020 23:59 CET
Call Code:	BIN SGS01
Programme outcome:	Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living Technologies
Programme output:	Start-ups supported for business growth
Total allocation:	EUR 1 058 824 ¹
Maximum grant to be applied for:	EUR 200 000
Minimum grant to be applied for:	EUR 100 000

¹ Out of which € 692 079 is allocated to the Green Industry Innovation area and € 366 745 to the Welfare Technology and Ambient Assisted Living area.

Co-financing for eligible applicant:	At least 10% for private sector entities. In kind contribution for private sector is not accepted as co-financing.
Announced by:	Research Agency
Eligible applicants:	Small and medium sized enterprises ² established as legal persons in the Slovak Republic. The eligible applicant must have been established for at least one fiscal year but not more than five years at the deadline for submission of this call for project proposals.
Eligible partners:	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations, established as a legal person either in Norway or in the Slovak Republic or any international organisation or body or agency thereof, actively involved in, and effectively contributing to, the implementation of a project.
Further conditions:	<p>Mandatory conditions:</p> <ul style="list-style-type: none"> • The eligible applicant may submit only 1 project application under this call for proposals. In case of submitting more than 1 project application by the same applicant, the second submitted application shall be automatically rejected. • Applicants shall set baseline and target values for the 2 mandatory Programme indicators and 2 remaining Programme indicators (see Section 2 of this Call), • Costs on infrastructure (investment measures)³ must not exceed 50 % of the total eligible costs of the project, • Projects implementation shall not exceed 30 April 2024. The maximum length of project implementation is 30 months, • If the project is to be implemented in partnership, the applicant shall have maximum two partners. <p>Mandatory attachments to the Project Application are:</p> <ul style="list-style-type: none"> • Partnership Statement (Annex 3 of the Call), signed Letter of Intent or other similar document proving partner's interest in participating in the project (relevant only if project will be implemented in partnership), • Applicant's and partner's^{4 5} last approved financial statement or consolidated financial statement, if it is not published in the Register of Financial Statement. If the applicant and partner, if relevant, is an

² SME as defined in Annex I of the Commission Regulation (EU) 651/2014 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2014.187.01.0001.01.ENG

³ For the purposes of the Programme the infrastructure (investment measures) are – activities involving reconstruction or renovation of existing premises for installation of new technology, machinery, upgrade or improvement of existing infrastructure, etc.

⁴ It is submitted in the case if the partner's contribution is covered by the provision of aid under the given aid scheme

⁵ Not applicable for partner from Norway

	<p>entity that is part of a group of companies that is not required to prepare consolidated financial statement, it is required to submit consolidated data from a single company⁶,</p> <ul style="list-style-type: none"> • Filled in and signed Annex 1 of the De minimis aid scheme for supporting newly established businesses (start-ups) by the applicant and by the partner⁴ (Scheme DM- 15/2019), • Declaration of Applicant. If project will be implemented in partnership, it is required to submit also Declaration of Partner⁴. (Annex 7 and Annex 8 of the Call). <p>Projects shall be implemented in line with the applicable de minimis aid scheme attached to this call (Annex 2 of the Call).</p>
Geographical area	All regions of the Slovak Republic are eligible
Funding source(s):	Norwegian Financial Mechanism and State Budget of the Slovak Republic

2. EXPECTATIONS AND RESULTS FRAMEWORK

The Call should help the development of existing start-ups, with the aim to create better conditions and possibilities for their growth within two focus areas: a) *Green Industry Innovation* and b) *Welfare Technology and Ambient Assisted Living*.

These areas represent a big potential of identified needs which can be fulfilled thanks to new approaches and, often, by non-traditional realization of ideas in practice. For this reason the Programme does not have a strict definition of project topics in advance. Start-ups, which bring creative and innovative ideas, have an opportunity to ask for funding of projects focused on development, application and commercialization of best proposed processes, technologies, solutions, products and services, or greening of their business.

Projects supported within this programme contribute the Programme's objective *Increased value creation and sustainable growth*. Projects supported under this Call contribute to Programme Outcome defined as *Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living* and Programme Output defined as *Start-ups supported for business growth*.

In the Application Form, applicants are obliged to set target values for the following two **Programme Indicators**:

- Estimated annual growth in turnover⁷

⁶ The definition of a single undertaking is given in Art. C) De Minimis Aid Scheme for supporting newly established businesses (start-ups). You can find more information about the single undertaking in the Methodological Guideline of the State Aid Coordinator no. 1/2015 of 1 April 2015 THE ONLY COMPANY, available on the website <http://www.statnapomoc.sk/wp-content/uploads/2015/08/Jediny-podnik.pdf>. 5.

⁷ Definition of „turnover“: Enterprise's revenue for a fiscal year (after deduction of VAT, trade reductions and other indirect taxes)

- Estimated annual growth in net operational profit⁸

The applicants shall choose and set target values for at least 2 indicators from the following **optional Indicators**:

- Number of jobs created (disaggregated by gender, age)
- Estimated annual CO₂ emission reductions (in tons)
- Estimated annual collection of waste from production and operational processes for re-use or recycling (in tons)*
- Estimated annual decrease of energy consumption (in MWh)
- Estimated re-use of waste for other production processes (in tons)*
- Number of intellectual property rights (Copyright, Trademark Patents) application submitted
- Number of innovative technologies/processes/solutions applied (new to the enterprise) (disaggregated by sector)
- Number of innovative technologies/processes/solutions developed (disaggregated by sector)
- Number of products or services commercialized (new to the market) (disaggregated by sector)
- Share of enterprises' staff who declares better skills/competencies on their field

* For indicators marked with an*, the applicants shall set the target values and baseline values.

The full results framework of the Programme is listed in the Annex I to the Programme Agreement concluded between Slovakia and the Donor States ([link](#)).

It is important to select indicators that are relevant with regard to the activities of the project, to programme focus areas and to set target values that are attainable.

The Programme Operator is obliged to measure a survival rate of supported start-ups. This indicator will be measured by the Programme Operator one year from the last day of the eligibility period of the projects.

3. ELIGIBLE ACTIVITIES

The aim of this call is to support activities of young innovative enterprises (start-ups) within two focus areas: a) Green Industry Innovation and b) Welfare Technology and Ambient Assisted Living. The Call will target SMEs investing e.g. in equipment, machineries, installations and other items significant to boost their business activity, as well as in the ordinary development costs.

In the area of **Green Industry Innovation**, the projects shall focus for instance on circular economy, green ICT, new innovative products, technologies and/or services that reduce the environmental footprint through reduced use of raw materials/energy or lower emissions in production, new solutions, smart society, clean energy/renewable energy, new smart building technologies and solutions and clean transport innovation.

⁸ Definition of „profit“: Difference between operating income and operating expenses

Within the **Welfare technology and ambient assisted living** supported activities shall focus on prevention of social exclusion and increase of quality of life of seniors, people with different disabilities, and chronic ill people living at home. Project grant can be targeted to areas such as telemedicine, biotechnologies, robotics and automatized technologies, products for monitoring of life functions, technologies for smart houses, intelligent textile fabrics or ICT systems, etc.

4. ELIGIBLE EXPENDITURES

Except for the so called “excluded costs” listed in the Article 8.7 of the Regulation on the Implementation of the Norwegian Financial Mechanism 2014-2021 („the Regulation”) and purchase of real estate and land, all types of expenditures can be eligible, provided that they meet the conditions listed in this call and in Article 8.2, 8.3 and 8.5 of the Regulation.

The budget template is a part of the Grant application form in the e-grant system. An example of filled budget can be found in Annex 4 of the Guideline for Applicant. Inclusion of an expenditure item in the project budget template approved by the Programme Operator (PO) cannot be considered as confirmation of eligibility of that expenditure item. The eligibility of expenditure will be demonstrated by the applicant at the time of implementation in accordance with the currently valid Guideline for Project Promoter and Project Partner.

Unless a later date is provided in the project contract, expenditures are eligible as of the date on which the Programme Operator decides to award the project grant. The Programme Operator shall in the same decision fix the final date of eligibility which shall be no later than either one year after the scheduled completion of the project or the date referred to in paragraph 3 Article 8.13 (currently 30 April 2024) of the Regulation, whichever is earlier.

Investment costs must not exceed 50% of the total eligible costs of the project.

For the purpose of this Call, equipment⁹ shall be considered costs of tangible and intangible assets (either a separate or a component of another recognised asset) or expensed in the hands of the Project Promoter according to the applicable accounting standards of the country where the applicant and/or project partner is established and according to generally accepted accounting principles. In case of an intangible asset and an exception from general rule in article 8.3.1. (c) of the Regulation is granted, and the asset will be exclusively used in the project, then the maintenance requirement will have to be complied with. If an intangible item is not classified as an asset, its costs may be still eligible if it falls under the scope of article 8.3.1. (e) of the Regulation.

Project partners, such as international organisations or bodies or agencies thereof and project partners whose primary location is outside Slovakia, may opt to submit proof of expenditure by way of an independent audit report. For further information, see Article 8.12 of the Regulation.

⁹ Where new or second hand equipment is purchased, only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be considered eligible expenditure. The entire purchase price of that equipment may only be eligible in case the PO determines that the equipment is an integral and necessary component for achieving the outcomes of the project by way of exception from the rule.

5. RECOMMENDED MILESTONES AND TIMEFRAME

The Programme Operator highly recommends that the projects comply with the following time frame:

Event/Milestone	Expected date
Call closure	23 October 2020
Project Contract signed	April 2021
Project completed (the last possible date)	30 April 2024

As indicated in the table above, the entire selection process will last approximately 5-6 months.

6. SPECIAL PROVISIONS RELATED TO BUILDINGS

Upon the signature of the Project Contract, the Project Promoters will be obliged to:

- Keep any buildings renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
- Keep any buildings renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
- Set aside appropriate resources for the maintenance of any buildings renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

Buildings that are reconstructed or renovated from the Project Grant, cannot be sold, rented, or mortgaged within five years after the completion of the project (i.e. the approval of the Final Project Report), or longer if stipulated in the Project Contract. Further details can be found in Article 8.6 of the Regulation.

7. PARTNERSHIP

Partner is a legal entity actively involved in, and effectively contributing to, the implementation of a project. It shares with the applicant a common economic or social goal which is to be realised through the implementation of that project.

In a working partnership, the partner has its own budget and activities he is responsible to meet. However, it is very important to realise that the applicant is responsible for all commitments and irregularities of the partner in relation to the Programme Operator.

Partnership based on exchange of experience and know-how, organisation of stays, expert seminars, joint elaboration of studies etc. can be marked as a suitable example of partnership cooperation. Partnerships should not be formal or based only service providing. There can be no business relationship between the applicant and the partner within this call. Project partner should actively contribute to project application development with clear description of its role during the project implementation.

If the project is to be implemented in a partnership, partnership statement (Annex 3 of the Call), letter of intent or other similar documents proving the partner's interest in participating in the project should be submitted along with the Project Application. The document should be signed and submitted as a scanned version.

After the Project Application is approved, draft partnership agreement shall be submitted. The draft agreement is subject to the Programme Operator's screening before it is concluded. It is neither necessary nor recommended to enter into the partnership agreement before the Project is approved. Signed partnership statement, letter of intent or other similar document shall be seen as sufficient expression of interest of the applicant and its partner to jointly implement the project.

The max. number of partners receiving support under the Project is **limited to 2**. Other entities involved in the project may be listed as cooperating entities.

Partnership with entities from Norway

One of the two main objectives of the Norway Grants is to support the cooperation with entities from Norway. When searching for a suitable partner in Norway, the applicant may use one of the following tools:

1. Sending an inquiry with short description of the project to norskegranty@vyskumnaagentura.sk, request will be shared with the Donor Programme Partner Innovation Norway.
2. Contact Innovation Norway directly at <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/about/contact/>.

The applicant can also apply for a contribution to cover travel costs connected with the search and establishment of a partnership between entities from Norway and Slovakia. More information on the **Call for Travel Grant** is published on the [Programme Operator's website](#).

8. SELECTION PROCESS AND PRIORITISED PROJECTS

The project evaluation and award of grants shall be in accordance with Article 7.4 of the Regulation.

The Programme Operator shall be responsible for project evaluation and for the award of grants.

The Programme Operator shall establish a Selection Committee that shall recommend the projects to be funded within the Programme. The Selection Committee shall consist of at least three persons possessing the relevant expertise. At least one of them shall be external to the Programme Operator

and its Partners. The Donor Programme Partner shall be voting member of the Selection Committee (Outcome 1 – Innovation Norway, Outcome 2 – DIKU and/or AIBA). The Financial Mechanism Office (FMO) and representatives from the Donors, including Embassies, and the National Focal Point shall be invited to participate in the meetings of the Selection Committee as observers.

The Programme Operator shall review the applications for compliance with administrative and eligibility criteria. Applicants whose applications are rejected at this stage shall be informed and given a reasonable time to appeal that decision.

Each project application that meets the administrative and eligibility criteria shall be reviewed by two experts appointed by the Programme Operator, who shall be impartial and independent of applicants, the Programme Operator and the Selection Committee.

The experts shall separately score the project according to the selection criteria published with the call for proposals. For the purposes of ranking the project applications, the average of the scores awarded by the experts shall be used.

If the difference between the scores given by the two experts is more than 30 % of the higher score, a third expert shall be commissioned by the Programme Operator to score the project independently. In such cases the average score of the two closest scores shall be used for the ranking of the project applications.

The Programme Operator shall provide the Selection Committee with a list of the ranked projects. The Selection Committee shall review the ranked list of projects. It may modify the ranking of the projects in justified cases. The justification for the modifications shall be detailed in the minutes of the meeting of the Selection Committee. If such a modification results in project's rejection, the affected applicant shall be informed in writing of the justification for the modification. The Selection Committee shall submit the list of recommended projects, together with a reserve list, to the Programme Operator.

The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulation and that the recommendations from the Selection Committee comply with the rules and objectives of the programme. Following such verification, the Programme Operator shall, based on the recommendation of the Selection Committee, make a decision on which projects shall be supported. Prior to making such decision, an on the spot visit may be carried out by the Programme Operator when construction works or purchase of special equipment are foreseen in the project.

The Programme Operator shall notify the applicants about the results of the selection process within a reasonable time and publicise the results.

Priority will be given to:

1. projects aiming at young¹⁰ entrepreneurs and female entrepreneurs¹¹,
2. projects implemented in the less developed geographical areas¹²,
3. projects implemented with partners from the Kingdom of Norway.

The involvement of the above mentioned priority target groups in the project implementation and location of the project implementation will be reflected in the evaluation criteria.

The selection criteria are listed in the Annex 4 of this Call.

9. FINANCING AND REPORTING

Payments of the project grant shall take the form of advance payment, interim payments and a final payment. The advance payment shall be calculated as a percentage of the total grant awarded to the project and its level shall be set out in the project contract. The maximum level of advance payment and the total amount of interim payments shall be as follows:

Project Implementation Duration¹³	Advance payment	1st Interim Payment	2nd Interim Payment	3rd Interim Payment	Final Payment¹⁴
< 24 months	20%	40%	30%	-	10%
24 – 36 months	15%	30%	25%	20%	10%

The advance payment shall be paid following the signature of the project contract. Subsequent payments shall be paid after the approval of project interim reports. The final payment will be paid after approval of the final report. An advance payment, if any, of a percentage of the total grant amount shall be paid within 15 working days from the submission of a request or within the period set in the project contract. The interim payments shall be paid within one month after the approval of project interim reports.

¹⁰Young entrepreneur- an applicant whose statutory representative, owner or majority co-owner (shareholder or partner having a share in the registered capital of the applicant exceeding 50%) is a natural person who is less than 29 years old on the date of submission of the project application

¹¹ Female entrepreneur - an applicant whose statutory representative, owner or majority co-owner (shareholder or partner having a share in the registered capital of the applicant exceeding 50%) is a woman.

¹² Less developed regions in SR where GDP per capita is less than 75% of the EU average (NUTS 2 regions)

¹³ The project contract may set suspensive conditions related to advance, interim and /or final payments. In justified cases, at the Programme Operator's discretion, a project promoter may receive extraordinary payments to ensure sufficient funds for the projects during the implementation so as to avoid any liquidity problems, provided that the Programme Operator has sufficient capacity proceed with these payments.

¹⁴ Retention may be applied at the end of the implementation or pro rata from each advance and interim payments.

Upon approval of the final project report a final balance payment, if applicable, shall be made within one month.

The approval of project interim and final reports shall take place within three months from the submission of the required information.

10. STATE AID

The Programme Operator shall, in line with Article 8.16 of the Regulation, ensure that any public support under the Norwegian Financial Mechanism 2014-2021 complies with the procedural and substantive state aid rules applicable at the time when the public support is granted.

The provision of Project Grants under this call constitutes De minimis aid scheme for supporting newly established businesses (start-ups) (hereinafter referred to as „the Scheme”). The Programme Operator shall carry out a state aid test and assess compliance of the grant provision with conditions set out in the Scheme before the aid is provided.

The Scheme DM-15/2019 is published in the Commercial Journal and entered into force on 16th April 2020. The Scheme is published at the Program Operator web side ([link](#)).

11. PROJECT APPLICATION SUBMISSION AND EVALUATION

Project Application shall be prepared in English language and submitted electronically via application accessible at vyskumnaagentura.egrant.sk by the date and time of the call closure specified in Chapter 1 of this Call (Basic Data and Conditions).

The following mandatory attachments shall be submitted along with Project Application:

1. Signed and scanned Partnership statement, letter of intent or other similar document shall be submitted along with the Project Application (relevant, if the project is implemented in partnership),
2. Applicant's and Slovak partner's, if relevant, approved financial statement from the previous calendar/economic year, if it's not published in the Register of Financial Statements.
Applicant, or partner, if relevant, who is a parent entity that is not required to prepared consolidated financial statement in accordance with applicable legislation, or it is a member of a consolidated group whose parent entity is not required to prepare consolidated financial statement in accordance with applicable legislation, is required to prepare consolidated financial statements or to ensure its preparation by the parent entity¹⁵.

¹⁵ The consolidated financial statement shall be prepared in accordance with the methods and principles laid down in the Commission Regulation (EC) No. 1126/2008 of 3 November 2008, which adopts certain international accounting standards (OJ EU L 320, 29.11.2008), as amended, in accordance with the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002. An applicant

The financial statement is prepared for the purpose of assessing the condition that the applicant is not an undertaking in difficulty.

3. Filled in and signed Annex 1 of the De minimis aid scheme for supporting newly established businesses (start-ups) (DM-15/2019) by the applicant and the partner, if relevant.
4. Signed and scanned Declaration of Applicant. In the case the project is implemented in the partnership, signed and scanned Declaration of the Partner. Applicants are reminded to verify accuracy of the data in the lists/registers before submitting the project application and, in case of incorrect data, to take the relevant steps to correct them before submitting the application.

The date and time of the submission of the Project Application is identical to the date on and time of its receipt by the electronic application (e-grant). Annexes to the Project Application should be submitted as PDF files to prevent accidental loss of data.

The Project Application does not need to be signed. Signature shall be required prior to the conclusion of the Project Contract.

12. FURTHER INFORMATION

Please note that all applicants are required to disclose any **consultant** involved in the preparation of the Project Application.

There is no legal entitlement to the Project Grant.

Link to the website of the National Focal Point with information on how to submit a complaint is at [complaints](#).

Project should also include information and communication activities in accordance with Annex 3 of the Regulation. Information related to communication activities is given in the Guide for Applicant.

Before and during preparation of a Project Application the applicant is strongly advised to comply with the following documents, as amended:

- Guideline for Applicant (only in Slovak version)
- Guideline for Project Promoter and Project Partner (only in Slovak version)
- Project Contract template including attachments
- Partnership Agreement template

Further recommended documents are:

who is part of an enterprise group with a common source of control that does not represent a consolidated group or is wider than the consolidated group, is required to prepare reliable aggregated financial data for the enterprise group.

- [Programme Agreement for the financing of the Programme “Business Development, Innovation and SMEs”;](#)
- [Regulation on the implementation of the Norwegian Financial Mechanism 2014 – 2021;](#)
- Guidelines, instructions and other documents published by the Financial Mechanism Office, National Focal Point, the Programme Operator and Ministry of Finance of the SR. These documents are published on the websites <http://www.vyskumnaagentura.sk/en/programme-eea-norway-grants>, www.eeagrants.sk and/or www.eeagrants.org.

The Programme Operator may also introduce the FAQ section, if relevant.

The Programme Operator can be contacted for queries by:

- e-mail: norskegranty@vyskumnaagentura.sk (the request needs to be linked to the call – by call code BIN SGS01; questions received by e-mail will be responded within 10 days);
- phone: +421 210 13 809 or mobile: +421 918 328 488.

Applicants are recommended to follow the [website of the Programme Operator](#), where updated information related to the announced call will be published according to their relevance.

13. CALL ANNEXES

- Annex 1 Grant Application Form including budget template (only read in PDF format)
- Annex 2 De minimis aid scheme for supporting newly established businesses (start-ups) (Scheme DM- 15/2019)
- Annex 3 Partnership Statement (relevant only if project is implemented in partnerships)
- Annex 4 Selection Criteria
- Annex 5 Selection Committee Statutes and Rules of Procedures
- Annex 6 Privacy statement
- Annex 7 Declaration of the Applicant
- Annex 8 Declaration of the Partner
- Annex 9 Guideline for Applicant (only in Slovak version)