

5th Call For Proposals

«Grant scheme for supporting SMEs to grow and expand beyond local markets»

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3rd Info Day

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Call coordinates (1/4)

- **Priority Axis 01:** *«A Competitive and Innovative Cross-Border Area»*
- **Thematic Objective 03** : *«Enhancing the competitiveness of small and medium-sized enterprises»*
- **Investment Priority 3d:** *«Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes»*
- **Specific objective:** *To Improve entrepreneurship SME capacity to expand beyond local markets*
- **Focus of the Call:** *Fostering value-added producing capability in enterprises by boosting their product and service development activities through **joint economic development actions**, preferably oriented towards innovation, to make it possible for them to access new markets.*

Call coordinates (2/4)

Eligible geographic areas	<p>BG413 - Благоевград (Blagoevgrad)</p> <p>BG422 - Хасково (Haskovo)</p> <p>BG424 - Смолян (Smolyan)</p> <p>BG425 - Кърджали (Kardzhali)</p> <p>EL111 - Έβρος (Evros)</p> <p>EL112 - Ξάνθη (Xanthi)</p> <p>EL113 - Ροδόπη (Rodopi)</p> <p>EL114 - Δράμα (Drama)</p> <p>EL115 - Καβάλα (Kavala)</p> <p>EL122 - Θεσσαλονίκη (Thessaloniki)</p> <p>EL126 - Σέρρες (Serres)</p>
Total public expenditure	<p>€10,000,000.00 of which 30% will be directed to new enterprises</p> <p>65% aid intensity, 35% private co-financing</p>

Call coordinates (3/4)

Applicable investment limits/thresholds	<p>Minimum eligible investment (total per proposal): 300.000 €</p> <p>Maximum eligible investment (total per proposal): 600.000 €</p> <p>Maximum grant per enterprise (single undertaking) subject to the 200.000€ over a 3-year rolling period as <i>per de minimis</i> Regulation</p>
Period of completion	Three (3) years
Eligible potential beneficiaries	<ul style="list-style-type: none"> • Enterprises that are either: <ul style="list-style-type: none"> - New enterprises (under establishment or who have not completed one fiscal year); OR - Existing enterprises (who have completed at least one fiscal year) • Whose main activity belongs to the specified NACE codes of the Call and conduct business activities within the eligible geographic area • Who can be considered SMEs according to the SME definition in Commission Recommendation 2003/361/EC • Who are either: <ul style="list-style-type: none"> - Both registered and exercise their activities in the eligible area¹; OR - Registered outside the eligible area, with an operational branch inside the eligible area which completed at least one fiscal year.²

Call coordinates (4/4)

NOTE:

¹ All new enterprises are required to be registered and exercise their activities in the eligible area.

² The enterprise needs to document that it either is registered and has its headquarters in the eligible geographic area or that it has a branch (independent legal entity, established in the eligible area) which has at least 1 employee – other than the owner – and generates revenues amounting to at least 10% of the enterprise total. Specifically in the cases of **Bulgarian branches** these have to be independent legal entity, established and registered in the eligible area.

Eligible partnership (1/4)

Each eligible potential beneficiary (Lead Beneficiary Enterprise) submitting a project proposal should include in the proposal one other eligible potential beneficiary (Project Beneficiary Enterprise) from the other participating country, with whom - according to Art.12 par 4 in Reg.1299/2013 – the project beneficiary shall cooperate in some capacity for the development and implementation of the proposed investment plan (e.g. in the staffing, or the financing, or the use of inputs/materials/intermediate products, or the use of know-how/technology/patents, in the use of research outcomes, etc).

Eligible partnership (2/4)

Such cooperation must be documented by providing either:

- Intended strategic partnership agreements. This is a pre-requisite for all new enterprises applying for financial support; invoices are not obligatory for new enterprises , but if they exist, they could add points to the evaluation score.
- Documentation of existing cooperation/strategic partnership agreements.
- Documentation of existing strategic integration partnership/ “building” agreements and corresponding cost-sharing/profit-sharing documentation and/or invoices.

Any such agreements must explicitly state the duration and terms of the cooperation.

Eligible partnership (3/4)

The beneficiary enterprises **must not belong to the same owner or belong to the same larger entrepreneurial group.** Ownership must be documented by providing:

- Enterprise establishment official documents
- Enterprise Registration Official Documents
- All investment schemes are required to be implemented within the eligible geographic programme area
- Only one proposal per enterprise is allowed
- No public enterprises, public bodies or/and their subsidiaries are eligible

Eligible partnership (4/4)

NOTE:

- i. In the case of mergers or acquisitions, all prior de minimis aid granted to any of the merging undertakings shall be taken into account in determining whether any new de minimis aid to the new or the acquiring undertaking exceeds the relevant ceiling. De minimis aid lawfully granted before the merger or acquisition shall remain lawful.
- ii. If one undertaking splits into two or more separate undertakings, de minimis aid granted prior to the split shall be allocated to the undertaking that benefited from it, which is in principle the undertaking taking over the activities for which the de minimis aid was used. ***If such an allocation is not possible***, then de minimis aid shall be allocated proportionately on the basis of the book value of the equity capital of the new undertakings at the effective date of the split.

Eligible applicants' conditions

- They either own installations (sites of operation) or are about to create an installation (site of operation) in the eligible geographic area;
- Are not under bankruptcy, liquidation or controlled management proceedings;
- Are not subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market;
- Have not terminated the same business activity – for which they are now submitting a proposal - **within the last two years**;
- Have not relocated from one participating country to the other **within the last eight years**;
- Have completed at least 1 Annual Financial Balance at the time of proposal submission or, if newly established enterprises, who can provide an estimate of their first Annual Financial Balance;
- Keep general ledgers as accounting books;
- Have submitted a complete investment proposal as per the requirements of the present Call;
- **Have incurred eligible expenditures from the date of the publication of the call (21/12/2018);**
- Have not submitted the same investment scheme to any other programme co-financed by EU funds;

NACE codes sectors

Eligible NACE codes in the following sectors:

AGRO-FOOD INDUSTRY

TEXTILE INDUSTRY

HEALTH

MATERIALS - TECHNOLOGY

CONSTRUCTION MATERIALS

**WASTE MANAGEMENT FOR RECYCLING OR ENERGY
PRODUCTION**

**RENEWABLE ENERGY AND ENERGY SAVING AND
EFFICIENCY**

SUSTAINABLE TOURISM

**ELIGIBLE
PRODUCTIVE
ACTIVITIES
(I.E. MAIN
ENTERPRISE
ACTIVITY)**

Business activity

Eligible enterprises must have their main business activity belong to the specified NACE codes **before submitting an investment proposal to this Call.**

All possible combinations between manufacturing/ processing, wholesale trade and service enterprises are eligible and should be examined. It is **recommended** however to promote a partnership combination where at least one of the participating enterprises is in the manufacturing/processing sector.

In any case, it is of utmost importance for the activities of the two cooperating enterprises to have **relevance and complementarity** and this complementarity to be demonstrated in the investment proposal.

Eligible types of investments (2/2)

- All investment proposals **MUST** comply with the terms and conditions of regulation EU 1407/2013 (de minimis).

NOTE: Within EU Regulation 1407/2013 **are not eligible for this call:**

- a) undertakings active in the fisheries and aquaculture sectors, which fall under Regulation (EC) No. Council Regulation
- b) undertakings active in the primary production of agricultural products,
- c) aid granted to undertakings active in the processing and marketing of agricultural products in the following cases:
 - i. where the amount of aid is determined on the basis of the price **or** quantity of such products sold by primary producers **or** put on the market by the undertakings concerned,
 - ii. where the aid is accompanied by the obligation to pay it in whole **or** in part to primary producers;

Eligible expenses categories

- Buildings, installations, landscaping expenses (tangible assets)
- Machinery, equipment, vehicles expenses (tangible assets)
- Personnel expenses (operating assets)
- Software expenses (intangible assets)
- Promotion, marketing, networking expenses (intangible assets)
- Technical / consulting support expenses (intangible assets)
- Technology/knowhow (intangible assets)

NON-Eligible expenses (1/2)

- **Any expenditures incurred before the date of the publication of the call (21/12/2018).**
- All expenses associated with **construction works which took place before the issuance of necessary building permits and/or other necessary permits** as per the national legislation of the country where the investment takes place.
- **Taxes, duties or levies.**
- **Expenses for preparatory activities** such as expenses for feasibility studies or for the preparation and submission of the application, etc.
- **Operational expenses and consumables.**
- Interest payments, financial transaction fees, foreign exchange costs and foreign exchange differences, and all other **financial transaction expenses** of the eligible beneficiary, except if operational expenses have been included as eligible expenses in the grant.

NON-Eligible expenses (2/2)

- **Value-added tax**, except in cases where VAT is non-recoverable based on the respective national legislation (i.e. the beneficiary has no right for deduction or return of VAT) and only for the specific expenses for which VAT is non-recoverable.
- All **expenses not paid in full** before the payment claim date.
- **Withholdings** in the name of the beneficiary or withholdings that the beneficiary benefits from in any way.
- **Fines, financial penalties and expenses for dispute resolution** (e.g. court expenses, legal fees, etc).
- Expenses incurred for the purchase of used machinery and/or equipment.

Budget

- *The total applicable Public Expenditure of the present Call: **€10,000,000.00.***
- The total eligible investment cost of any grant application submitted to this Call: must be **greater than €300,000.00 and less than €600,000.00.**
- Proposals for total investment costs greater than €600,000.00. : the excess expenses are not supported through the grant and are covered solely through **private funds**, even though the entire investment is subject to evaluation and monitoring.
- Proposals for total investment costs lower than the €300.000 threshold are **rejected as “ineligible”.**

Period of completion

- Time period for the completion of any investment supported through this Call: **three (3) years**.
- The **start date** of each investment project can be specified in each beneficiary's application **BUT** the start date **cannot be prior to the announcement of the Call**.
- The **completion date** **cannot** exceed 3 years from the grant approval date.
- All investments shall be maintained for at least three years after the completion of the investment scheme.

Financing scheme

- Total applicable indicative **Public Expenditure** of the present Call: **€10,000,000.00**
 - ERDF funds (85%): **€8,500,000.00**
 - National Contributions by Greece and Bulgaria (15%): **€1,500,000.00**
- **The aid intensity (i.e. public expenditure) is 65% of eligible cost** regardless of the size of enterprise or the type of expense.
- **No aid recipient (single undertaking) can receive total assistance in excess of 200.000€** over a rolling 3 year period - Regulation EU 1407/2013 (de minimis). Where the ceiling of **200.000€ (over a rolling 3 year period) would be exceeded** by the grant of new de minimis aid, **none of that new aid may benefit from this Regulation.**
- As **private co-financing** – for the 35% of the eligible expenses not covered by the grant – the participating enterprises may use own funds and/or loans. Loans used as private co-financing under this Call are eligible for assistance under financial instruments available during this programming period through other EU co-financed programmes. Such financial instruments may include equities, guarantees, interest rate subsidies, etc.

Budget breakdown

The budget of each investment plan submitted for financial support through this Call must be broken down respecting the following ***upper limits per category of expenses*** (these are the cumulative limits for the entire investment plan, i.e. the total expenses per category for the Lead beneficiary enterprise and the Project beneficiary enterprise together):

TYPE OF EXPENSES	PERCENTAGE OF INVESTMENT BUDGET
Investments (construction works, supply of equipment, vehicles, etc.)	Up to 100%
Personnel expenses	Up to 15%
Expenses for services associated with the implementation and monitoring of the investment plan	Up to 20.000€ per project proposal

Application (1/6)

- All applications will be submitted **electronically** through the **State Aid Information System**. In parallel, all applicants will submit by **mail (or in person)** a physical folder containing all the required **documentation** as described in the Call **by the deadline of this Call**

Application (2/6)

- Evidence of timely submission:
 - **In person**: the record the folder will receive as “incoming document” upon receipt and in the presence of the applicant.
 - **By mail**: the date recorded on the post stamp or the courier slip.

*Note: In case the folder is not submitted in time, the application will be **rejected as “incomplete”**.*

- All applications must be **FULLY COMPLETED (i.e. electronic part of submission & paper part of submission)**

Application (3/6)

- The Call will remain open

from 8th of March to 10th of May 2019 (15:00 h)

After this deadline, the electronic system will close and no more applications will be accepted.

- Enterprises are allowed to participate (either as Lead or Project beneficiary Enterprise) **in only one application.**

Application (4/6)

- Applications completed but “not submitted” will remain in the system as “drafts” and **will not be evaluated/assessed**.
- Corrections **are not allowed** after the “submission” of the application.

Application (5/6)

- **Cancellation** of an application that has been submitted is allowed up **until two (2) working days before the Call deadline**. The cancellation request can be submitted through the State Aid Information System at www.ependyseis.gr/mis (helpdesk). This action allows the beneficiary to submit another application – if desired – **within the remaining time until the Call deadline**.

Application (6/6)

- **In case of conflict** between information that has been submitted electronically and information contained in Annex I.2 (attached in pdf form in the electronic system), then **the information contained in the electronic system will be considered as valid** and will take precedence.
- **False information** declared in the “Funding Application Form” may result in penalties including rejection of the investment or recovery of the assistance at later stages.

Documentation

- The folder must contain the **original documents and not copies.**

Evaluation criteria

- **STAGE A – COMPLETENESS & ELIGIBILITY VERIFICATION**

Failure to fulfill any of the above criteria under Stage A is grounds for ultimate rejection of the application.

- **STAGE B – APPLICATION EVALUATION – SCORING BY GROUP OF CRITERIA**

- **1st GROUP OF CRITERIA:** *“Human assets guaranteeing investment success”* (weight co-efficient 35 %)
- **2nd GROUP OF CRITERIA:** *“Company assets/strengths guaranteeing investment success”* (weight co-efficient 30%). Three distinct groups of criteria are designed in order to account for the three possible combinations of investment schemes, i.e. a) one existing and one new enterprise, b) two existing enterprises, and c) two new enterprises.
- **3rd GROUP OF CRITERIA:** *“Realism and Maturity of Investment Plan”* (weight co-efficient 35%)

Evaluation process (1/2)

A few words ...

The evaluation is performed on **two levels**:

1. First level evaluation/assessment of applications is performed by the JS, with the assistance of external evaluators or MA staff.
 - Each project proposal shall be assessed by two evaluators – one evaluator from each country.

Evaluation process (2/2)

2. Second level evaluation/assessment is performed by a **Joint Assessment Team established specifically for the purposes of the present Call** and consisted by members from the Managing Authority, the Greek National Authority and the Bulgarian National Authority.
 - The Joint Assessment Team may also request additional clarifications, if deemed necessary.
 - Re-evaluations performed by the Joint Assessment Team follow the same steps and procedure as with the first-level evaluation.

Approval

The **Subsidy Contract** (i.e. the “grant contract”) signed by the Ministry of Economy and Development and the legal representatives of the Lead Beneficiary enterprise and the Project Partner enterprise is the final approval act of the grant.

National BG co-financing will be handled directly by the BG National Authority.

Clarification for newly established enterprises

New enterprises must state the relevant NACE that corresponds to their main activity and the eligible geographic area where they conduct business activities, and are requested to proceed in the establishment of the company **up to 3 months** from the date of signing the subsidy contract (indicatively).

PARTNERS' SEARCH - Proposed Methods 1/2

1. By participating in the Info days that have been planned. Next one: 20/3/2019 in Haskovo (Bulgaria)
2. By participating in the B2B meetings, which are planned after each Info day event.
3. By circulating your interest in the Commercial Chambers of the cross border area, both in Greece and In Bulgaria.

PARTNERS' SEARCH - Proposed Methods 2/2

4. By informing of your interest (NACE code, brief description of your idea) to the Commercial Section in the Bulgarian consulate in Thessaloniki at the following e-mail address:

m.boyadzhieva@mi.government.bg

5. By informing of your interest (NACE code, brief description of your idea) to the Commercial Section in the Greek Consulate in Sofia at the following e-mail address: ecocom-sofia@mfa.gr

We encourage your question

In written :

E: jts_grbg@mou.gr

Thank you for your attention

For additional information please contact:
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