

Norwegian Financial Mechanism 2014-2021

Programme Business Development, Innovation and SMEs, Bulgaria

Focus Area: Welfare Technology

First Call for Project Proposals

The Programme Business Development, Innovation and SME's, Bulgaria (hereafter referred to as "the Programme") shall contribute to the general objectives of Norway Grants 2014-2021, respectively to the reduction of economic and social disparities in the European Economic Area and to strengthening bilateral relations between Norway and the Norway Grants Beneficiary States. The Programme has the objective to *increase value creation and sustainable growth in the Bulgarian business sector*. The Programme seeks to stimulate and develop long-term business cooperation between Norway (hereafter referred to as "the Donor State") and Bulgaria, based on business development and innovation.

The **expected outcome** of the projects financed by this call is ***increased competitiveness of Bulgarian enterprises within the focus area Welfare Technology (hereafter referred to as WT)***.

The Programme will finance projects proposed by Bulgarian enterprises in the Welfare Technology focus area.

Available amount for financing of projects

The total amount available for financing of projects from this call is **EURO 5,000,000**.

2 Grants Schemes are available through the present Call for Proposals:

1. Scheme for Proposals Welfare Technology:

Total amount available for financing projects for this grant scheme is: EUR 4,000,000.

2. Small Grants Scheme on Welfare Technology for SMEs:

Total amount available for financing projects for this grant scheme is: EUR 1,000,000.

Deadline for applications and language

To be eligible, applications must be submitted to Innovation Norway through the electronical application portal no later than **Thursday, 21 March 2019, 13h00 Bulgarian time**.

The Programme language is English, i.e. all applications and supporting documents, shall be submitted to Innovation Norway in English. Official certificates and certified annual accounts can be submitted in Bulgarian language. For the list of mandatory attachments, see Annex I to the present Call text.

The applicant shall inform the Fund Operator about any involvement of consultants in the process of preparing the application. The identity of the consultant(s) shall be disclosed in the application.

Table of Contents

1. Projects and project funding	3
1.1 Eligible applicants and partners	3
1.1.1 Additional criteria for applicants and partners	4
1.2 Areas of support and eligible activities	4
1.3 Minimum and maximum grant for each project.....	5
1.4 Grant rates and co-financing	5
1.5 Eligible expenditures	7
1.5.1 First and final dates for eligibility of expenditure	7
1.5.2 General principles of eligibility	7
1.5.3 Detailed eligibility provisions	8
1.5.3.1 Eligible direct expenditures.....	8
1.5.3.2 Eligible indirect costs in projects (overheads).....	8
1.5.3.3 Excluded costs	9
2. Assessment of projects and selection procedure	9
2.1 Assessment criteria	10
2.2 Selection and award	11
2.3 The project contract.....	12
3. Implementation of projects	13
4. Payment flows.....	13
5. Procedure for submission of application	13
6. Queries.....	13
ANNEX I – List of mandatory documents.....	15
ANNEX II – Essential reading.....	15
ANNEX III – Glossary of terms.....	16

1. Projects and project funding

The target group of the Programme is enterprises in private sector, mainly SMEs. Partnerships are not mandatory, but Donor Partnership Projects are strongly encouraged.

A Donor Partnership Project is defined as cooperation between a Project Promoter in Bulgaria and at least one legal entity in Norway, implementing a project where all entities are independent of each other and perform substantial and relevant tasks in the completion of the project. Such projects will be awarded additional points during project assessment. To qualify for such points, the Norwegian partner should be actively involved in, and effectively contributing to, the implementation of the project, and it should share with the project promoter a common economic or social goal which is to be realized through the implementation of the project. The simple provision of services does not qualify as a project partnership.

A Partnership Project is defined as cooperation between a Project Promoter in Bulgaria and at least one legal entity in Bulgaria, implementing a project where all entities are independent of each other and perform substantial and relevant tasks in completion of the project. The partner should be actively involved in, and effectively contributing to, the implementation of the project, and it should share with the project promoter a common economic or social goal which is to be realized through the implementation of the project. The simple provision of services does not qualify as a project partnership.

1.1 Eligible applicants and partners

- **Scheme for Proposals on Welfare Technology**

Eligible applicants: SMEs, as defined in the EU Recommendation 2003/361, and large enterprises with no more than 25 % public ownership, established as legal persons in Bulgaria.

Applicants must have been established for at least three fiscal years at the deadline for submission of project proposals.

Eligible partners: Any private or public entity, commercial or non-commercial, established as a legal person in Norway or in Bulgaria.

- **Small grant scheme on Welfare Technology for SMEs**

Eligible applicants: SMEs, as defined in the EU Recommendation 2003/361¹, established as legal persons in Bulgaria.

Eligible applicants must have been established for at least three fiscal years at the deadline for submission of project proposals

Eligible partners: any private or public entity, commercial or non-commercial, and non-governmental organisations, established as a legal person in Norway or in Bulgaria.

¹ The text of the Recommendation is available at:
<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

1.1.1 Additional criteria for applicants and partners

- a) the Applicant's main activities are closely related to the activities for which an application is made;
- b) the Applicant and Partner(s) and their legal representatives signing the application have clean criminal and tax records;
- c) The Partner(s) main activity is closely related to the activities in which its contribution is proposed;
- d) if the Applicant has one or more Partners, a draft Partnership Agreement defining the roles and responsibilities of the different partners, is attached to the application. A template for the Partnership Agreement is published with this Call.

Moreover, applicants are not eligible for funding if:

- a) they are undertakings in difficulty (the definition of "undertaking in difficulty" is included in Article 2, paragraph 18 of **Commission Regulation (EU) No.651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty**)
- b) they are bankrupt, are entered in judicial administration or are under liquidation, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation;
- c) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity of relevance for the application, without evidence of substantial correction measures taken in the past years.

1.2 Areas of support and eligible activities

An Applicant shall submit only one project proposal under this Call.

- **Scheme for Individual projects on Welfare Technology**

This scheme shall provide support for Projects that will develop new products, services and solutions within the Welfare Technology focus area.

Welfare Technology

1. Development of innovative WT-technologies and services that helps elderly and persons with disabilities to become more independent and reliant;
2. Development of WT-products, services and solutions that would help meeting the social and health challenges of the ageing society;
3. Development of technological solutions mainly used by/support staff that delivers or carry out welfare services;
4. Digitalization of welfare business;
5. Training and awareness raising as a secondary activity related to the above activities.

Projects on Welfare Technology must contribute directly to one or more of the following outcome indicators:

- a) Innovative welfare technologies/processes/solutions developed;
- b) Innovative welfare products or services commercialized (new to the market);
- c) Jobs created.

Indicator "c" could only be selected in conjunction with one of the two other indicators.

Business indicators - the projects must be able to produce a positive change for the Applicant in terms of annual turnover and net operational profit. The Applicant must include these two indicators among project indicators.

- **Small grant scheme on Welfare technology for SMEs**

This scheme shall provide support to projects that will develop new products, services and solutions within the enterprise applying for funding in the Welfare Technology focus area.

Welfare Technology

1. Development of innovative WT-technologies, services and solutions that helps elderly and disabled people to become more independent and reliant;
2. Development of WT products, services and solutions that would help meeting the social and health challenges of the ageing society
3. Development of technological solutions mainly used by and support the staff that deliver or carry out welfare services
4. Digitalization of welfare business
5. Training and awareness raising as a secondary activity related to the above activities

Projects on Welfare Technology must contribute directly to one or more of the following outcome indicators:

- a) Innovative welfare technologies/processes/solutions developed;
- b) Innovative welfare products or services commercialized (new to the market);
- c) Jobs created.

Indicator “c” could only be selected in conjunction with one of the other indicators.

Business indicators - the projects must be able to produce a positive change for the Applicant in terms of annual turnover and net operational profit. The Applicant must include these two indicators among project indicators.

1.3 Minimum and maximum grant for each project

- **Scheme for Individual projects**

The minimum amount of grant assistance applied for shall be EUR 200,000
The maximum amount of grant assistance applied for shall be EUR 1,000,000.

- **Small grant scheme for SMEs**

The minimum amount of grant assistance applied for shall be EUR 50,000.
The maximum amount of grant assistance applied for shall be EUR 200,000.

1.4 Grant rates and co-financing

The financial contribution from this Programme shall be determined on a case-by-case basis, taking all relevant factors into account. The applicable rules on public procurement and on state aid, procedural and substantive, shall be complied with.

The Applicant (Project Promoter) shall secure the full financing of the project. The Project Promoter (and/or the Project Partner(s)) shall provide or obtain the remaining co-financing in the form of cash. Man-hour contribution from the Project Promoter and Project Partner(s) may be accepted as cash contribution, based on approved hourly rate for salaries. In-kind contribution is not accepted as co-financing.

For undertakings, the grant rate will be determined based on the applicable provisions of Commission Regulation 651/2014² declaring certain categories of aid as compatible with the Internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation 2017/1084. The grant rate may vary from 10% to 70%, depending on the type of the state aid awarded, size of the Applicant and other elements included in the provisions of the Regulation which are relevant for the respective project.

For this Call, the following state aid categories will be applicable:

1. **Regional Aid**, Articles 13 and 14.

Maximum grant intensity of Regional investment aid in line with the approved Regional map³ for Bulgaria for the period 2014-2020 (European Commission decision C (2014) 4093 final from 25 June 2014 on regional aid map of Bulgaria for the period from 1 July 2014 to 31 December 2020 for a large company is:

- 25% for Sofia and South-West region of Bulgaria
- 50% for the other 5 regions.

SMEs may be awarded with a bonus between 10% and 20% of the eligible costs.

2. **Aid to SMEs**, Articles 17 – 19

- **Investment aid to SMEs**: maximum aid intensity is 20 % of the eligible costs in the case of small enterprises and up to 10% of the eligible costs in the case of medium-sized enterprises;
- **Aid for consultancy in favor of SMEs**: maximum aid intensity is 50 % of the eligible costs;
- **Aid to SMEs for participation in fairs**: maximum aid intensity is 50 % of the eligible costs.

3. **Research and Development and Innovation**, art. 25

Maximum aid intensity is:

- 50 % of the eligible costs for industrial research
- 25 % of the eligible costs for experimental development

with possibility to increase the maximum aid intensity up to 80 % of the eligible costs, as follows:

- (a) by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises;
- (b) by 15 percentage points if one of the following conditions mentioned in the Regulation is fulfilled:

“(i) the project involves effective collaboration:

- *between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70 % of the eligible costs, or*
- *between an undertaking and one or more research and knowledge-dissemination organisations, where the latter bear at least 10 % of the eligible costs and have the right to publish their own research results;*

² Known also as General Block Exemption Regulation [GBER]

³ For more information, please see regional aid map 2014-2020
http://ec.europa.eu/competition/elojade/iseef/case_details.cfm?proc_code=3_SA_38667

(ii) the results of the project are widely disseminated through conferences, publication, open access repositories, or free or open source software.”

4. **Innovation aid for SMEs, Art. 28**

- maximum aid intensity is 50 % of the eligible costs.

5. **Training aid, Art. 31**

- maximum aid intensity is 50 % of the eligible costs, with possibility to increase it, as follows:
 - (a) by 10 % if the training is given to workers with disabilities or disadvantaged workers;
 - (b) by 10 % if the aid is granted to medium-sized enterprises and by 20 percentage points if the aid is granted to small enterprises;

Exceptionally, financial support will be awarded as **de minimis** support in line with the Commission Regulation (EC) No 1407/2013 (max. EUR 200,000 over three fiscal years).

1.5 Eligible expenditures

IMPORTANT: The assessment of the eligible expenditures for a specific project will be made based on the applicable state aid legal basis. However, in cases where eligibility provisions in the State aid legislation are more extensive than the detailed eligibility provisions below, the text of the Call will prevail.

1.5.1 First and final dates for eligibility of expenditure

Costs within projects may be eligible from the date on which the grant is awarded or later set in the Project Contract. The Project Contract shall set the final date of eligibility of costs, which shall be no later than 30 April 2022. Costs incurred after that final date are not eligible.

1.5.2 General principles of eligibility

Eligible expenditures of projects are those actually incurred by the Project Promoter or the Project Partner, which meet the following criteria:

- a) they are incurred between the first and final dates of eligibility of a project as specified in the project contract;
- b) they are connected with the subject of the project contract and they are indicated in the detailed budget of the project;
- c) they are proportionate and necessary for the implementation of the project;
- d) they are used for the sole purpose of achieving the objective of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
- e) they are identifiable and verifiable, in particular through being recorded in the accounting records of the project promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and
- f) they comply with the requirements of applicable tax and social legislation.

Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Exceptionally, costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date of eligibility. Overheads and depreciation of equipment are considered to have been incurred when they are recorded on the accounts of the Project Promoter and/or Project Partner.

The Project Promoter's internal accounting and auditing procedures must permit direct reconciliation of the expenditures and revenue declared in respect of the project with the corresponding accounting statements and supporting documents.

1.5.3 Detailed eligibility provisions

1.5.3.1 Eligible direct expenditures

The eligible direct expenditures for a project are those expenditures which are identified by the Project Promoter and/or the Project Partner, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly. The following direct expenditures are eligible provided that they satisfy the criteria set out in Article 1.5.2:

- a) the cost of staff assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this corresponds to the project promoter's and project partner's usual policy on remuneration;
- b) travel and subsistence allowances for staff and volunteers taking part in the project, provided that they are in line with the project promoter's and project partner's usual practices on travel costs;
- c) cost of new or second-hand equipment if it is depreciated in accordance with generally accepted accounting principles applicable to the project promoter and generally accepted for items of the same kind. 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 by the Fund Operator. In case the Fund Operator determines that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be eligible;
- d) costs of consumables and supplies, if they are identifiable and assigned to the project;
- e) costs entailed by other contracts awarded by a project promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement;
- f) costs arising directly from requirements imposed by the project contract for each project.

Where the entire purchase price of equipment is eligible in accordance with point (c) of paragraph 1 of Section 1.5.3.1. **Eligible direct expenditures**, the Project Promoter shall:

- a) keep the equipment in its ownership for a period of at least five years following the completion of the project and continues to use the equipment for the benefit of the overall objectives of the project for the same period;
- b) keep the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and
- c) set aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project.

1.5.3.2 Eligible indirect costs in projects (overheads)

Indirect costs are all eligible costs that cannot be identified by the Project Promoter and/or the Project Partner as being directly attributed to the project, but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the Project Promoter or the Project Partner. They may be identified according to either of the

following methods:

- a) based on actual indirect costs for those project promoters and project partners that have an analytical accounting system to identify their indirect costs as indicated above;
- b) a Project Promoter and Project Partners may opt for a flat rate of up to 25% of total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Project Promoter or Project Partner, subject to the calculation of the rate on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Beneficiary State for similar types of project and project promoter;
- c) a Project Promoter and Project Partners may opt for a flat rate of up to 15% of direct eligible staff costs;
- d) in case of projects including a research component, indirect eligible costs may be determined by applying a flat rate of 25% of the total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Project Promoter or Project Partner.

1.5.3.3 Excluded costs

The following costs shall not be considered eligible:

- a) interest on debt, debt service charges and late payment charges;
- b) charges for financial transactions and other purely financial costs, except costs related to accounts and financial services imposed by the project contract;
- c) provisions for losses or potential future liabilities;
- d) exchange losses;
- e) recoverable VAT;
- f) costs that are covered by other sources;
- g) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project; and
- h) excessive or reckless expenditure.

2. Assessment of projects and selection procedure

The Fund Operator will check the fulfilment of administrative and eligibility criteria contained in the call for proposals. In the case of applications not complying with the administrative and eligibility criteria Innovation Norway will contact the Applicant to clarify the information provided or request the provision of additional information. Applicants will be given 10 working days to submit the information requested. Applications submitted in a language other than English will be automatically rejected.

Following the conclusion of the administrative and eligibility check, all Applicants will be informed in writing about the status of their project.

All applications which fulfil administrative and eligibility criteria will be further assessed by experts from Innovation Norway. The experts shall evaluate the projects against the selection criteria contained in the Call for proposals. If necessary, Innovation Norway may use external expertise on a case by case basis.

The result of the experts' assessment shall be a ranking list that forms the basis of the Innovation Norway's selection committee's discussion. The selection committee will make the final decision to reject or approve the applications.

After the selection procedure is complete, information of the results and the decision on the award of grants will be communicated to the Applicants and published online.

2.1 Assessment criteria

Project applications will be assessed based on a set of selection criteria. The said criteria are based on the objectives and the outcome that the Programme seeks to achieve. The objectives and principles of good governance and good business practice, sustainable development and gender equality, are cross-cutting issues that shall be considered as part of the assessment process. For more detailed information, including on the weighting of criteria, see the document “project assessment criteria and methodology”

The applicable selection criteria are divided into the following sections:

1. *Formal/administrative criteria*

- The Application form has been filled in according to the instructions given in the Call for Project proposals, Electronic Application Form, Application form Guidelines and all mandatory documentation is attached to the application;
- The application and requested supported documents are submitted and presented in English; certificates and certified annual accounts issued in Bulgarian language can be submitted and presented in Bulgarian. For the rest of the documents, free translation in English is required;
- The appropriate electronic Application Form has been used (corresponding to the type of Programme and type of the Applicant).

2. *Eligibility criteria*

a) Applicant (and Partner(s))

- The Applicant is registered as a legal person in Bulgaria;
- The Applicant has been established for at least the period of time set out in the Call, section 1.1 Eligible applicants and partners.
- The Partner(s) is established as a legal person in Bulgaria or Norway;
- The Partner(s) main activity is closely related to the activities in which its contribution is proposed;
- If the case of a partnership project, a draft project partnership agreement has been attached to the Application form;
- The Applicant and the legal representative signing the Application have clean criminal and tax record
- The Applicant is not an undertaking in difficulty;
- The Partner(s) and the legal representative signing the Partnership agreement have clean criminal and tax record.
- The applicant is not an undertaking in difficulty

b) Project

- The proposed project fits the focus area of the Call and within the eligible activities defined in the present Call for Project Proposals;
- Grant maximum and minimum amounts and co-financing rates are complied with;
- The project implementation period is no longer than the deadline for cost eligibility mentioned in the Call for Project Proposals;
- No overlapping/double funding arises from the applications for a similar project from EU/EEA/International Financial Institution/Bilateral or other sources;
- The project is in compliance with both EU and national legislation of Bulgaria (in particular state aid, public procurement and environment requirements);
- Compliance with plans -The extent to which the project is in compliance with national, regional and local policies, strategies, plans and programmes in Bulgaria;
- Incentive effect – work on the project did not start before the submission of the current application for

grant.

3. *Technical and financial selection criteria*

- **Relevance** - the extent to which the project meets the expected outcome of the Programme and the eligible activities set out in the Call for Project Proposals;
- **Technical viability and feasibility** - the extent to which the project is mature, i.e. technically viable and feasible in terms of technical solution meets the project objectives and specific outcomes, the Applicant has the technical/technological capacity to implement the project, time schedule;
- **Innovation level** – the extent to which the project includes innovation, either on enterprise level, sector level, national level or international level
- **Releasing effect** - the extent to which the project would not be executed without a grant;
- **Internal factors** – the extent to which the Applicant (and Partner(s)) have the necessary resources to implement the project
- **Financial capacity** - the extent to which the Applicant (and possible Partners) have the necessary co-financing and financial capacity to implement the project and support its costs;
- **Project risks** – the extent to which the project is adequately supported by a risk management plan,
- **Operating risk** – the assessment of Applicant’s financial situation and debt service capabilities;
- **Costs estimates and funding** - the extent to which the project has clear and well documented cost estimates and a financing plan. The budget is correctly elaborated and correlated with project activities, allocated and estimated resources,
- **IPR status (Intellectual Property Rights)** – immaterial resources available for the proposed project,
- **Market potential and competitiveness** – quality of market analysis,
- **Project profitability** – the extent to which the project has potential for profitability,
- **Good business practice** – the extent to which the Applicant (and Partner(s)) adhere to Good Business Practice as defined by the OECD guidelines and UN Guiding Principles on business and human rights, including zero-tolerance towards corruption (initiated on Applicant level),
- **Sustainability** – the project incorporates clear sustainability measures, i.e the durability of the project after the implementation deadline,
- **Overall objectives** – the extent to which the project contributes to the overall objectives of EEA and Norway Grants,
- **Bilateral partnership’s quality (if applicable)** – the extent to which the Partnership Agreement includes clear division of roles, tasks, responsibilities and cash flow,
- **Cross-cutting issues** – the extent to which the project complies with relevant cross-cutting issues identified in the Application Form: good governance and good business practice, sustainable development and gender equality,
- **Socio-economic impact** – the extent to which the project has added value, i.e. the socio-economic profitability.

2.2 Selection and award

The selection criteria above will be scored in a rating from one to six points (1 lowest, 6 highest). The scoring will constitute a basis for an assessment profile. Each of the selection criteria may be a critical success factor, since low score on certain critical factors can jeopardize the whole project. The scoring profile will be the basis for the prioritizing for the project proposals. The main principle will be that those projects with the highest scoring will have the highest probability to be awarded a grant.

After the assessment of the project applications has been performed, Innovation Norway will make the final grant decision. Applicants shall be notified of the decision of Innovation Norway to support or reject

their application. Innovation Norway will send a Draft Project Contract/Reasoned Refusal to the Project Promoter with a copy to possible Partners.

2.3 The project contract

For each approved project a Project Contract shall be concluded between Innovation Norway and the Project Promoter.

The Project Contract will include relevant Special Conditions, the Standard terms and Conditions on EEA/Norway Grants programmes operated by Innovation Norway, the agreed Project Implementation Plan, the agreed activity based Budget and the agreed Disbursement Plan. These documents shall set out the terms and conditions of the grant assistance, as well as the roles and responsibilities of the Parties.

Prior to the signing of the Project Contract, the Project Promoter has to submit a binding confirmation of the co-financing of the project to Innovation Norway. The Grant Offer letter will set a deadline for submitting such a confirmation. If the deadline is not met, the Grant Offer is considered to be withdrawn, unless a prolongation of the deadline is granted by Innovation Norway in writing.

The Project Contract sets out the terms and conditions of grant assistance as well as the roles and responsibilities of the parties. The project contract shall contain, as a minimum, provisions on the following:

- a) obligations regarding reporting that enable the Fund Operator to comply with its reporting obligations to FMO and the National Focal Point;
- b) the maximum amount of the project grant in euro and the maximum project grant rate;
- c) the list of eligible expenditures;
- d) the method of calculating indirect costs and their maximum amount;
- e) the first and final dates of eligibility of expenditures;
- f) requirements for the submission of proof of expenditure;
- g) provision on modifications of the project;
- h) provisions that ensure timely access for the purposes of monitoring, audits and evaluations;
- i) provisions that ensure that obligations regarding information and communication are complied with;
- j) the right of the Fund Operator to suspend payments, make financial corrections and request reimbursement from the project promoter in case decision on such actions is taken by FMO and/or the Fund Operator;
- k) resolution of disputes and jurisdiction;
- l) waiver of responsibility;
- m) a detailed budget;
- n) provisions on equipment for which the entire purchase price is eligible, in compliance with section 1.5.3.1 – *Eligible direct expenditures*;
- o) provisions regarding the situation of changing the Fund Operator;
- p) a reference to partnership agreements or letters of intent, if relevant; and
- q) provisions that ensure that obligations regarding record keeping are complied with.

The obligations of the Project Promoter under the project contract shall be valid and enforceable under

the law applicable to the Project Contract.

The grant will be subject to the acceptance of the Standard Terms and Conditions on EEA/Norway Grants programmes operated by Innovation Norway and the Special Conditions of the Project Contract.

3. Implementation of projects

All provisions and requirements related to the implementation of projects are set out in the Standard Terms and Conditions, published together with this call.

4. Payment flows

Grant assistance shall be given as reimbursements of already incurred documented costs according to an agreed Disbursement Plan.

The Project Promoter has the opportunity to apply for an advance payment in line with Programme requirements.

The advance payment shall be paid following the signature of the project contract, within one month of the submission of a request by the Project promoter. Subsequent payments shall be paid following the approval of project interim reports and no later than one month from the date of approval. The final payment, if applicable, will be paid following approval of the final report and no later than one month from the date of approval.

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

Commitments and payments will be carried out in Euro (€).

Payment claims (incl. advance payment) forwarded from the Project Promoter to Innovation Norway shall be in Euro (€).

5. Procedure for submission of application

Only electronic applications submitted via Innovation Norway's Application Portal, in English, will be accepted. The application form must be accompanied by the mandatory attachments which are listed in Annex II of the present Call text.

The electronic applications and templates for the mandatory attachments are available on Innovation Norway's website <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/>.

Project applications will be submitted via application portal which could be accessed through the above-mentioned website.

The Guidelines for Application form is also available on Programme's website.

6. Queries

Questions or further need for clarifications shall be sent in writing – in English – to the Programme's e-mail address bg.business@innovationnorway.no. Queries will normally be replied to within 3-5 working days.

A Frequently Asked Questions section (FAQ) will be published on the dedicated Innovation Norway's website based on questions received from potential applicants and partners. The FAQ will be updated on a regular basis.

More background information about the EEA and Norwegian Financial Mechanisms is available at: www.eegrants.org.

ANNEX I – List of mandatory documents

- Expected results and deliverables of the project (template);
- Project Implementation Plan (template);
- Detailed Activity Based Budget and Disbursement Plan (template);
- Procurement Plan (template);
- Letter of Commitment (template);
- Business plan (template);
- draft Partnership Agreement (if relevant) (template);
- CV's for project management team (template);
- Communication Plan;
- Self-declaration re. undertaking in difficulty (template);
- Self-declaration regrading clean tax and criminal record of the Applicant (and Partner(s) – if relevant) and of the legal representative(s);
- Relevant Registration Certificates and statutory documents;

Applicants:

- Relevant registration certificate (Bulgarian), i.e. Good Standing Certificate, valid at the date of Application form submission;

Partners:

- Relevant registration certificate (or similar), issued by the competent authority in the Donor State/Beneficiary State;
- latest approved statute (or similar), which proves that Partner's main activity is closely related to the activities in which its contribution is proposed;
- Certified annual accounts of the Applicant for 2017 and 2016, and the balance sheet/profit & loss statement as per 30 June 2018 (in Bulgarian) as well as the latest trial balance sheet for 2018;
- Applicant's Annual report (year 2017).

ANNEX II – Essential reading

Please find below the list of documents which are relevant for the present Call and are available on our webpage <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/>:

1. Standard terms and conditions;
2. Project assessment criteria and methodology;
3. Guidelines on cross-cutting issues and good business practice;
4. Publicity Guidelines;
5. Application form Guidelines.

ANNEX III – Glossary of terms

The following terms used in the present Call shall be understood as follows:

SMEs – small and medium sized enterprises, as defined within the Commission Recommendation (2003/361/EC).

Sustainable growth - building a better society based on the three dimensions of sustainability; economic sustainability, environmental sustainability and social sustainability.

Value creation – it refers to initiatives to bring value to enterprise’s shareholders and customers.

Competitiveness - enterprises’ ability to offer products and services that meets the quality standards on the local and world markets at prices that are competitive and provide adequate returns on resources employed or consumed in producing them.

Profit: difference between operating income and operating expenses.

Turnover: enterprise’s net revenue for a fiscal year (after deduction of VAT, trade reductions and other indirect taxes).

Innovation: enterprise’s implementation of a new or significantly improved product (goods or services), or a process, a new marketing method, or a new organizational method in business practices, work place organization or an external relation. Innovation can be on enterprise level, sector level, national level or international level.

Innovative technology “developed”: Projects where the main activities are user driven R&D, i.e. validation or demonstration of technologies in relevant (industrial) environment, prototypes demonstrated in operational environment, system completed and qualified. With other words Technology Readiness Level (TRL) 5-8 (EU Commission’s scale used to describe the maturity of a technology). These types of projects will typically be cooperation between an enterprise and a research institution or similar.

Innovative technology “applied”: An enterprise is using a solutions/technology/product already developed/available in the market and adjust it to the enterprises’ own need. These types of projects will often include a R&D component related to adjustment of material, process etc. applicant/enterprise’s needs.

Welfare technology: technology that will make elderly people and people with disabilities more independent; technology to detect changes in health (physical electronic devices), technology of smart houses, IT solutions, robotic technology, and technology that is mainly used by and supporting the staff delivering or carrying out welfare services, etc.

“Welfare” products and services: Goods and services related to system for medical care, products of smart houses, telemedicine services, etc.

Commercialization: the process by which a new product or service is introduced into the general market. The process is broken into phases, from the initial introduction of the product through its mass production and adoption. It takes into account the production, distribution, marketing, sales and customer support

required to achieve commercial success.

Non-governmental organisation: a non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs.

Project: an economically indivisible series of works fulfilling a precise technical function and with clearly identifiable aims related to the programme under which it falls. A project may include one or more sub-projects.

Project contract: an agreement between the Fund Operator and the Project Promoter regulating the implementation of a particular project.

Project grant: a grant awarded by a Fund Operator to a Project Promoter to implement a project.

Project Promoter: legal person having the responsibility for initiating, preparing and implementing a project.

Applicant: legal person applying for a grant.