

Norwegian Financial Mechanism 2014-2021

Green ICT programme

Main call

Call for proposals

1. GENERAL INFORMATION ABOUT THE GREEN ICT PROGRAMME

The programme “Green ICT” objective is increased value creation and sustainable growth in Estonia’s private sector. The programme aims to stimulate and develop innovation-led long-term business cooperation between Estonia and Norway. For this, bilateral cooperation projects will be supported to enhance joint business ambitions and innovation.

The programme has three focus areas, Green Industry Innovation, Information and Communication Technologies (ICT) and Welfare Technology (WT). Projects with ICT components can be relevant for support in the focus areas Green Industry Innovation and Welfare Technology. The programme will thus consist of three main pillars: (1) development and application of innovative green products, services and processes in the area of Green Industry Innovation, (2) development of new products, services and processes in the area of ICT and, (3) development of new products and services in the area of Welfare Technology.

The programme allocates 50% of the funds to Green Industry Innovation (GII). This is done by encouraging innovation and resource efficiency in products, services and processes.

The Programme strategy is in line with the EU and Estonian national policies and strategies.

The programme specific outcome is “Increased competitiveness of Estonian companies within focus areas Green Industry Innovation, ICT and Welfare Technology”. The expected outputs of the programme are:

- Enterprises supported to develop or apply innovative green products, services and processes;
- Enterprises supported to develop innovative ICT products, services and processes;
- Enterprises supported to develop innovative welfare products, services and processes.

The Programme will be implemented through one open call for project proposals, a small grant scheme and pre-defined projects. The small grant scheme was opened on March 13th 2019 and closed on May 13th 2019.¹ This call text covers only the main call for project proposals.

The Programme is targeted at Estonian private enterprises. In line with the programme area specifics set in Annex 1 to the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021², 75% of the funding will be allocated to Estonian Small and Medium-size Enterprises (SMEs). Although priority will be given to SMEs, other private enterprises are not excluded. Norwegian companies are the main target group for partnership. Also, other legal entities, for example associations, foundations, universities, clusters operating both in Estonia and Norway, are considered eligible partners. Bilateral cooperation is highly encouraged and will gain extra points in the evaluation.

Projects under the main call must address activities in at least one of the supported topics under Green Industry Innovation, ICT and Welfare Technology.

¹ Supported projects in small grant scheme in EAS website: <https://www.eas.ee>

² Regulation on the implementation of the Norwegian Financial Mechanism: <https://eeagrants.org/sites/default/files/resources/NO%2BFM%2BRegulation%2BFinal%2B23%2B09%2B2016.pdf>

2. ELIGIBLE ACTIVITIES

The activities of the main call Projects should contribute to at least one of the programme focus areas: Green Industry Innovation (GII), Information and Communication Technologies (ICT) or Welfare Technology (WT).

All projects should contribute to at least one of the areas provided below:

1. Support to develop or apply innovative green products, services and processes:

All projects financed under this section must contribute to at least one of the following green results:

1. CO2 emissions reductions (tons of CO2 equivalent per year);
2. Decrease of energy consumption (MWh).

Under this focus area, industrial companies are supported to take steps towards digitalization, product development and resource efficiency. Companies are invited to develop or apply new green products and services that would lead to more sustainable processes and the use of resources. Such projects could be, for example, development and adoption of automation and robotics-based solutions aimed at increasing efficiency of processes of the industry and energy sector.

Green innovative ICT initiatives that are targeted to attain green results in other related areas, such as transportation, energy efficiency, smart cities, etc. can be supported under this output.

All projects financed under this section must also contribute to the following economic and social results:

1. Estimated annual growth in net operational profit (annual estimation)
2. Estimated annual growth in turnover (annual estimation)
3. Number of jobs created.

2. Support to develop innovative ICT products, services and processes

The aim of this focus area is to support the development of new ICT solutions, which have a large potential to enhance performance across the different business sectors, economies and societies. Therefore, initiatives to develop new innovative business models, smart products, services and processes are supported. All projects financed under this section must contribute to the following economic and social results:

1. Estimated annual growth in net operational profit
2. Estimated annual growth in turnover
3. Number of jobs created

3. Support to develop innovative welfare products, services and processes

This focus area addresses the development new products, processes or services in the area of welfare technology. Support under this section aims to contribute to product, service and process developments in ICT and health sector companies. Activities supported will foster development of new solutions in welfare technology.

Areas that can be supported are for example activities to develop new ICT products and services designed in cooperation with the end users:

1. solutions for hospitals, the aim of which is to empower the ecosystem of personalised medicine;
2. solutions for simplifying patients' journey with the aim of improving the patients' individual health indicators and quality of life;
3. products and services targeted at collection, standardisation and analysis of health data;
4. tools to provide preventive services in primary care through better utilization of data.

All projects financed under this section must contribute to the following economic and social results:

1. Estimated annual growth in net operational profit
2. Estimated annual growth in turnover
3. Number of jobs created.

3. ELIGIBLE PROJECT PROMOTERS AND PARTNERS

Eligible applicants are companies registered in the Estonian Commercial Register, with no more than 25% public ownership. The project partners may include all legal entities registered in Estonia or Norway (e.g. companies, non-profit associations, associations, foundations, universities).

In case of a partnership project, applicant and partners compile a draft partnership agreement that states the role, activities, responsibilities and budget division between all parties involved in the project. A sample of the partnership agreement form has been provided on the programme website www.eas.ee/norwaygrants.

Applicant and partner(s) shall comply with the following requirements:

- the applicant's and partner's tax arrears or payment in arrears inclusive of interest does not exceed 100 euros, or these have been rescheduled;
- the applicant and partner should have duly complied with the obligation to submit tax returns established in tax legislation and regulations;
- no liquidation or bankruptcy proceedings have been initiated against or bankruptcy decisions made concerning the applicant or person controlling the applicant and/or partner;
- the applicant and partner have the required funds for financing of the project in accordance with the limits and terms and conditions established;
- an applicant and partner who have previously received grants through Enterprise Estonia from budgetary, the European Union or foreign aid resources, which have been subject to recovery, the repayments should have been made in a timely and required manner;
- applicant and partner are not in difficulty in the meaning of Article 2 section 18 of the General Block Exemption³ regulation;

³ General Block Exemption regulation: http://ec.europa.eu/competition/state_aid/legislation/block.html

- applicant and partner that have previously received a grant from the state budget, the European Union or foreign aid funds due to be refunded, shall have made the payments in a timely manner and in the requested amount;
- applicant and partner, regarding whom the European Commission has made a decision declaring the aid illegal and incompatible with the internal market, has made payments in the required sum of reimbursement of a grant;
- the applicant of *de minimis* aid should not receive or should not have received *de minimis* aid within the meaning of the regulation on *de minimis* aid more than 200,000 euros as part of the Programme over the current financial year and two previous ones. If an enterprise operates in the field of road transport, the corresponding threshold is 100,000 euros (EMTAK 2008, section H, sub-sections 493 and 494).
- If an applicant and partner have received *de minimis* aid to be provided to an enterprise providing a service of general economic interest (within the meaning of European Commission's Regulation No. 360/2012), the total amount of aid granted based on the regulation on *de minimis* aid and European Commission's Regulation No. 360/2012 cannot exceed 500,000 euros over the current financial year and two previous ones.

In addition to the abovementioned requirements, applicant and project partners have the following general obligations with regards to applying and implementing the project:

- to provide additional information about the applicant, the partner(s), and the application in the required form and by due date upon the request of Enterprise Estonia;
- to enable to verify the compliance of the application, the applicant, and the partner(s) with the requirements, including to carry out on-the-spot inspection at the applicant and the partner(s);
- to notify Enterprise Estonia about any changes or circumstances in the information provided in the application, which may influence the decision-making process regarding the application;
- to prove the availability of the specified own contribution and co-financing or other funds or documents upon request of Enterprise Estonia;
- to inform Enterprise Estonia about the approval of the decision to transfer the items or rights related to the enterprise or its part of the project applicant and the partner(s);
- to fulfil the obligations established in other legislation and submit information to Enterprise Estonia about the factors that may influence the decision-making process regarding the application;
- to inform Enterprise Estonia about simultaneously applying for a grant from other funds (budgetary, European Union or external resources) to finance individual activities of the project.

4. ELIGIBLE AND NON-ELIGIBLE COSTS

In the main call, eligible costs are justified, reasonable, compliant with the Chapter 8 in the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021, Articles 13, 14, 25, 28, 29 in the General Block Exemption regulation, Article 3 in the *de minimis* aid regulation⁴, and directly required to carry out the supported activities and achieve the objectives

⁴ *De minimis* aid regulation:

https://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

of the project. The project costs should comply with the principles of economy, efficiency, and effectiveness.

Eligible expenditures of projects are those actually incurred within the project, which are indicated in the budget of the project submitted with the application. Only such eligible costs can be supported, which have incurred during the eligibility period determined in the project contract. Costs are incurred if the invoice presenting the costs has been provided, paid, and the work is carried out, goods are received, or the service is provided during the eligibility period.

As an exemption, the costs may be considered eligible if the invoice has been submitted during the last month of the eligibility period and paid within 30 calendar days of the final date of the eligibility period, and the activities that have incurred the costs have taken place during the eligibility period of the project.

In the main call, the following direct costs are eligible:

- The cost of staff assigned to the project that are working under the employment contract with all national taxes according to the occupancy of the employees while carrying out the project. The remuneration should comply with the internal wage rate of the Project promoter for the corresponding work;
- The remuneration paid on the basis of a contract under the law of obligations, which is subject to taxes similarly to wages, and national taxes paid from the remuneration.
- Travel costs for staff taking part in the project. Transport and accommodation costs related to the business trip of employees working based on an employment contract and to the work tasks of employees working on the basis of a contract under the law of obligations. These costs are reimbursed based on the simplified reimbursement method in accordance with the conditions set out in the Annex to the Programme⁵;
- Daily allowances related to the business trip of the employees carrying out the project and working based on an employment contract;
- For Green Industry Innovation projects, investment costs in tangible and intangible assets;
- Costs of new or second-hand equipment and their use under rental agreement or a leasing contract in accordance with the actual use rate of the machinery and equipment under the project. Where new or second hand equipment is purchased, only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be considered eligible expenditure (e.g. when a normal useful lifetime of a device is 10 years and project period lasts for 3 years, then 30% of the purchase price of a device is considered eligible in the project);
- Acquisition of second-hand machines and devices and their use under a rental or leasing agreement is eligible on the terms and conditions below:
 - seller or lessor of the machines and devices issues a certificate by which it verifies that no financial resources from the state budget or the European Union or other resources of foreign aid have been used for purchasing this device;

⁵ Simplified reimbursement method for travel costs is part of the set of application documents. All documents will be published in programme website www.eas.ee/norwaygrants.

- cost or rental fee of the machine or device may not exceed its market price, taking into consideration its reduced useful lifetime, and is lower than the sales or rental price of similar new devices.
- Costs of research, analyses, technical information (incl. certification services) outsourced on market conditions, access to data and licenced patents, software licences directly necessary for product development and costs of consultancy (incl. consultancy services outsourced from clients, expert evaluation fees) directly related to carrying out the project and of other equivalent services;
- Costs of consumables and supplies, provided that they are identifiable and assigned to the project;
- Costs related to purchased studies, analyses, technical knowledge, software licenses directly required for product development, and the costs related to the consultation directly linked to the implementation of the project and to other similar services.
- Costs for the acquisition, validation and protection of patents and other intangible assets necessary for carrying out the activities.
- Costs related to activities linked with fulfilment of information requirements and activities described in the communications plan, including the organisation of information events.
- Costs related to verifying the costs of an external partner by an auditor that is independent of the project and the partner.
- The costs of organising meetings and workshops;
- Translation costs.

Value added tax is an eligible cost if it can be shown that according to the legislation concerning value added tax, there is no right to deduct or recover value added tax if value added tax has been paid as input value added tax as part of the project, and value added tax is not compensated in any other way.

Among other things, the following costs are non-eligible:

- interest on debt, debt servicing fees, and interests on arrears;
- financial transaction fees and other financial costs;
- provisions for covering losses or possible future liabilities;
- foreign exchange losses;
- costs that are covered by other sources;
- fines, financial penalties, and litigation costs;
- excessive or unreasonable costs;
- the costs considered as fringe benefit and fringe benefit tax within the meaning of subsection 48 (4) of the Income Tax Act;
- non-monetary contributions;
- costs arising from the transactions between the Project promoter and/or the partners;
- transactions between associated persons within the meaning of section 8 of the Income Tax Act, unless it is inevitable and justified in terms of the implementation of the project.

All project costs must be transparent and certified with the corresponding expense receipts and paid from the bank account of the project promoter and/or the partner.

To certify the costs of a Norwegian partner, it is sufficient to submit the audit report compiled by an independent and certified auditor of the same country, stating that the costs of that partner have incurred in accordance with the Programme procedure terms and conditions, the local legislation and the generally recognised accounting framework.

5. PROJECT ELIGIBILITY PERIOD

Unless a later date is set in the project contract, the project eligibility period starts with the date of the EE decision to award the support to the project.

The duration of the main call project's eligibility period is up to 36 months. The eligibility period ends on April 30, 2024 at the latest.

The eligibility period can be extended on justified cases by a maximum of 6 months on a condition that eligibility period does not exceed the date 30 April 2024. To extend the eligibility period, a project promoter shall submit an application to EE.

Project promoter and partners may not start with binding activities related to the project before a decision to award the support to the project, except entering into a partnership agreement with project partners. Binding activities means taking responsibilities for implementation of the project (for example, confirming orders, agreeing with a price offer, entering into a contract or agreement, making prepayments, using services, entering an instrument of delivery and receipt, etc.).

6. STATE AID, MINIMUM AND MAXIMUM GRANT LIMITS

State aid regulations are applicable for main call. This means that the EU legislation on state aid, as transferred into the national legislation in Estonia has to be observed during the implementation of the Programme.

Grant provided as part of the main call are as follows:

1. *De minimis* aid (art 3, (EU) No 1407/2013);
2. Regional investment aid (art 13, 14, (EU) No 651/2014);
3. Aid for research and development projects (art 25, (EU) No 651/2014);
4. Innovation aid for SMEs (art 28, (EU) No 651/2014);
5. Aid for process and organizational innovation (art 29, (EU) No 651/2014);

The following table discloses the state aid related modalities in the programme:

Outcome	Activities	Aid intensity %	State aid	Remarks	Eligible applicants
All outputs *((1) Development of green products, services, processes; (2) Development of innovative ICT products, services and processes; (3)	Development of new innovative products, services and processes (product development)	Small company up to 45%, Medium-sized company up to 35%, Large company up to 25%	Aid for research and development projects (art 25, (EU) No 651/2014)	*Effective collaboration: cooperation between companies which at least one is an SME, or is carried	Small company Medium-sized company Large company

Development of innovative welfare technology products, services and processes).		<i>In case of effective collaboration*:</i> Small and medium-sized company up to 50%; large company up to 40%		out in at least two Member States, and no single company bears more than 70 % of the eligible costs	
Development of green processes	Process development, process innovation	Small and medium-sized companies up to 50%	Aid for process and organizational innovation (art 29, (EU) No 651/2014)	Large companies excluded	Small company Medium-sized company
Development of green processes	Process development, process innovation	Large companies up to 50%	<i>De minimis</i> aid (art 3, (EU) No 1407/2013)		Large company
Application of green products, services, processes	Investments in tangible and 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	Small company up to 45%, Medium-sized company up to 35%, Large company up to 25%	Regional investment aid (art 13, 14, (EU) No 651/2014)		Small company Medium-sized company Large company
All outputs	Costs for obtaining, validating and defending patents and other intangible assets	Small and medium-sized companies up to 50%	Innovation aid for SMEs (art 28, (EU) No 651/2014)	Large companies excluded	Small company Medium-sized company

All outputs	Costs for obtaining, validating and defending patents and other intangible assets	Large companies up to 50%	<i>De minimis</i> aid (art 3, (EU) No 1407/2013)		Large company
All outputs	Auditing of cost of a Norwegian partner	Small and medium-sized companies, large companies up to 50%	<i>De minimis</i> aid (art 3, (EU) No 1407/2013)		Small company Medium-sized company Large company
All outputs	Complying with communication requirements	Small and medium-sized companies, large companies up to 50%	<i>De minimis</i> aid (art 3, (EU) No 1407/2013)		Small company Medium-sized company Large company

The Programme does not provide grant for enterprises and activities, which are targeted at agriculture primary production, fisheries and aquaculture, or activities listed in Article 1 (1) of the regulation of *de minimis* aid.

Co-financing of a project promoter and co-financing of partners shall cover the part of the project budget that is not covered by the grant. Grant from public funds cannot be considered as co-financing, regardless of whether the grant is financed by local, regional, national or European funds, including by public entities or persons under their control.

Partnership projects in the main call projects will be funded based on a single grant rate, which will be set at the lowest of the grant ceilings applicable to the project promoters and project partners.

6. PROGRAMME BUDGET, MINIMUM AND MAXIMUM GRANT PER PROJECTS, PROGRAMME TIMELINE

Main call budget is 18,871,549 EUR. Implementation of the main call shall take place in three simultaneous open calls in following budgetary details:

1. Green Industry Innovation is 12,515,882 EUR.
2. ICT projects budget is 1,930,667 EUR
3. Welfare Technology projects budget is 4,425,000 EUR.

Minimum amount of the grant is 200,000 EUR per project and maximum amount is 700,000 EUR. Welfare technology projects' maximum rate is up to 1,250,000 EUR.

Start of submission of main call project applications is February 1st, 2020 and end on March 31, 2020 (*at 16:00 local Estonian time*). Implementation period of the main call projects is up to 36 months.

Before applying for a grant in this call, an applicant may request pre-counselling from Enterprise Estonia. This is an individual meeting between Enterprise Estonia and the applicant in order to support the comprehensive preparation of the application and to clarify the programme requirements individually, if necessary.

Projects shall be submitted electronically via EE e-service (aken.eas.ee). Contact for applicants for queries and possible technical issues when applying in e-service is programme manager at Enterprise Estonia with contacts in programme website.⁶ All queries are answered within 1 working day. All projects that exceed the deadline and time stated above shall be considered as non-eligible and shall be denied by Enterprise Estonia.

7. SUBMITTING AN APPLICATION

A grant from the main call can be applied for from the opening of the round on February 1st until March 31st, 2020.

Enterprise Estonia handles and evaluates all submitted applications. Evaluated applications constitute a ranking list, based on their final evaluation scores, to be presented to programme selection committee. The management board of the EE does the final decision on the applications, based on the proposal of the selection committee.

Enterprise Estonia communicates the start and end date of accepting the applications by means of a press release and on its website.

Following documents shall be submitted to EE together with the application:

- **Project plan**, which is a consolidated document including the information on the background of the project; description of the project promoter and partners; project idea; objectives; description of project activities, project team and management, partner involvement, risks and calculation of all project costs.
- **Project business plan and cash – flow prognosis**, including the description of the economic impact of the applied solution: financial prognosis (estimated annual growth in turnover and growth in net operational profit), market potential and estimated number of jobs created.
- The **balance sheet** of the current financial year and **income statement** of the applicant as of the end of the quarter preceding the submission of the application. For instance, when application is submitted in February 2020, then the balance sheet and income statement may originate as of the end of the fourth quarter of 2019;
- The copy of the last **annual report** confirmed by a person having the right to represent the applicant, unless the report is available on the Estonian commercial register;
- The **CVs** of the project manager and the members of the project team (including partners);
- A **procurement plan** (if the grant is 50%) or **cost calculations** for all project activities (in the form provided by Enterprise Estonia).
- An **English summary** of the project (in the form provided by Enterprise Estonia).

⁶ www.eas.ee/norwaygrants

- An authorisation document if the applicant and/or partner's legal representative acts based on authorisation.
- In case of involving partner(s), a **partner information form** (in the form provided by Enterprise Estonia) signed by a person having the right to represent each partner(s).
- **Statement** of the Norwegian **business register** confirming the registration of a Norwegian partner, if required by the law of its country of residence.
- In case of involving partner(s), a signed **Partnership agreement** in the form provided by Enterprise Estonia.
- For Green Industry Innovation projects, the **environmental impact forecast**, which elaborates and analyses the resource savings that will be achieved as a result of the project (decrease of energy consumption, CO2 emissions reductions)
- For Green Industry Innovation project where activities are targeted to diversification of an existing establishment, the **justification on how project eligible costs 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.
- Project **communication plan** that includes the requirements of Norway Grants 2014-2021 Annex 3 (Information and Communication Requirements⁷).
- Other relevant additional documents upon the request of Enterprise Estonia;
- All the above-mentioned requirements are also applied to the partner(s) involved in the implementation of the project; Norwegian partners are required to present these documents translated into Estonian or English.

All materials concerning the submitting an application and relevant forms are available at EE web page: www.eas.ee/norwaygrants.

The application shall be signed by a duly authorised representative of the applicant and submitted to EE via e-service (aken.eas.ee).

8. EVALUATION CRITERIA

Administrative evaluation and eligibility check

After the submission of the application, the application is registered and reviewed by Enterprise Estonia. The deadline for reviewing the application is three business days of the registration of the application. During the review of the application, it is verified whether the application has been duly completed and received with all required Annexes.

If EE, when assessing the compliance of the application with the administrative and eligibility criteria, finds any deficiencies in the compliance of the application, the applicant is informed about these deficiencies within three business days after reviewing the application. Applicant can eliminate these deficiencies within 10 (ten) business days by which the deadline for processing the application is extended.

⁷ Information and Communication Requirements:
https://eeagrants.org/sites/default/files/resources/Annex_3_EEA-NO_Information_and_Communication_Requirements%5B1%5D.pdf

In case the applicant does not succeed to fulfil the administrative requirements within the 10-day deadline, Enterprise Estonia shall refuse the application without the further assessment of the application.

Criteria for declaring an application compliant with the requirements:

- EE shall check the compliance of accepted applications with the requirements.
- An application shall be declared compliant if all requirements for the application set in this call are met.

The application is declared non-compliant with the requirements if at least one of the following circumstances is present:

- the application does not meet the requirements for applications as described in this call and the deficiency is not eliminated within the period determined;
- the application includes inaccurate or incomplete data, or the applicant is impacting the decision-making process unlawfully;
- the applicant does not enable the verification of whether the application corresponds to the requirements stated or allow EE to perform on-the-spot visits to applicant's premises;
- the applicant has not eliminated the deficiencies in the application within 10 working days.
- If an application is declared non-compliant with the requirements, EE shall adopt a decision to deny the application, without evaluating the content of the application.

Evaluation methodology and evaluation criteria

The application that has been declared compliant shall be evaluated according to the evaluation methodology. The evaluation methodology, as described in this call for proposals, is made available on the website of Enterprise Estonia, www.eas.ee/norwaygrants.

Evaluation is based on the review of the materials in the application. When evaluating the application, Enterprise Estonia can request clarifying information from the applicant based on the presented information in the application. The deadline for evaluation of all submitted applications is up to 48 working days from the closing date of the call for proposals.

Two evaluators appointed by Enterprise Estonia who are independent with regard to the applicant, the partner, and the application evaluate the applications of a main call scheme. In case a Norwegian partner is involved with the project, Innovation Norway, the donor programme partner, shall evaluate the quality and sustainability of the planned collaboration between the project participants (in other word the “bonus criteria”, see below).

The application is evaluated on a scale of 0–4. During evaluation, a score is chosen, which has a description where most of aspects corresponds to the circumstances occurring in the project. Score 3 is chosen if the circumstances described in the project are essentially somewhere between the aspects provided in the description of score 4 and that of score 2. Score 1 is chosen if the circumstances described in the project are essentially somewhere between the aspects provided in the description of score 2 and that of score 0.

Main call projects will be evaluated based on following assessment criteria, with the proportions and descriptions of each of the contents is presented below:

1. Solution impact in terms of meeting the goals of the programme	35%
1.1. Impact of the solution on the economic, nature, and social environment – 50%	
<p>This sub-criterion assesses the impact of the planned Solution on the scale of economic, natural and social environment. All projects are assessed based on its impact on economic and social environment; Green Industry Innovation projects must, in addition, have a significant environmental impact.</p> <p>The economic impact assessment is evaluated in all submitted applications. It is assessed whether the Solution is based on the thorough financial forecasts, which include the realism of the forecasts and the probability of the generation of a competitive advantage through the development of the Solution and subsequent following activities. The economic impact assessment considers the objectives of the Programme’s economic performance framework, whereby the turnover of the Project promoters increases by 5% and the operating profit by 5% annually.</p> <p>The social environment aspect is assessed in all submitted applications and mainly focuses on the number of permanent jobs created as a direct result of developing the Solution. In addition, the assessment also considers whether the Project creates new knowledge and how it is shared between the project parties.</p> <p>Impact on natural environment will be assessed only in the projects under Green Industry Innovation. The assessment is based on the estimation and calculations provided in the environmental impact analysis submitted with the application. It takes into consideration, how and to what extent the resource savings is achieved because of the green products/services/processes developed/applied within the project (5% annual reduction of energy consumption and/or reduction of carbon dioxide emissions).</p> <p>This evaluation criteria also considers the level of quality with which the impact aspects have been analysed and presented within the Project.</p>	
1.2. Uniqueness and innovation of the Solution – 25%	
<p>This sub-criterion is used to assess how innovative the solution (product/service) is (when compared to previous solutions) in those markets to which the subsequent activities will be directed. The innovation of the Solution is assessed, as is whether and how the planned Solution will fill the gap(s) in the market. As an alternative to the above, the Solution may also offer a unique combination of existing solutions, which brings significant added value to the customer/user.</p>	
1.3. Impact of Project activities on the competitiveness, collaboration and competence of the applicant and partners – 25%	
<p>This sub-criterion is used to assess the extent to which the Project team, the set of planned activities and the matters agreed upon in the Partnership Agreement increase the collaboration capacity of the Project promoters and the growth of their competitiveness in international markets. It is assessed whether the people involved in the implementation of the activities are capable and competent in their field, whose collaboration holds potential for the development of synergy and additional competencies. Project activities must be planned in a way that provides maximum support to the development of trust and long-term partnerships.</p>	

2. Market potential and sustainability of the Solution	25%
2.1. Market potential of the Solution – 50%	
<p>This sub-criterion is used to assess the market potential of the Solution, taking into account the knowledge of the applicant/partners and the Project’s description concerning the size of the market, its growth, the current market distribution between the main players and the distribution channels. The applicant and partners must have a comprehensive, justified and ambitious vision of the Solution's sales channels, pricing models and product/service volumes, which should also be supported by the Project's planned activities.</p>	
2.2. Economic profitability and sustainability of the Solution – 50%	
<p>This sub-criterion is used to assess whether the Project activities are aimed at achieving long-term goals, taking into account that the activities should ensure continuation of development activities and retention of competence even after the end of the Project (including the number of permanent jobs created, sharing of the Solution’s intellectual property between partners agreed upon in the Partnership Agreement). It is also evaluated how good the project's profitability is, taking into account the economic situation of the enterprise/organization (or the consortium as a whole), the average indicators of the enterprise and the field of business. The methodology used by the applicant and partners to calculate the project's cost-effectiveness must be appropriate and the applicant's business model for implementation of the Project should be described thoroughly and covered by fully operational partnerships. The business implementation plan of the Project results should be well thought out and realistic.</p>	
3. Organizational capability of the applicant and partners and quality of project preparation	30%
3.1. Organisational capability of the applicant and partners during the implementation of the Project and the commercial realisation of the Solution created during the Project – 40%	
<p>This sub-criterion is used to assess the enterprise’s ability to organize, manage and finance its activities. Also evaluated is the extent to which the Project’s consortium (applicant and partners), the team implementing the Project, its technology, production and business processes, as well as infrastructure are compliant for ensuring the Solution’s successful development, realization and subsequent production/sale, also in the case that volumes are larger than expected in the Project forecasts. The relevant experience of the applicant’s/partner’s sales and marketing personnel is also assessed, as is their knowledge of the market and readiness to expand the existing sales network, which would ensure maximum success in post-project commercialisation of the Project results.</p>	
3.2. Financial capability of the applicant and partners – 30%	
<p>This sub-criterion is used to assess the availability of financial resources and the overall financial position of the applicant/partners for achieving the objectives of the Project. Also assessed is the financial capability of the applicant/partners to implement the Project and commercialize its results, based on the financial indicators and forecasts presented. The resources needed for self-financing and co-financing must be ensured and the covering of current liabilities must not jeopardize the implementation of the Project or the enterprise’s strategy. Also evaluated during the assessment is the risk of Project delays or the disruption of a commercialization plan due to insufficient financial resources, based on the risk analysis provided by the applicant.</p>	
3.3. Quality of project preparation – 30%	

The extent to which the applicant and partners have prepared the Project and its activities is assessed based on the application. The prerequisites set out in the application and the documents accompanying the application, as well as the assumptions based on those, must be realistic. The level of detail and planning that has gone into planning the Project's budget is assessed, as is the fact whether or not the budget is optimal for carrying out the planned activities. Planned costs must be relevant, clearly set out in the Project, realistic and justified.

Bonus criterion for projects with Norwegian partner(s), evaluated by Innovation Norway (10%)

The project is aimed at collaboration with Norwegian partners

The bonus criterion will be added to the total score of the application if 1) one or more Norwegian partners are involved in the Project and 2) the planned collaboration is well planned and effective in terms of the project activities and the conditions set out in the Partnership Agreement. The partnership must have the potential for long-term collaboration i.e. the cooperation must be aimed at increasing the added value of all project parties by working closely together to achieve the project objectives. The bonus criterion is given a rating of "4" if both abovementioned conditions for the partnership are met. If only one of the conditions is fulfilled (a Norwegian partner is involved in the project), the rating is provided on the scale of "1"– "3" along with a justification from the evaluator.

The evaluation process is as follows:

- Each evaluator will score evaluation criteria with scores of 0 to 4.
- The scores of the application are calculated with the precision of two (2) decimal places.
- The total score given during the evaluation is based on the weighted average scores of evaluation criteria given by each evaluator.
- The final score of the project is the arithmetic mean of the two individual total scores given by the evaluators.
- Compliant applications are subject to approval, which have been rated with a minimum final score of 2.50 on the basis of evaluation criteria, and at least 2.00 on the basis of each evaluation criterion, and the funding amount of which does not exceed the budget allocated to the main call.
- If the evaluation results with one evaluator's positive evaluation score (2.50 and above of the total score, and at least 2.00 of each evaluation criterion) and other evaluator's negative evaluation score (below 2.50 of the total score or below 2.00 of at least one evaluation criterion), a third evaluator shall be commissioned by the EE to score the project independently. In such cases the average score of the two closest scores shall be used for ranking of the projects. If the average score is above the minimum thresholds set in the previous bullet point, the application may be subject to approval.
- Applications with their final score being less than 2.50, or if the score of at least one criterion is less than 2.00 are not subject to approval.
- Based on the final scores given to the applications, Green ICT programme manager shall compile a ranking list of all evaluated applications, which is thereafter presented to the programme selection committee.
- Programme Operator, Enterprise Estonia and DPP constitutes the Selection Committee, if necessary, external experts can be invited as voting member in the Selection Committee.

In the Selection Committee for the Welfare Technology call, a representative nominated by the Ministry of Social Affairs will be involved in the Selection Committee as a voting member. NFP, FMO and NMFA will be invited to attend the evaluation committee meetings as observers.

- The Selection Committee is chaired by the Programme Operator.
- The working language of the selection committee is English.
- Selection Committee reviews the ranking of the submitted applications. In justified cases, the Selection Committee may change the ranking of projects. The justification for the changes shall be recorded in the minutes of the selection committee meeting.
- The Selection Committee shall make its decision on which projects shall be funded by consensus. If consensus cannot be reached, the Programme Operator shall, as Chair of the Selection Committee, make the final decision on which projects shall be funded.
- Selection committee proposes the final ranking list of the projects to the Enterprise Estonia management board to make the final decision on which projects shall be funded.
- Based on the Evaluation Committee's proposal Enterprise Estonia shall make a final decision regarding the projects to be funded. If the management board of Enterprise Estonia disagrees with the proposition made by the Selection Committee, it shall return the ranking to the Selection Committee with its comments for revision.
- Enterprise Estonia may return the ranking list to the Selection Committee in the following cases:
 - If new or additional information has been emerged regarding any of the applications under the decision (for example information that may arise justified risks regarding the decision made by EE) and therefore it affects the assessments, or the final total score given to the projects listed in the ranking list.
 - If management board of Enterprise Estonia estimates that scores and related justifications given by the Selection Committee are not consistent and should therefore be upgraded.
- If the ranking list is returned to Selection Committee, the Selection Committee shall review a project, its scores and position in the ranking list. In case of no consensus reached, the decision of the SC is done by PO and ranking list is sent back to management board of Enterprise Estonia for finalizing the decision.
- The final total score for an application to be approved by Enterprise Estonia must be at least 2.50 and the rating for each evaluation criterion shall be at least 2.00 (except for the bonus criterion) and the amount of funding must not exceed the budget allocated to the main call. Not subject to approval are applications that have a final total score that is lower than 2.50, or if the score of at least one criterion of the 1–3 criteria is less than 2.00.

9. DECISION-MAKING PROCESS

On the basis of the selection committee proposition referred above Enterprise Estonia shall make a financing decision. The management board of EE signs all financing decisions. If a negative financing decision is proposed, the reasons for refusal shall be included to the decision.

The application can be subject to partial or full approval by the management board of Enterprise Estonia.

Partial approval of an application is allowed only in justified cases and on the condition that the objective of the project can be attained. In the case of partial approval of an application, the amount of grant and other supported activities can be decreased, with the consent of the applicant.

Partial approval of the application is allowed under the following circumstances:

- the budget contains activities or costs that are non-eligible or insignificant or unjustified with regard to the implementation of the project and therefore must be removed from the application;
- co-financing is considered unrealistic or impossible to cover by the project consortium, considering the amount of the budget provided in the application;
- the project objectives can be also achieved with partial grant;
- the financial volume of the application exceeds the available balance of the budget of the call.

In case of a need for a partial approval of the application in accordance of the abovementioned conditions, the possibility to implement the project with partial grant is discussed with the applicant by the EE programme manager, based on the experts' assessments and the available funding. If the applicant accepts partial funding, and project is foreseen to meet the objectives with reduced grant, the EE programme manager shall integrate the modified application with partial grant sum into the ranking list, including also a short description of the modifications made to the initial application. The list is presented to selection committee and after committee's approval, proposed to the management board of EE.

Enterprise Estonia shall enter into the project contract with the Project promoter on the basis of the financing decision.

If the evaluation of an application indicates that the application contains false information or there are any circumstances due to which the applicant or the application cannot be declared compliant or approve the application, a decision to disapprove the application shall be made.

If the project contract is not signed within 20 business days due to unjustified reasons arising from the Project promoter, Enterprise Estonia may cancel the financing decision.

The NMFA will be provided with minutes of evaluation meeting, together with the ranking list of projects that have received a positive financing decision in English no later than two weeks after the financing decision.

Applicants that receive a negative financing decision from Enterprise Estonia have a right to submit an appeal. Appeal is submitted to Enterprise Estonia within thirty (30) days as of the date when applicant has received the financing decision. Appeal is processed by Enterprise Estonia. Upon review of an appeal, the lawfulness and purposefulness of the financing decision is verified. Review also includes the examination of documentary evidence, explanation hearings of interested persons, additional expertise and on-the-spot visits, if necessary. The

review of the appeal can result with satisfying the appeal with the repeal of a financing decision, issuing a precept for taking a new resolution regarding the application, reversal of a decision or dismissing the appeal. Enterprise Estonia prepares a decision on an appeal in writing within maximum of 40 days. Decision on an appeal is delivered to the person that submitted the appeal or to third persons, if agreed accordingly.

10. PAYMENT OF THE GRANT, REPORTING PROCEDURE

The payment of grant shall be made to the Project promoter according to the conditions provided in the Programme procedure and the project contract.

The prerequisites for making the payment of grant include the implementation of project activities and the payment of the corresponding costs. A grant shall be paid on the basis of the payment application submitted by the project promoter via the e-service of EE.

The grant shall be paid either as an interim payment or a final payment. Payment as an interim or final payment is based on the paid expense receipts shall take place correspondingly after approval of the project's interim and/or final report and the relevant payment application by EE. Enterprise Estonia processes documents up to 20 business days.

Enterprise Estonia may decide to partially or fully refuse to pay the grant in the following cases:

- the submitted request for payment or expense receipts do not comply with set requirements;
- the submitted expense receipts do not correspond to the period, activities, and objectives of the project indicated in the application of the project;
- the activities that have been carried out do not correspond to the provided activities or their occurrence has not been proven;
- the pending recovery obligations in front of Enterprise Estonia have not been fulfilled.

Reporting procedure

The Project promoter presents the interim or final report of the project within 30 calendar days of the completion of the project period according to the provisions of the financing decision and the provisions of the project contract.

The interim and final report cover the costs by the Project promoter and the partners, as well as information about meeting the objectives of the project, including activities carried out, their results, justifications about any differences between the planned and actual activities and results.

The Project promoter shall submit the interim and final reports of the project to Enterprise Estonia through the e-service.

To prove the costs indicated in the interim and final report, the Project promoter is required to provide Enterprise Estonia with the copies of expense receipts, documents verifying the payment, and other documents required by Enterprise Estonia, except for travel costs for which the submission of expense receipts is not required.

The Project promoter submits the follow-up reports after the implementation of the project upon request of Enterprise Estonia.

The template for final report is established by Enterprise Estonia and are made available on its web site.

11. ADDITIONAL INFORMATION

Programme website:

www.eas.ee/norratoetus (in Estonian)

www.eas.ee/norwaygrants (in English)

Programme operator

Mr Tanel Tomson

E-mail: Tanel.Tomson@mkm.ee

Phone +372 6397 642

Implementing agency (programme manager)

Ms Anari Lilleoja

E-mail: Anari.Lilleoja@eas.ee

Phone: +372 524 6477

Implementing agency: Bilateral relations (study tours, seminars, website)

Ms Kersti Kuusksalu

E-mail: Kersti.Kuusksalu@eas.ee

Phone: +372 627 9720

Donor programme partner

Ms Frauke Muth

E-mail: Frauke.Muth@innovasjon Norge.no

Phone: +47 22 00 2747