

NORWAY GRANTS “GREEN ICT” PROGRAMME PROCEDURE AND CONDITIONS OF SMALL GRANT SCHEME

Introduction: This programme procedure (hereinafter referred to as the Programme Procedure) sets out the objectives and supporting activities of the small grant scheme of the ‘Green ICT’ cooperation programme of Estonia and Norway financed by the Norwegian financial mechanism (hereinafter referred to as the Programme) and the terms, conditions and procedures for applying for the grants given within the framework of the small grant scheme (hereinafter referred to as the Grant), the review of applications and the use of the Grant.

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1 General provisions for implementation of the programme

- 1.1. Legal documents serving as the basis for the programme:
 - 1.1.1. Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021 dated 28 May 2016;
 - 1.1.2. Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 adopted by the Norwegian Ministry of Foreign Affairs on 23 September 2016;
 - 1.1.3. Memorandum of understanding on the implementation of the Norwegian Financial Mechanism 2014-2021 between the Republic of Estonia and the Kingdom of Norway dated 9 May 2017;
 - 1.1.4. Programme Agreement between the Estonian Ministry of Finance and the Norwegian Ministry of Foreign Affairs of 26 April 2018;
 - 1.1.5. Government of the Republic Regulation No. 55 of 5 July 2018 “Terms, conditions and procedure for applying for funds from the financial mechanism of the European Economic Area and the Norwegian Financial Mechanism 2014-2021”;
 - 1.1.6. Implementation contract between the Estonian Ministry of Economic Affairs and Communications and Enterprise Estonia.
- 1.2. The objectives of the Programme, the rights and obligations of applicants/project promoters and partners and the definitions used are furnished and interpreted on the basis of the legal documents establishing the Programme according to the order set out therein. The aforementioned documents are followed in the case of any conflicts with the Programme Procedure.
- 1.3. The Estonian Ministry of Economic Affairs and Communications (hereinafter referred to as the MEAC) is responsible for the general coordination of the Programme.
- 1.4. The Programme is implemented by Enterprise Estonia (hereinafter referred to as Enterprise Estonia).
- 1.5. The donor programme partner Innovation Norway is included in the Programme and its tasks include advising the preparation and implementation of the Programme, participating in the Cooperation Committee and the Project Selection Committee of the Programme, evaluate Estonian and Norwegian cooperation projects, and assist potential applicants in the search of Norwegian project partners in cooperation with Enterprise Estonia.

2 Terms and definitions

- 2.1. **Initial investment** means an investment in tangible and/or intangible assets related to the diversification of the output of an establishment into products not previously produced in the establishment, or a fundamental change in the overall production process of an existing establishment.
- 2.2. **Donor partnership project** means a project implemented in cooperation with a project partner, whose primary location is Norway.
- 2.3. **Co-financing** means the financial contribution of the project partner to the financing of the project.

- 2.4. **Expense receipt** means a supporting document that certifies the emergence of expenses, which must correspond to the requirements that regulate accounting in the country of the project promoter that incurred the expenses is located and/or the project partner and the generally accepted accounting principles.
- 2.5. **Self-financing** means the project promoter's financial contribution to the financing of the project. The Grant cannot be used for self-financing.
- 2.6. **Organisational innovation** means, for the purposes of Article 2(96) of the General Block Exemption Regulation¹, the implementation of a new organisational method in an undertaking's business practices, workplace organisation or external relations, excluding changes that are based on organisational methods already in use in the undertaking, changes in management strategy, mergers and acquisitions, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly improved products;
- 2.7. **Partnership Agreement** is an agreement entered into between the project promoter and the partner(s), which stipulates the obligations and rights of the project promoter and the partner(s) associated with the project. The Agreement regulates the relations between the partners in the implementation of the project included in the application. In the Agreement, the partners approve the objectives of the project, the action plan, budget and financing plan, and regulate the principles of the cooperation between the partners, issues related to project management, procedure for involvement and exit of the partners, and other important issues. The Partnership Agreement must also contain the principles of exercising and distributing the intellectual property rights created as a result of the project in such a manner that the division of results according to the contribution is ensured and no participant in the project receives an unjustified advantage.
- 2.8. **Personal medicine** means an approach related to disease prevention and treatment that takes into account the lifestyle, environment or genetic characteristics of a person. The goals of personal medicine are to improve people's quality of life, to include their preferences in the health system processes, disease prevention and effective and individual treatment of diseases.
- 2.9. **Project Agreement** means the agreement entered into between the project promoter and Enterprise Estonia for the receipt and use of the Grant.
- 2.10. **Direct costs of a project** means costs that the project promoter and/or the partner of the project distinguishes according to the generally recognised accounting practice and customary accounting policies and procedures as specific costs that are directly related to the main activities of the project and that can therefore be recorded directly as project costs.

¹ Commission Regulation (EC) No. 651/2014, i.e. General Block Exemption Regulation: <https://eur-lex.europa.eu/legal-content/ET/TXT/PDF/?uri=CELEX:32014R0651&from=LT>

- 2.11. **Project partner** (hereinafter referred to as the Partner) is the legal entity specified by the applicant in the application, who has a significant role in the implementation of the project activities and who shares a common economic or social objective with the project promoter, which will be achieved by implementing the project. The Partner contributes to the project budget and incurs eligible costs. The Partner receives support together with the project promoter for covering the eligible costs incurred within the framework of the project under the terms and conditions provided for in this Programme. Companies belonging to a group within the meaning of subsection 2 (4) of the Competition Act are regarded as a single legal entity within the framework of one project.
- 2.12. **Process innovation** means, for the purposes of Article 2(97) of the General Block Exemption Regulation the implementation of a new or significantly improved production or delivery method (including significant changes in techniques, equipment or software), excluding minor changes or improvements, increases in production or service capabilities through the addition of manufacturing or logistical systems which are very similar to those already in use, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly improved products;
- 2.13. **Small project** means a project the objectives and activities of which are in accordance with the terms and conditions of the small grant scheme.
- 2.14. **Large enterprise** means an enterprise that is not a small or medium-sized enterprise within the meaning of Annex I to the General Block Exemption Regulation.
- 2.15. **Application** means a standard format application submitted to Enterprise Estonia within the framework of the Programme and the documents enclosed therewith to apply for the Grant.
- 2.16. **Grant rate** means the percentage of the Grant, which shows the proportion of the Grant in the eligible costs of the project.
- 2.17. **Project promoter** means, for the purposes of this Procedure, an applicant whose application for the Grant has been satisfied and who is responsible for the implementation of the project after the entry into the Project Agreement.
- 2.18. **Grant applicant** (hereinafter referred to as the Applicant) is a private legal entity registered in Estonia who submits an application for the Grant. If the project is implemented with partners, the Applicant is responsible for the entire project.
- 2.19. **Experimental development** means, for the purposes of Article 2(86) of the General Block Exemption Regulation, acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aimed at the conceptual definition, planning and documentation of new products, processes or services. Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating

conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.

- 2.20. **Effective collaboration** means collaboration between at least two independent parties to exchange knowledge or technology, or to achieve a common objective based on the division of labour where the parties jointly define the scope of the collaborative project, contribute to its implementation and share its risks, as well as its results. In the case of effective collaboration, at least one of the companies can be defined as a small or medium-sized enterprise or the project is implemented in at least two Member States (incl. Norway) and no party to the project covers more than 70% of the project expenses. Contractual research and research services are not considered cooperation.
- 2.21. **Digitisation of industry** means making production processes more efficient through digital solutions, e.g. collection and use of data, communication between devices, use of robots, etc.
- 2.22. **Small and medium-sized enterprises** means enterprises meeting the criteria set out in Annex I to the General Block Exemption Regulation. Pursuant to Article 2 of Annex I to the General Block Exemption Regulation, the category medium-sized enterprises is made up of enterprises which employ fewer than 250 persons and which have an annual turnover that does not exceed EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million and a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million. The conditions set out in Article 3 of Annex I to the General Block Exemption Regulation must also be taken into account when the aforementioned indicators are calculated.
- 2.23. **External partner** means a project partner registered in the relevant register of the Kingdom of Norway.

3 Objective and expected outcome of the Programme

- 3.1. The Programme is financed from the Norwegian Financial Mechanism 2014-2021, the main objectives of which are to contribute to reducing economic and social inequality in the European Economic Area and to strengthen bilateral relations between Norway and the beneficiary countries through monetary instalments.
- 3.2. The overall objective of the Programme is to support the sustainable development and an increase in added value of Estonian companies.
- 3.3. The objective of the Grant is to increase business cooperation in the field of innovation between Estonia and Norway and increase the added value of companies with the help of projects that promote resource savings. As a result of the Grant, carbon dioxide

emissions and energy consumption will decrease, the annual turnover and operating profit of the project promoters will increase and new jobs will be created.

- 3.4. The main focus of the Programme is on small and medium-sized enterprises whose sustainable development is supported with 75% of the total amount of the grant.
- 3.5. In the small grant scheme, support is granted to projects whose activities are aimed at the development of at least one focus area:
 - 3.5.1. development and introduction of resource-efficient products, services and processes in the **industry and green technologies** sector, as a result of which the emission of carbon dioxide gases or energy consumption are reduced:
 - 3.5.1.1. development and introduction of new resource-efficient products, services and processes aimed at industry, e.g. solutions based on automation and robotics;
 - 3.5.1.2. development of innovative products and services with an ICT component, which are aimed at promoting resource savings in other areas, such as energy efficiency, transport, etc.
 - 3.5.2. Development of innovative products, services and processes in the field of health technologies, which supports information technology development in the health sector. For example, activities for the development of new ICT products and services, which have been designed in cooperation with end consumers, are supported:
 - 3.5.2.1. solutions for hospitals, the purpose of which is to empower the ecosystem of personal medicine;
 - 3.5.2.2. solutions that simplify the patient journey, which are aimed at improving the individual health indicators of patients and improving their quality of life;
 - 3.5.2.3. products and services aimed at collecting, standardising and analysing medical data;
 - 3.5.2.4. solutions for primary care for the provision of preventive services and for more effective use of medical data.
- 3.6. Those who apply for grants in the small grant scheme must submit with their application a forecast that explains the contribution of the project to the achievement of the next economic and social outcomes:
 - 3.6.1.1. estimated annual increase in operating profit;
 - 3.6.1.2. annual turnover growth;
 - 3.6.1.3. number of jobs created.
- 3.7. When a grant for a project in the industrial and green technology sectors specified in point 3.7.1 is applied for, the application must also include a forecast of the expected environmental impact, which opens up and analyses the resource savings (reduction of energy consumption (MWh) or reduction of carbon dioxide emissions (CO₂ equivalent per year in tonnes) to be achieved as a result of the development or implementation of the solution.

4 State aid applied to the grant scheme

- 4.1. The Grant given in the small grant scheme is state aid for the purposes of subsection 30 (1) of the Competition Act or *de minimis* aid for the purposes of subsection 33 (1) of the

Competition Act. The Grant is given in accordance with the following legal acts concerning state aid or *de minimis* aid:

- 4.1.1. The Grants for the activities listed in point 5.1.1. of the Programme Procedure are support given for the purpose of process and organisational innovation according to 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 (OJ L 187 26.6.2014, pp 1–78) (hereinafter referred to as the *General Block Exemption Regulation*) within the meaning of Article 29 and to which the provisions of said regulation and § 34² of the Competition Act are applied or *de minimis* aid is granted within the meaning of European Commission Regulation (EU) No 1407/2013 of 18.12.2013, on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L 352, 24.12.2013 pp 1–8), hereinafter the *De Minimis Aid Regulation*) and the provisions of the *De Minimis Aid Regulation* and § 33 of the Competition Act are applied thereto;
 - 4.1.2. The aid granted for the activities specified in point 5.1.2 of the Programme Procedure is aid granted to research and development projects within the meaning of Article 25 of the General Block Exemption Regulation and is governed by the provisions of said regulation and § 34² of the Competition Act or *de minimis* aid within the meaning of the De Minimis Aid Regulation and is governed by the provisions of the De Minimis Aid Regulation and § 33 of the Competition Act;
 - 4.1.3. The aid granted for the activities specified in point 5.1.3. of the Programme Procedure is innovation aid granted to small and medium-sized enterprises (hereinafter referred to as *SMEs*) within the meaning of Article 28 of the General Block Exemption Regulation or *de minimis* aid within the meaning of the *De Minimis Aid Regulation* and is subject to the provisions of the *De Minimis Aid Regulation* and section 33 of the Competition Act;
 - 4.1.4. The aid granted for the activities specified in point 5.1.4 of the Programme Procedure is regional aid within the meaning of Article 14 of the General Block Exemption Regulation and is governed by the provisions of said regulation and § 34² of the Competition Act or *de minimis* aid within the meaning of the *De Minimis Aid Regulation* and is governed by the provisions of the *De Minimis Aid Regulation* and § 33 of the Competition Act;
 - 4.1.5. The aid granted for the activities specified in point 5.1.5 of the Programme Procedure is *de minimis* aid and it is governed by the provisions of the *De Minimis Aid Regulation* and § 33 of the Competition Act;
 - 4.1.6. The aid granted to a large enterprise for the activities specified in points 5.1.1 and 5.1.3 of the Programme Procedure is *de minimis* aid and it is governed by the provisions of the De Minimis Aid Regulation and § 33 of the Competition Act.
- 4.2. The rules for cumulation of *de minimis* aid granted for the various purposes laid down in Article 5 of the *De Minimis Aid Regulation* are taken into account when aid is granted within the scope of the *De Minimis Aid Regulation*. In order to grant and calculate *de minimis* aid, a related entrepreneur is considered a single entrepreneur according to Article 2(2) of the *De Minimis Aid Regulation*.
 - 4.3. Aid is not granted within the Programme to operators and activities aimed at agriculture, fisheries and aquaculture, as well as to activities listed in Article 1(2)–(5), Article 13 and Article 1(1) of the General Block Exemption Regulation.

5 Supported activities

- 5.1. The following activities are supported in the **small grant scheme**:
- 5.1.1. organisational and process innovation, including the development and introduction of digital technologies enhancing the efficiency of processes;
 - 5.1.2. conducting experimental development;
 - 5.1.3. obtaining, validation and protection of patents and other intangible assets;
 - 5.1.4. in the case of the projects specified in point 3.7.1, investment in tangible and/or intangible assets related to the diversification of the output of an establishment into products not previously produced in the establishment or a fundamental change in the overall production process of an existing establishment;
 - 5.1.5. dissemination of project results (information events), except marketing and advertising.

6 Eligible and ineligible costs

- 6.1. Costs that are eligible within the scope of the grant scheme are costs that are justified, reasonable, in compliance with legislation and directly necessary for the implementation of the supported activities and achievement of the project objectives. The project costs must be in compliance with the principles of sustainability, effectiveness and efficiency.
- 6.2. Only the costs specified in the project budget submitted with the application can be deemed eligible.
- 6.3. Only the eligible costs incurred during the eligibility period specified in the Project Agreement can be included in eligible costs. Costs are deemed to have incurred if the invoice for the costs is submitted and paid and the work is done, the goods are delivered or the service is provided during the eligibility period of the project.
- 6.4. As an exception, costs may be deemed eligible if the invoice for them is submitted in the last month of the eligibility period and paid within 30 calendar days of the end date of the eligibility period and the activities that are the basis for the emergence of the costs took place during the eligibility period of the project.
- 6.5. The following costs of the implementation of the activities specified in points 5.1.1. and 5.1.2. of the Programme Procedure are eligible:
- 6.5.1. the salaries of the employees implementing the project working on the basis of employment contracts with all the national taxes according to the inclusion of the employees in the implementation of the project. The salaries must correspond to the internal salary level of the project promoter for the same type of work;
 - 6.5.2. remuneration paid on the basis of a contract under the law of obligations, which is subject to taxation similarly to salaries and the national taxes payable on the remuneration;
 - 6.5.3. transport and accommodation expenses associated with the work-related travels of the employees implementing the project working on the basis of employment contracts and to the performance of the assignments of persons working on the basis of contracts under the law of obligations. These expenses are reimbursed on the basis of a simplified indemnification method according to the terms and conditions set out in the annex to the programme;

- 6.5.4. daily allowances associated with the work-related travels of the employees implementing the project working on the basis of employment contracts;
 - 6.5.5. costs incurred in purchasing new or used machinery and equipment or in using them on the basis of a lease² or a leasing agreement³ according to the actual rate of use of the machinery or equipment as part of the project. If the average lifespan of the machinery or equipment is longer than the project's eligibility period, then eligible costs are only those related to the use of machinery and equipment that are directly related to the implementation of the project which are incurred during the project's eligibility period. Calculations of these costs are based on the amortisation costs of the same type of machinery or equipment on the basis of generally accepted accounting practice (e.g. if the machine's lifespan is 10 years and the project period is three (3) years, the eligible expense of the machinery is 30% of its cost);
 - 6.5.6. the purchase, rent or lease of used machinery and equipment can be filed under eligible costs if the following requirements are met:
 - 6.5.6.1. the seller or lessor of the machinery and equipment issues proof that no monetary or other external assistance from the national budget or European Union was used for the purchase of the machinery;
 - 6.5.6.2. the purchase or rental price of the machinery or equipment must not exceed its market price, considering its reduced lifespan, and is smaller than the purchase or rental price of similar new equipment.
 - 6.5.7. the cost of research purchased at market price, analysis, technical knowledge (including certification services), access to data and licensed patents, software licence directly necessary for development and expenses for consultations directly related to development projects (including consultation services purchased from customers and expert fees) and other services of equal value;
 - 6.5.8. costs of materials and accessories provided that they can be differentiated and allocated to the project.
- 6.6. The costs of obtaining, validation and protection of patents and other intangible assets required for the implementation of the activity specified in point 5.1.3. of the Programme Procedure are eligible.
- 6.7. The costs of the implementation of the activities specified in point 5.1.4. of the Programme Procedure are eligible:
- 6.7.1. the cost of acquisition of tangible assets, if this is an inseparable and necessary part for achieving the results of the project. In the case of large enterprises, the purchased assets must be new;
 - 6.7.2. the cost of setup and transport, and the cost of insurance required for transport of property if this is included in the acquisition cost of the respective property;
 - 6.7.3. the acquisition costs of intangible assets if they meet the following requirements:
 - 6.7.3.1. they must be used exclusively in the establishment receiving the aid;
 - 6.7.3.2. the assets must be amortisable;

² Under a lease, the lessor grants the lessee the use of the object of the lease contract for a charge and allows the lessee to receive the fruits of the lease pursuant to the rules of the regular management of the object of the lease.

³ Under a leasing agreement, the lessor undertakes to acquire the object of lease from the seller determined by the lessee and grant the object of lease into the use of the lessee for a charge thereof.

- 6.7.3.3. the assets must be purchased under market conditions from third parties unrelated to the buyer;
 - 6.7.3.4. the assets must be included in the assets of the undertaking receiving the aid and must remain associated with the project for which the aid is granted for at least five years (three years in the case of SMEs);
 - 6.7.3.5. the costs of intangible assets in the case of large companies do not exceed 50% of all eligible costs of the initial investment.
 - 6.7.4. For aid granted to large undertakings for a fundamental change in the production process, the eligible costs must exceed the depreciation of the assets linked to the activity to be modernised in the course of the preceding three fiscal years. For aid granted for a diversification of an existing establishment, the eligible costs must exceed by at least 200 % the book value of the assets that are reused, as registered in the fiscal year preceding the start of works.
 - 6.7.5. Investment must comply with the terms and conditions of the regional aid map of the applicant's and/or partner's country of location.
- 6.8. The costs linked to the performance of the information requirements specified in point 5.1.5. and the activities outlined in the communication plan, including the organisation of information events for target groups, arranging meetings and seminars and translation costs, are eligible.
- 6.9. The costs of an auditor independent of the project and partner who is engaged in auditing the expenses of the foreign partner are eligible. The aid granted for reimbursement of these costs is *de minimis* aid within the meaning of the *De Minimis* Aid Regulation.
- 6.10. The following costs, *inter alia*, are ineligible:
- 6.10.1. interest on loans, loan fees and overdue charges;
 - 6.10.2. financial transaction fees and other financial expenses;
 - 6.10.3. allocations to cover losses or other potential future obligations;
 - 6.10.4. losses from changes in exchange rates;
 - 6.10.5. expenses of purchasing property;
 - 6.10.6. expenses covered by other sources;
 - 6.10.7. fines, financial punishments and litigation costs;
 - 6.10.8. excessive and unjustified expenses;
 - 6.10.9. expenses regarded as fringe benefits and fringe benefit tax within the meaning of subsection 48 (4) of the Income Tax Act;
 - 6.10.10. non-monetary contributions;
 - 6.10.11. expenses arising from the mutual transactions made between the project promoter and/or the partners;
 - 6.10.12. transactions between related parties within the meaning of § 8 the Income Tax Act.
- 6.11. Value added tax is an eligible expense within the scope of the project if, according to the legislation regulating value added tax, the value added tax paid within the scope of the project cannot be deducted as input value added tax or claimed back and it is also not refunded in any other manner.
- 6.12. Proof of costs:

- 6.12.1. all eligible direct costs must be transparent and documented with the respective expense receipts and must be paid from the bank account of the project promoter and/or partner.
- 6.12.2. In order to prove the expenses of the external partner, the project promoter must submit to Enterprise Estonia an eligibility audit report of their partner's expenses that has been carried out by an independent and certified auditor from the same country where the expenses were incurred according to the terms and conditions of the Programme Procedure, local legislation and the generally acknowledged accounting principles.
- 6.12.3. In the case of a public legal entity, the report issued by an official of a competent and independent authority is sufficient to prove the expenses of the external partner, provided that the person who issued the report is not related to the activities of the project and has not participated in the preparation of the interim and/or final project report. In such an event, the project promoter submits to Enterprise Estonia a checklist of the partner's expenses (on the form given in Annex 7a) and a report prepared by an official, which stipulates that the expenses of the external partner have been incurred in accordance with the terms and conditions of the Programme Procedure, local legislation and generally acknowledged accounting principles.
- 6.12.4. An external partner who is a public legal entity submits with the final project report an audit report on the eligibility of the external partner's expenses for the entire project period, which has been prepared by an independent and certified auditor of the same country, which stipulates that the expenses of the partner have been incurred in accordance with the terms and conditions of the Programme Procedure, local legislation and generally acknowledged accounting principles.

7 Eligibility period of project

- 7.1 Unless a later date is provided for in the Project Agreement, the eligibility period of the project starts from the date of the decision to grant the application.
- 7.2 The maximum eligibility period of a small project is 24 months. The eligibility period ends on 30 April 2024 at the latest.
- 7.3 In justified cases, the eligibility period of a project may be extended by a maximum of 6 months, but no longer than until 30.04.2024. In order to extend the eligibility period, the project promoter must submit a respective application to Enterprise Estonia.
- 7.4 The project promoter and the partners may not start binding activities related to a small project or assume obligations for the implementation of such activities (e.g. order confirmation, acceptance of a tender, entry into a contract or agreement, making an advance payment, use of a service, signing an instrument of delivery and receipt, etc.) before the decision on the satisfaction of the application is made.

8 Limits and conditions of financing aid

- 8.1 The minimum amount of aid that can be applied for in the framework of the small grant scheme is 50,000 euros and the maximum amount is 200,000 euros.

- 8.2 The maximum share of aid in the total cost of eligible costs when aid is granted for the activities specified in points 5.1.1, 5.1.3 and 5.1.5 of the Programme Procedure is 50%.
- 8.3 The maximum share of aid in the total cost of eligible costs when aid is granted for the activities specified in points 5.1.2 of the Programme Procedure on the basis of the General Block Exemption Regulation is:
- 8.3.1. 45% for a small enterprise;
 - 8.3.2. 35% for a medium-sized enterprise;
 - 8.3.3. 25% for a large enterprise.
- 8.4 The maximum share of aid in the total cost of eligible costs when aid is granted for the activities specified in point 5.1.2 of the Programme Procedure on the basis of the General Block Exemption Regulation in the case of an effective collaboration project is:
- 8.4.1. 50% for a small and medium-sized enterprise;
 - 8.4.2. 40% for a large enterprise.
- 8.5 When granting support for the activities mentioned in point 5.1.4 of the Program Procedure under the General Block Exemption Regulation, the maximum share of grant must correspond to the share of the regional aid map of the respective region for small, medium and large enterprises valid at the time of granting the support.
- 8.6 The maximum share of aid in the total cost of eligible costs when aid is granted for the activities specified in points 5.1.2 and 5.1.4 of the Programme Procedure on the basis of the *De Minimis* Aid Regulation is 50%.
- 8.7 The maximum share of aid in a project related to checking the expenses of an external partner and the costs of an auditor independent of the partner is 50%.
- 8.8 Small projects are financed on the basis of a single grant rate, which is determined with the application of the lowest grant rate applicable to project promoters and project partners.
- 8.9 The self-financing of a project and the co-financing of partners must cover the part of the project budget that is not financed from the grant. Public sector support is not deemed self-financing or co-financing irrespective of whether the support in question is financed from local, regional, national or European Union fund, including by entities in public law or persons under their dominant influence.

9 Applying for Grant

- 9.1. Applications are submitted in calls for proposals in the small grant scheme. Enterprise Estonia announces the opening of the small grant scheme and the deadline of the small grant scheme on its website and in a press release.
- 9.2. The applicant may go request a personal consultation with Enterprise Estonia before applying for a grant from the small grant scheme. The purpose of the consultation is to support the comprehensive preparation of the application and explain the terms and conditions of the programme.

- 9.3. A grant application must be submitted to Enterprise Estonia via the e-environment of structural support (<https://etoetus.struktuurifondid.ee/>) with a digital signature by the applicant's authorised representative.

10. Requirements for applicants and project partners

- 10.1. Enterprises registered in Estonia where the state's and local government's shareholding is less than 25%, may apply for support.
- 10.2. All legal entities registered in Estonia and Norway (e.g. companies, non-profit associations, associations, foundations, universities) may be project partners.
- 10.3. A partnership agreement is a prerequisite for the implementation of a partnership project. If a partnership agreement exists, the partners can incur eligible expenses and contribute funds to the financing of the project.
- 10.4. An applicant must comply with the following requirements:
- 10.4.1. the applicant does not operate in the fields referred to in Article 1(3) and Article 13 of the General Block Exemption Regulation and Article 1(1) of the *De Minimis* Aid Regulation;
 - 10.4.2. the applicant's tax arrears or payment arrears to the state including interest do not exceed 100 euros or they have been deferred;
 - 10.4.3. the applicant must have complied as required with the obligation to submit the tax returns provided for in the tax acts and regulations;
 - 10.4.4. no liquidation or bankruptcy proceedings have been initiated and no bankruptcy decision has been made with regard to the applicant or a person with significant influence over the applicant;
 - 10.4.5. the applicant has the required resources to finance the project in accordance with the limits and conditions provided for in point 8;
 - 10.4.6. when applying for aid under the General Block Exemption Regulation, the applicant may not be a company in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation;
 - 10.4.7. an applicant who has previously received support from the state budget, European Union or foreign aid funds that have been subject to repayment must have made the repayments on time and in the required amount;
 - 10.4.8. the *de minimis* aid granted to the applicant and the group to which the applicant belongs in the current financial year and in the two previous financial years does not exceed 200,000 euros with the *de minimis* aid applied for in the framework of the Programme. If an enterprise operates in the field of road transport, this limit is 100,000 euros (Estonian Classification of Economic Activities 2008, Section H, Subsections 493 and 494);
 - 10.4.9. the *de minimis* aid granted to the applicant and the group to which the applicant belongs in the current financial year and in the two previous financial years with the *de minimis* aid granted to undertakings providing services of general economic interest (Commission Regulation No. 360/2012) with the *de minimis* aid applied for in the framework of the Programme does not exceed 500,000 euros.
- 10.5. If partner(s) are involved in the implementation of the project, the requirements set out in point 10.4 of the Program Procedure will also be applied to the partner(s).

11. Obligations of applicant

- 11.1. An applicant is obliged to:
 - 11.1.1. at the request of Enterprise Estonia, provide additional information on the applicant, the partner(s) and the application in the required form and by the required date;
 - 11.1.2. allow for checking of the compliance of the application, the applicant and the partner(s) with the requirements, including conducting an on-the-spot visit of the applicant and the partner(s);
 - 11.1.3. immediately inform Enterprise Estonia of any changes in the data given in the application or of any circumstances that may affect the decision to be made about the application;
 - 11.1.4. prove, at the request of Enterprise Estonia, the existence of the prescribed self-financing or co-financing or other funds or documents;
 - 11.1.5. immediately inform Enterprise Estonia in writing when the decision to transfer the project applicant and the partner(s) or a part thereof and the transfer of the related things or rights is made;
 - 11.1.6. perform the other obligations provided for in legislation and submit to Enterprise Estonia any information that may affect the decision to be made about the application;
 - 11.1.7. inform Enterprise Estonia whether the applicant has applied for support for the project or single activities of the project at the same time from several measures, other government budgets, European Union funds or foreign aid resources.

12. Requirements for application

- 12.1. The project included in the application must comply with the objectives of the Programme and with the following requirements:
 - 12.1.1. the application has been submitted in accordance with the procedure and format set out in point 9;
 - 12.1.2. the aid is requested for the supported activities specified in point 5 and the project budget includes the eligible costs specified in point 6;
 - 12.1.3. the activities of the project included in the application are performed during the eligibility period of the project in accordance with the terms and conditions set out in point 7;
 - 12.1.4. the amount of the aid applied for does not exceed the limit for financing the aid specified in point 8 or the limit of the aid;
 - 12.1.5. the budget of the project involves the necessary self-financing;
 - 12.1.6. the data given in the application are complete and correct;
 - 12.1.7. the project has not received any aid from public funds.
- 12.2. The application must be submitted in Estonian or English. If at least one of the partners is from Norway, the application with the annexes will be submitted in English.
- 12.3. A project that is directly related to the state's information systems must not be in conflict with the principles of the state's IT architecture and interoperability framework⁴ and the

⁴ Principles of the state's IT architecture and interoperability framework: <https://www.mkm.ee/et/riigi-infosusteemi-koosvoime-raamistik>

European interoperability framework⁵ or duplicate the existing state-centred information systems;

12.4. the highest level of security must be used for the authentication of the information system to be established during the project and when signing digitally, which complies with the regulation on electronic identification and trust services for electronic transactions, i.e. the eIDAS Regulation⁶.

12.5. **The following documents must be annexed to the application:**

12.5.1. **Project Plan** in accordance with the instructions set out in Annex 2.

12.5.2. **financial forecast** of the project that includes, *inter alia*, a description of the economic impact of the project, incl. the estimated annual increase in turnover and operating profit of the solution prepared as a result of the project (%) and the market potential of the solution.

12.5.3. in the case of a project in the area of industry and green technology specified in point 3.7.1., a **forecast of the environmental impact** of the project, which opens up and analyses the resource savings achieved as a result of the project (reduction of energy consumption (MWh) or reduction of CO2 emissions (tonnes CO2 equivalent per year));

12.5.4. if the activity specified in point 5.1.4 is carried out by a large enterprise, explanations of (to be entered in the application form):

12.5.4.1. how the eligible costs granted for a diversification of an existing establishment exceed by at least 200 % the book value of the assets that are reused, as registered in the fiscal year preceding the start of works or

12.5.4.2. how the eligible costs granted to large enterprises for a fundamental change in the production process under the regional aid exceed the depreciation of the assets linked to the activity to be modernised in the course of the preceding three fiscal years.

12.5.5. the applicant's **balance sheet** and **income statement for the financial year** as at the last quarter of the moment of application;

12.5.6. a copy of the last annual report approved by the applicant's authorised representative if the report is not accessible in the commercial register;

12.5.7. CVs of the project manager and members of the project team (incl. members of the team of the partner(s));

12.5.8. a procurement plan (if the grant rate is 50%) (on the form provided in Annex 12);

12.5.9. project budget, which specifies the planned costs according to activities and the aid percentage of the project (on the form provided in Annex 14);

12.5.10. a summary in English is enclosed with an application in Estonian and English (on the form provided in Annex 8);

12.5.11. a letter of authorisation if the representative acts on the basis of an authorisation;

12.5.12. the Norwegian partner who must be entered in the relevant register pursuant to the legislation of its country of location must submit an extract of the registry card;

12.5.13. if a partner is involved, a signed partnership agreement based on the example provided by Enterprise Estonia;

12.5.14. the communication plan of the project in accordance with the instructions set out in Annex 13;

⁵ Principles of the European interoperability framework: https://ec.europa.eu/isa2/eif_en

⁶ Regulation on electronic identification and trust services for electronic transactions: <https://www.eid.as/Regulation>

- 12.5.15. table of the economic indicators of the applicants and partners (on the form provided in Annex 15);
- 12.5.16. other relevant documents at the request of Enterprise Estonia;
- 12.5.17. if partner(s) are involved in the implementation of the project, the requirements of points 12.5.5, 12.5.6., 12.5.8, 12.5.11. and 12.5.15 will also be applied to the partner(s); foreign partners must have the documents translated into Estonian or English for submission.

13. Processing an application

- 13.1. Enterprise Estonia performs the following actions in respect of the application: registration of the application, review of the application, requesting explanations and additional information, declaring the application and the applicant/partner compliant or non-compliant, evaluation of the application that has been declared to be in compliance with the requirements, approval of the application and entry into the project agreement or denial of the application.
- 13.2. In the course of processing an application, Enterprise Estonia may request that the applicant submit explanations on the information given in the application if Enterprise Estonia finds that the application is not clear enough and also indicate which facts need further explanation.
- 13.3. The term for processing an application is up to 65 working days from the closing date of the scheme.

14. Registration and review of application

- 14.1. The application is registered and reviewed in Enterprise Estonia. The term for reviewing an application is 10 (ten) working days from the closing date of the small grant scheme. In the course of reviewing the application, Enterprise Estonia checks whether the application has been filled in as required and received along with all the annexes.
- 14.2. If any deficiencies are found when the compliance of an application with requirements is checked that concern the compliance of the applicant, partner or application, the applicant will be informed of the deficiencies. In this case, the applicant can rectify the deficiencies in up to 10 (ten) working days and the term for processing the application will extend by the same time.
- 14.3. Enterprise Estonia will make the decision to deny an application without evaluating the application substantively if the applicant has not rectified the deficiencies during the term specified in point 14.2 of the Programme Procedure.
- 14.4. Enterprise Estonia will not review an application if the application was submitted later than the deadline for the call of proposals determined by Enterprise Estonia.

15. Conditions for declaring an applicant, partners and applications compliant

- 15.1. The compliance of the applicant, partners and application with requirements is verified by Enterprise Estonia.

- 15.2. The applicant and partners are declared compliant if all the requirements for applicants and partners set out in point 10 of the Programme Procedure have been met.
- 15.3. The application is declared compliant if all the requirements set out in point 12 of the Programme Procedure have been met.
- 15.4. The application will not be considered compliant if at least one of the following circumstances is applicable to it:
 - 15.4.1. the application does not comply with the requirements provided for in point 12 of the Programme Procedure;
 - 15.4.2. the application contains incorrect or incomplete data or the applicant unlawfully influences the decision making;
- 15.5. If an application, applicant or partner is declared non-compliant, Enterprise Estonia will make the decision to reject the application without substantively evaluating it.

16. Evaluation of applications

- 16.1. An application that has been declared compliant evaluated in accordance with the evaluation methodology. The evaluation methodology is made accessible on the website of Enterprise Estonia.
- 16.2. The evaluation is carried out on the basis of the review of the materials of the application and discussion of any additional questions concerning the project.
- 16.3. Applications are evaluated by two Enterprise Estonia evaluators who are independent of the applicant, the partner(s) and the application. In the case of donor partnership projects, the additional criterion set out in point 16.4.4. is evaluated by programme partner Innovation Norway.
- 16.4. Small scheme applications are evaluated on the basis of the following criteria:
 - 16.4.1. the impact of the solution to be completed in the course of the project (hereinafter referred to as the Solution) on the achievement of the objectives of the Programme – 35% of the total score;
 - 16.4.2. market potential and sustainability of the solution – 25% of the total score;
 - 16.4.3. organisational capacity of the applicant and partners and quality of preparation of the project – 30% of the total score;
 - 16.4.4. additional criterion for donor partnership projects: project focus on cooperation with Norwegian partners – up to 10% of the total score.
- 16.5. A small scheme application is assessed on a scale from 0 to 4.
- 16.6. The total score given in the evaluation of an application is the weighted average of the scores of the evaluation criteria.
- 16.7. The final total score of applications is the arithmetic average of the total scores given by the experts, on the basis of which the ranking of projects is prepared.
- 16.8. The following applications are subject of approval of the project:

- 16.8.1. applications whose total score on the basis of the evaluation criteria specified in point 16.4 is at least 2.50;
- 16.8.2. application whose total score in the evaluation criteria specified in points 16.4.1–16.4.3 is at least 2.00;
- 16.8.3. application that do not exceed the budget of the small grant scheme.
- 16.9. If the total score given by one evaluator exceeds the thresholds specified in points 16.8.1 and 16.8.2 of the Programme Procedure (i.e. the total score of the application as a result of the evaluation is at least 2.50 and the score for evaluation criteria 1–3 is at least 2.00) and the score given by the second evaluator is under the threshold (i.e. the total score of the application as a result of the application is below 2.50 or the score of at least one evaluation criteria 1–3 is below 2.00), a third evaluator is used for independent evaluation of the project. In this case, the final total score of the evaluation of the application is the arithmetic average of the points of the two evaluators who have two of the closest total scores.
- 16.10. The ranking of projects is reviewed by the Selection Committee established by the Ministry of Economic Affairs and Communications (MEAC), which consists of the representatives of the MEAC, Enterprise Estonia and Innovation Norway. A representative of the Ministry of Social Affairs is involved as a voting member of the Selection Committee in the review of applications for the development of health technologies. The contact institution and representatives of the Norwegian Ministry of Foreign Affairs are invited to the meetings of the Selection Committee as observers. The list of applications and application evaluation reports are also submitted to observers in addition to the Selection Committee.
- 16.11. The Selection Committee:
- 16.11.1. provides its opinion of the compliance of an application and of the objectivity and justification of the evaluations;
- 16.11.2. makes a proposal to Enterprise Estonia for the satisfaction or denial of an application;
- 16.11.3. in justified cases, changes the ranking specified in point 16.7;
- 16.12. The applications that comply with the terms and conditions specified in point 16.8 and have received a proposal to satisfy the application from the Selection Committee will be satisfied in accordance with the order of ranking until the funds allocated for grants in the small grant scheme have been used up. In the case of projects that have received equal evaluation scores, the application that received more points for the evaluation criteria specified in point 16.4.4. is preferred. If the points given to said evaluation criterion are also equal, the application submitted by a small and medium-sized company is preferred. If the points given to the applications remain equal, the application that received more points for the evaluation criteria specified in point 16.4.1. is preferred.

17. Conditions and procedure for satisfaction or denial of application

- 17.1. Enterprise Estonia will make the decision to satisfy an application. Enterprise Estonia will make the decision to reject an application if an application is rejected.
- 17.2. An application is subject to satisfaction in part or in full.

- 17.3. Partial satisfaction of an application is permitted only in justified cases and provided that the objective of the project can be achieved. Upon the partial satisfaction of an application, the amount of the grant may be reduced and the supported activities may be amended with the consent of the applicant. If the applicant does not agree with the proposal for partial funding of the project, Enterprise Estonia will make the decision to deny the application.
- 17.4. Partial satisfaction of an application is permitted in the following cases:
- 17.4.1. the grant has been applied for to cover activities or expenses that are ineligible or are irrelevant or unfounded from the viewpoint of implementation of the project;
 - 17.4.2. ensuring the self- and/or co-financing is not possible or realistic within the scope of the budget given in the application;
 - 17.4.3. the objectives of the project can also be achieved with a partial grant;
 - 17.4.4. the financial volume of the application exceeds the free balance of the budget of the small grant scheme.
- 17.5. If it becomes evident when an application is processed that false data have been submitted in the application due to which the application cannot be declared compliant or satisfied, the decision to deny the application will be made.
- 17.6. The decision to deny an application sets out the reasons for denial.
- 17.7. An appeal against the decision to deny an application may be filed with Enterprise Estonia within 30 days of the day of becoming aware of the decision or the day when the person had to become aware of the violation of their rights (subsection 73 (2) and § 75 of the Administrative Procedure Act). Challenges are resolved by Enterprise Estonia.
- 17.8. Enterprise Estonia will enter into a project agreement with the project promoter on the basis of the decision of an approval of the application.
- 17.9. If the project agreement cannot be entered into within 20 days due to reasons related to the project promoter, Enterprise Estonia will declare the decision to satisfy the application invalid.
- 17.10. The decision to approve or deny an application will be delivered to the addressee electronically with a digital signature via e-service or e-mail.

18. Amendment of project agreement

- 18.1. The project agreement may be amended on the initiative of Enterprise Estonia or on the basis of a corresponding application by the project promoter and on the grounds provided for in the project agreement. The project promoter may submit an application for amendment of the project agreement only with the written consent of the partners.
- 18.2. The project promoter is required to request amendment of the project agreement from Enterprise Estonia in advance (i.e. before it starts implementing the amendments) if the project promoter wants to amend:
- 18.2.1. the project activities as a result of which the amount of state aid increases or decreases;

- 18.2.2. the project partners;
 - 18.2.3. the division of the project support amount by the project promoter/partner if the amount of the grant of at least one project promoter/partner increases;
 - 18.2.4. the start date of the implementation of the project activities;
 - 18.2.5. the end date of the implementation of the project activities;
 - 18.2.6. the activities affecting the objectives of the project.
- 18.3. If the project promoter wants to amend the project activities as a result of which the amount of one or several budget lines increases within state aid, the written approval of the amendment by Enterprise Estonia before the commencement of the amendment is sufficient.
 - 18.4. Amendment of the project is permitted on the condition that the initial extent of the impact of the project does not decrease.
 - 18.5. The provisions of point 7 of the Programme Procedure must be taken into account when the start and end dates of the implementation of the project activities are amended.
 - 18.6. Enterprise Estonia has the right to refuse to amend the project agreement if the requested amendment significantly affects the expected results and impact of the project or their compliance with the objectives and conditions of the Programme.
 - 18.7. Enterprise Estonia will decide on the amendment of the project agreement within 20 working days of receipt of the corresponding application.
 - 18.8. Upon amendment of the project agreement, the amendments must be in compliance with the regulation on implementation of the Norwegian Financial Mechanism 2014–2021 and the state aid rules of the European Union.

19. Terms and conditions of payment of the grant

- 19.1. The grant is paid out to the project promoter according to the terms and conditions specified in the Programme Procedure and the project agreement.
- 19.2. The performance of the project activities and payment of the respective costs are the preconditions for payment of the grant.
- 19.3. The grant is paid out on the basis of the payment application submitted by the project promoter via the e-environment of structural support.
- 19.4. The grant is paid out either as an interim or final payment. The grant is paid out after the approval of the interim and/or final report on the project and the corresponding application for payment by Enterprise Estonia. Enterprise Estonia processes documents for 35 working days.
- 19.5. Enterprise Estonia may make a decision to refuse to pay out the grant either in part or in full if:
 - 19.5.1. the submitted payment application or expense receipts do not comply with the established requirements;

- 19.5.2. the submitted expense receipts do not comply with the project period, activities and objectives specified in the project application;
- 19.5.3. the activities carried out do not comply with the activities set out in the application or their performance has not been proven;
- 19.5.4. any obligations repayable to Enterprise Estonia have not been performed.

20. Procedure for submission of reports

- 20.1. The project promoter submits the interim reports and the final report of the project according to the provisions of the decision to satisfy the application and the project agreement. The project reports are submitted in Estonian or English and a summary in English with an overview of the achievement of project results is annexed to the final report.
- 20.2. The interim and final reports cover the expenses incurred by the project promoter as well as the partners and data on the achievement of the project objectives, including the activities carried out, their results, the reasons for differences between the planned and actual activities and results.
- 20.3. The minimum duration of the reporting period is 3 months and the maximum duration is 6 months. The project promoter defines the duration of the project reporting period on the application form.
- 20.4. The project promoter submits the interim and final project reports to Enterprise Estonia through the e-environment of structural support.
- 20.5. In order to prove the expenses set out in the expense report, the project promoter must submit to Enterprise Estonia copies of expense receipts, documents certifying payment and other necessary documents at the request of Enterprise Estonia, except for travel expenses in the case of which the submission of expense receipts is not required.
- 20.6. The project promoter submits a post-implementation report on the Enterprise Estonia form 1 year after the end of the eligibility period of the project in accordance with the provisions of the project agreement.
- 20.7. Enterprise Estonia establishes the report forms and publishes them on its website.

21. Obligations of the project promoter and project partners

- 21.1. The project promoter and the project partners are required to:
 - 21.1.1. implement the project in accordance with the deadlines and terms and conditions set out in the application, project agreement and partnership agreement;
 - 21.1.2. use the grant in accordance with the approved application, project agreement and the Programme Procedure;
 - 21.1.3. ensure the required self-financing and co-financing;
 - 21.1.4. inform Enterprise Estonia of the need to amend the activities, budget and deadlines of the project;
 - 21.1.5. repay the grant in the amount and by the due date indicated in the recovery decision;

- 21.1.6. answer the questions asked by Enterprise Estonia about the project promoter, partners and the implementation of the project;
- 21.1.7. submit the requested information and reports to Enterprise Estonia on time;
- 21.1.8. the investment must be kept in the ownership of the project promoter/partner for at least five years after the completion of the project and its use for the purposes of the general objectives of the project must continue and the relevant resources for equipment maintenance must be planned for at least five years after the completion of the project;
- 21.1.9. the investment must be kept insured against damage as required, such as fire, theft or other typically insured events, both during the implementation of the project as well as for at least five years after the completion of the project;
- 21.1.10. ensure that the transactions of the supported project and the expense receipts and payment documents concerning them are clearly distinguishable from the other expenses of the project promoter and the partners in the accounting of the project promoter and the partners with a separate accounting system or code and they comply with the generally acknowledged accounting principles;
- 21.1.11. retain the original documentation related to the application, the grant and the implementation of the project at least until 31 December 2030;
- 21.1.12. allow the person exercising supervision and the auditor access to the premises and territories related to the implementation of the project that the project promoter or the partner owns, leases or uses in any other manner;
- 21.1.13. give all the data and documents related to the implementation of the project to the use of the auditor and the person exercising supervision within three working days of a request;
- 21.1.14. provide immediate and comprehensive assistance for the quick performance of audits and supervision;
- 21.1.15. immediately inform Enterprise Estonia in writing of any changes in the submitted data or of circumstances that affect or may affect the performance of obligations by the project promoter and/or the partner, including the change of name, address and legal or authorised representatives, transformation, initiation of bankruptcy proceedings, termination of activities even if the aforementioned changes are registered in the commercial registers or published in mass media;
- 21.1.16. immediately inform in writing of the high probability or inevitability of a negative result of the project and of the doubtful practicality of further continuation of the project that become evident in the course of the implementation of the project;
- 21.1.17. immediately inform in writing of the adoption of the decision on the transfer of the company or part of the company that is the basis for the implementation of the project and the transfer of the things or rights related thereto during the implementation of the project;
- 21.1.18. ensure the compliance of costs with applicable legal requirements;
- 21.1.19. the accounting policies and procedures and the audit procedure of the project promoter and/or partner must allow for a direct comparison of the expenditure and revenue declared for the project with the respective accounting reports and supporting documents;
- 21.1.20. perform the notification and disclosure obligations arising from the legal documents that establish the Programme, which have been specified in more detail in Annex 13 to this Procedure (notification conditions and guidelines for preparation of a communication plan), including create a website for the project in Estonian and English and organise project outreach events;

- 21.1.21. comply with all relevant local, national and European Union legislation (including, but not limited to, the environmental, public procurement and state aid legislation);
- 21.1.22. if the project's grant rate is 50%, the project promoter and/or the partner must observe the commitments set for procurers in the public procurement regulation of their country of location and in EU directives when purchasing goods or services, including organise an appropriate procurement, where necessary. In the case of transactions performed under the public procurement limit, at least three comparable tenders from independent providers and a description of the terms of reference of the tender must be submitted if the transaction amount without VAT is 20,000 euros or more or according to the procurement procedure set by the project promoter. If three independent tenders cannot be submitted or if the cheapest tender is not selected, a note on the reasons for this must be added to the payment application.
- 21.1.23. if the project's grant rate is under 50%, the project promoter and/or the partner must submit at least three comparable tenders from providers independent of one another and a description of the terms of reference if the sum of the transaction excluding VAT is 20,000 euros or more. If three independent tenders cannot be submitted or if the cheapest tender is not selected, a note on the reasons for this must be added to the payment application.
- 21.1.24. the project promoter must ensure the performance of the obligations arising from the partnership agreement and other relevant sources by the project partners.

22. Rights of project promoter

- 22.1. The project promoter has the right to:
- 22.1.1. receive information and advice from Enterprise Estonia, which is related to the performance of the obligations specified in the Programme Procedure.

23. Rights of Enterprise Estonia

- 23.1. Enterprise Estonia has the right to:
- 23.1.1. carry out audits of expense receipts and supervisory activities;
- 23.1.2. inspect the use of the grant and the self-financing and co-financing;
- 23.1.3. inspect the activities of the project promoter and/or partner(s) in performing the obligations arising from the project agreement;
- 23.1.4. request the submission of additional data and documents on the duration, activities, objectives, results and expenses of the project in the application that prove the proper implementation of the project and the proper performance of the obligations by the project promoter;
- 23.1.5. reduce the amount of the grant if the submitted report reveals that the project promoter and/or partner have partially or fully failed to perform the activities planned in the project plan;
- 23.1.6. reduce the amount of the grant to be paid out in proportion to the decrease of the self- and co-financing of the project promoter and/or partner below the rate set out in the project agreement;
- 23.1.7. cancel the project agreement on the basis of point 25 of the Programme Procedure;
- 23.1.8. demand partial or full repayment of the grant on the basis of point 25 of the Programme Procedure;
- 23.1.9. perform the other acts established by legislation.

24. Obligations of Enterprise Estonia

- 24.1. Enterprise Estonia is obliged to:
 - 24.1.1. make the Programme Procedure, application and report forms and relevant guidance materials accessible on its website;
 - 24.1.2. immediately inform the project promoters of any amendments to the documents regulating the use of the grant;
 - 24.1.3. immediately inform the project promoter of the approval or rejection of the reports specified in point 20.1 and the payment application specified in point 19.3;
 - 24.1.4. make the following information accessible on its website after the award of the project agreement: name of the project promoter, name of the project that will receive the grant, the amount of the grant, total volume of project;
 - 24.1.5. maintain the confidentiality of the information that has become known during the processing of the grant application. The information specified in point 24.1.4 of the Programme Procedure is not deemed confidential and the confidentiality obligation may also be deviated from in the cases provided for by law;
 - 24.1.6. deliver the decisions on the satisfaction or denial of an application and on the amendment of the project to the applicants electronically.

25. Cancellation of project agreement and recovery of assistance

- 25.1. Enterprise Estonia may cancel the project agreement and/or recover the grant in part or in full from the project promoter if at least one of the following circumstances exists:
 - 25.1.1. a circumstance becomes evident in the case of which the application would not have been granted;
 - 25.1.2. the project promoter and/or the partner violates an obligation arising from the project agreement, including uses the grant for compensating ineligible expenditure, does not use the grant according to the prescribed terms and conditions or does not adhere to the project implementation deadlines;
 - 25.1.3. the project promoter and/or the partner violate an obligation arising from law;
 - 25.1.4. the application of the project promoter for amendment of the project agreement is not satisfied and the project promoter cannot continue using the grant under the established conditions;
 - 25.1.5. the Norwegian Ministry of Foreign Affairs reclaims the grant on the basis of the legal documents establishing the Programme;
 - 25.1.6. the partnership agreement is cancelled and the project cannot therefore be implemented to the submitted extent;
 - 25.1.7. the project promoter submits an application for waiver from the grant.
- 25.2. When an application for a waiver from the grant is received, Enterprise Estonia has the right to decide on the annulment of the decision to satisfy the application and termination of the project agreement within 20 working days.
- 25.3. If the circumstance for cancellation of the project agreement set out in point 25.1 of the Programme Procedure is of a temporary nature and can be corrected, Enterprise Estonia has the right to grant the project promoter a reasonable term for the elimination of the circumstance that is the basis for the cancellation of the project agreement if this does not contradict the Programme Procedure, the legal documents establishing the Programme and the objective of the project. Enterprise Estonia has the right to suspend the payment of the grant to the project promoter during the term granted for elimination

of the circumstance specified in point 25.1 of the Programme Procedure and, after the circumstance has been eliminated, Enterprise Estonia has the right to reduce the amount of the grant or recover the grant paid out unduly. If the project promoter does not eliminate the circumstance specified in point 25.1 by the deadline set by Enterprise Estonia, Enterprise Estonia will have the right to cancel the project agreement immediately.

- 25.4. The recovery of the grant will be based on the financial correction grounds provided for in section 45 of the Structural Assistance Act 2014-2020 and Government of the Republic Regulation No. 143 of 1 September 2014 “Conditions and procedure for considering expenses subject to compensation from structural support for 2014-2020 eligible, payment of support and making financial corrections”.
- 25.5. Enterprise Estonia may claim interest on the remainder of the grant amount to be recovered at the rate established in legislation.
- 25.6. The recovered grant must be repaid to Enterprise Estonia within 60 days of the announcement of the recovery decision.