

NORWAY GRANTS ‘GREEN ICT’ PROGRAMME PROCEDURE AND CONDITIONS FOR THE MAIN CALL

Introduction: This programme procedure (hereinafter ‘Programme Procedure’) establishes the objectives and supported activities of the main scheme of the Norway Grants ‘Green ICT’ Programme (hereinafter ‘Programme’) financed by the Norwegian Financial Mechanism and the conditions and procedures for applying for and processing applications and using the grants provided in the framework of the Programme.

Related documents:

Annexes of the Programme Procedure:

- Annex 1 Application form for a main call project
- Annex 2 Project plan guidelines for a main call project
- Annex 3 Partnership agreement form
- Annex 4 Project agreement form
- Annex 5 Interim report form for a main call project
- Annex 6 Final report form for a main call project
- Annex 7 Foreign partner cost audit form for auditors and a checklist for verifying costs incurred by the foreign partner (Annex 7a)
- Annex 8 Project summary form (in English)
- Annex 9 Evaluation methodology for main call projects
- Annex 10 Principles for the simplification of travel costs and travel summary form
- Annex 11 Proof of used machinery or equipment
- Annex 12 Example procurement plan
- Annex 13 Notification conditions for the project and guidelines for compiling a communication plan
- Annex 14 Budget chart for a main call project
- Annex 15 Table of economic indicators for an applicant

Contents

1	GENERAL PROVISIONS OF PROGRAMME IMPLEMENTATION	3
2	DEFINITIONS	3
3	PROGRAMME OBJECTIVE AND EXPECTED RESULT	6
4	BASIS FOR PROVIDING GRANTS IN THE FRAMEWORK OF THE PROGRAMME.....	8
5	ACTIVITIES SUPPORTED IN THE FRAMEWORK OF THE PROGRAMME.....	9
6	ELIGIBLE AND NON-ELIGIBLE COSTS	9
7	ELIGIBILITY PERIOD OF PROJECT	12
8	THRESHOLDS AND CONDITIONS FOR GRANT FINANCING.....	12
9	APPLYING FOR A GRANT.....	13
10.	REQUIREMENTS FOR APPLICANTS AND PARTNERS	13
11.	OBLIGATIONS OF APPLICANTS.....	14
12.	REQUIREMENTS FOR AN APPLICATION	15
13.	PROCESSING OF APPLICATIONS	17
14.	REGISTRATION AND REVIEW OF APPLICATIONS	17
15.	CONDITIONS FOR DECLARING THE APPLICANT, PARTNERS AND THE APPLICATION COMPLIANT WITH THE REQUIREMENTS.....	17
16.	EVALUATION OF APPLICATIONS	18
17.	CONDITIONS AND PROCEDURE OF APPROVAL OR REFUSAL TO APPROVE AN APPLICATION.....	19
18.	MODIFICATION OF THE PROJECT CONTRACT	20
19.	CONDITIONS FOR THE PAYMENT OF GRANT	21
20.	REPORTING PROCEDURE.....	22
21.	OBLIGATIONS OF THE PROJECT PROMOTER AND PROJECT PARTNERS.....	22
22.	RIGHTS OF A PROJECT PROMOTER.....	24
23.	RIGHTS OF ENTERPRISE ESTONIA.....	24
24.	OBLIGATIONS OF ENTERPRISE ESTONIA	24
25.	CANCELLATION OF THE PROJECT CONTRACT AND RECOVERY OF GRANT	25

1 General provisions of programme implementation

- 1.1. The programme is based on the following legal documents:
 - 1.1.1. Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism for the period 2014–2021 (concluded on 28 May 2016);
 - 1.1.2. Regulation on the implementation of the Norwegian Financial Mechanism for the period of 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 for the period of 2014–2021, concluded between the Kingdom of Norway and the Republic of Estonia on 9 May 2017;
 - 1.1.4. Programme Agreement concluded between the Ministry of Finance of the Republic of Estonia and the Ministry of Foreign Affairs of the Kingdom of Norway on 26 April 2018;
 - 1.1.5. Government of the Republic Decree No. 55 of 5 July 2018, ‘The conditions and procedures for application for and implementation of the grants from the EEA and Norwegian Financial Mechanisms 2014–2021’;
 - 1.1.6. Implementation agreement concluded between the Ministry of Economic Affairs and Communications of the Republic of Estonia and Enterprise Estonia.
- 1.2. The content and interpretation of the Programme objectives, the rights and obligations established for the applicant / project promoter and partners, and used definitions are guided by the legal documents on which the Programme is based on according to the order of competence established therein. In the event of conflicts concerning the Programme procedure, the abovementioned documents prevail.
- 1.3. The Ministry of Economic Affairs and Communication (hereinafter ‘MEAC’) of the Republic of Estonia is responsible for the general coordination of the programme.
- 1.4. The programme is implemented by Enterprise Estonia.
- 1.5. The implementation of the Programme involves the donor programme partner Innovation Norway, whose tasks include the following: providing consultation regarding the preparation and implementation of the Programme, participating in the Programme cooperation committee and the project selection committee, assessing Estonian and Norwegian cooperation projects, and assisting potential grant applicants in their search for Norwegian project partners in cooperation with Enterprise Estonia.

2 Definitions

- 2.1. **Initial investment** – 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** – a project that is implemented in cooperation with a project partner, whose primary location is Norway.
- 2.3. **Co-financing** – project partner’s monetary contribution into the financing of the project.

- 2.4. **Expense receipt** – document verifying incurred costs, which should correspond to the requirements regulating accounting and generally accepted accounting practices established in the legislation of the country of residence of the project promoter and/or project partner covering the costs.
- 2.5. **Self-financing** – project promoter’s monetary contribution into the financing of the project. Support cannot be used for self-financing.
- 2.6. Pursuant to the meaning provided in Article 2(96) of the General Block Exemption Regulation,¹ **organisational innovation** refers to 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** – an agreement concluded between a project promoter and the partner(s), establishing the project-related obligations and rights of the Project promoter and the partner(s). The agreement governs the relationship between the partners in the implementation of the project included in the application. In the agreement, the partners confirm the project objectives, the plan of activities to be implemented and the budget and the financing plan, and regulate the principles of cooperation between the partners, matters related to the project management, involvement and leaving procedure of the partners, and other important issues. The partnership agreement has to include principles of using and distributing the intellectual property rights arising from the project in a way that the results are distributed based on contribution and none of the project participants are given an unjustified advantage.
- 2.8. **Personalised medicine** – an approach related to prevention and treatment of illnesses that takes into account the lifestyle, environment, and genetic features of a person. The objectives of personalised medicine include increasing people’s quality of life, inclusion of preferences into in health system processes, prevention of illnesses, and effective and individual treatment of illnesses.
- 2.9. **Project contract** – an agreement concluded between the project promoter and Enterprise Estonia to receive and use the grant.
- 2.10. **Direct project costs** – costs that the project promoter and/or the project partner identify according to generally accepted accounting practices and customary internal accounting rules as specific costs which are directly related to the main activities of the project and which can be therefore considered as the project costs.
- 2.11. **Project partner** (hereinafter ‘partner’) – a legal entity who is listed in the application by the applicant and who has a significant role in the implementation of the project

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

activities as well as a common economic or social objective with the project promoter which is achieved through the implementation of this project. The partner contributes to the budget of the project and covers eligible costs. The project partner receives the grant alongside the project promoter to cover the eligible costs incurred as part of the project under the conditions established in this Programme Procedure. In the framework of a project, enterprises that belong to a group within the meaning of subsection 2 (4) of the Competition Act are considered to be a single legal person.

- 2.12. **Process innovation** – within the meaning 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. **Main call project** – a project the objectives and activities of which comply with the conditions of the main call.
- 2.14. **Large company** – an enterprise which is not a small or medium-sized enterprise within the meaning of Annex I to the General Block Exemption Regulation.
- 2.15. **Application** – a duly compiled application submitted to Enterprise Estonia as part of the Programme, including a detailed calculation of costs (budget of the project) and documents added to it to apply for a grant.
- 2.16. **Grant rate** – the percentage share of grant which indicates the grant's portion in the eligible costs of the project.
- 2.17. **Project promoter** – within the meaning of this Programme, the applicant whose application to receive a grant has been approved and who is responsible for the implementation of the project after concluding the project contract.
- 2.18. **Grant applicant** (hereinafter 'applicant') – a private legal entity who is registered in Estonia and who submits an application to receive a grant. If the project is implemented with partners, the applicant will be considered responsible for the entire project.
- 2.19. **Product development** – within the meaning of Article 2(86) of the General Block Exemption Regulation, the acquisition, integration, design, and use of existing scientific, technological, business, and other relevant knowledge and skills for the development of new or improved products, processes or services. This may also involve activities the aims of which include conceptual determination, planning, and documentation of new products, processes or services. Product development may include the creation, demonstration, pilot use, testing, and validation of new or improved prototypes of products, processes or services in an environment of working condition corresponding to real life if the main objective is to technically improve an unfinished product, process or service. Product development also includes the development of prototypes and pilot projects for commercial use, provided that the prototype is a

commercial final product and its production solely for demonstration and validation purposes is too expensive. Product development does not involve routine or periodic alterations to existing products, product lines, processes, services, or other activities, even if such changes lead to improvements.

- 2.20. **Effective collaboration** refers to 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 enterprise should be deemed a small or medium-sized enterprise and the project has to be carried out in at least two Member States (one of them Norway) and no single party will bear more than 70% the costs of the project on its own. Contract research and provision of research services are not considered forms of collaboration.
- 2.21. **Digitalisation of industry** – the improvement of the efficiency of production processes through digital solutions, such as data collection and use, communication between devices, use of robots, etc.
- 2.22. **Small and medium-sized enterprise** – a small or medium-sized enterprise which complies with the criteria established in Annex I to the General Block Exemption Regulation. Based on Article 2 of Annex I to the General Block Exemption Regulation, a medium-sized enterprise is an enterprise that employs fewer than 250 persons and which has an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million, and a small enterprise is 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 calculation of the said indicators should also take into account the conditions provided in Article 3 of Annex I of the General Block Exemption Regulation.
- 2.23. **Foreign partner** – a project partner registered in the relevant registry of the Kingdom of Norway.

3 Programme objective and expected result

- 3.1. The Programme is funded from the Norwegian Financial Mechanism for the period of 2014–2021, the main objectives of which are to contribute to the reduction of economic and social inequalities in the European Economic Area and to strengthen bilateral relations between Norway and Estonia by way of financial contributions.
- 3.2. The overall objective of the programme is to support the sustainable development and growth of added value for Estonian entrepreneurs.
- 3.3. The aim of the grant is to increase innovative business cooperation between Estonia and Norway and the added value of enterprises by means of projects that promote resource saving. The results of providing grants in this section include: CO2 emissions reductions and decrease of energy consumption, increased annual profits and turnover for the project promoters and the creation of new jobs.

- 3.4. The Programme focuses on small and medium-sized enterprises, which will receive 75% of the total grant amount of the application rounds to support their sustainable development.
- 3.5. The Programme is carried out by means of the small grant scheme and the main call.
- 3.6. In order to achieve the objective of the Programme, sub-objectives have been established in the following areas: **Green Industry Innovation (GII), Information and Communication Technologies (ICT), and Welfare Technology (WT)**. ICT projects can include components of the Green Industry Innovation and Welfare Technology areas.
- 3.7. The projects supported in the main call have to contribute to the development of at least one of the following areas:
 - 3.7.1. development and application of innovative green products, services and processes in the area of **Green Industry Innovation**, which results in CO2 emissions reductions or decrease of energy consumption:
 - 3.7.1.1. development and implementation of new resource-efficient products, services and processes for the industry, for example, solutions based on automation and robotics;
 - 3.7.1.2. development of innovative products and services with an ICT component, aimed at promoting resource savings in other areas, such as energy efficiency, transport, etc.
 - 3.7.2. Development of innovative ICT products, services and processes that have great potential for improving performance in different economic sectors and society as a whole.
 - 3.7.3. Development of products, services and processes in health technology which supports IT development in the health care sector. Areas that can be supported are, for example, activities to develop new ICT products and services designed in cooperation with end users:
 - 3.7.3.1. solutions for hospitals, the aim of which is to empower the ecosystem of personalised medicine;
 - 3.7.3.2. solutions for simplifying patients' journey with the aim of improving the patients' individual health indicators and quality of life;
 - 3.7.3.3. products and services targeted at collection, standardisation and analysis of health data;
 - 3.7.3.4. tools to provide preventive services in primary care through better utilization of data.
- 3.8. When submitting an application in the main call, the application must include a forecast that details the project's contribution to achieving the following economic and social results:
 - 3.8.1.1. estimated annual growth in net operational profit;
 - 3.8.1.2. estimated annual growth in turnover;
 - 3.8.1.3. number of jobs created.
- 3.9. When applying for a grant for a project in the area of Green Industry Innovation, as set out in clause 3.7.1, it is necessary to submit (in addition to the application) an

environmental impact forecast which elaborates and analyses the resource savings that will be achieved as a result of the project (decrease of energy consumption(MWh) , CO2 emissions reductions (tonnes of CO2-equivalent per year));

4 Basis for providing grants in the framework of the Programme

- 4.1. A grant provided in the framework of the main call is considered state aid within the meaning of subsection 30 (1) of the Competition Act or de minimis aid within the meaning of subsection 33 (1) of the de minimis aid regulation. The following regulations concerning state aid or de minimis aid are taken into account when providing grants:
- 4.1.1. Support provided for the activities listed in paragraph clause 5.1.1 of the Programme Procedure is aid given for process and organisation innovation within the meaning of Article 29 of the Commission Regulation (EU) No 651/2014 of declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.2014, p. 1–78,) (hereinafter the ‘General Block Exemption Regulation’) and is subject provisions in the aforementioned Regulation and provisions in section 34² of the Competition Act, or de minimis aid within the meaning of European Commission’s Regulation (EU) No. 1407/2013 of 18 December 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, p. 1-8, hereinafter the ‘de minimis aid regulation’) and it is subject to provisions of the de minimis aid regulation and provisions in section 33 of the Competition Act;
 - 4.1.2. Support provided for activities listed in clause 5.1.2 of the Programme Procedure is support given to research and development projects within the meaning of Article 25 of the General Block Exemption Regulation and is subject to provisions of the aforementioned Regulation and section 34² of the Competition Act, or de minimis aid within the meaning of the de minimis aid regulation and it is subject to provisions of the de minimis aid regulation and provisions in section 33 of the Competition Act;
 - 4.1.3. Support provided for activities listed in clause 5.1.3 of the Programme Procedure is innovation aid given to small and medium-sized enterprises 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 provisions of the de minimis aid regulation and provisions in section 33 of the Competition Act;
 - 4.1.4. Support provided for activities listed in clause 5.1.4 of the Programme Procedure is regional aid within the meaning of Article 14 of the General Block Exemption Regulation and is subject to provisions of the aforementioned Regulation and section 34² of the Competition Act, or de minimis aid within the meaning of the de minimis aid regulation and it is subject to provisions of the de minimis aid regulation and provisions in section 33 of the Competition Act;
 - 4.1.5. Support granted for activities listed in clause 5.1.5 of the Programme Procedure is de minimis aid and is subject to provisions of the de minimis aid regulation and provisions in section 33 of the Competition Act;
 - 4.1.6. Support granted to a large enterprise for activities listed in clauses 5.1.1 and 5.1.3 of the Programme Procedure is de minimis aid and is subject to provisions of the de minimis aid regulation and provisions in section 33 of the Competition Act.
- 4.2. Upon granting support within the meaning of the de minimis aid regulation, the rules on accumulation of de minimis aid for different purposes set forth in Article 5 of de minimis

aid regulation shall be taken into account. For the purpose of calculating the amount of de minimis aid, enterprises connected to each other shall be considered to be a single undertaking in accordance with Article 2 (2) of the de minimis regulation.

- 4.3. The Programme does not support enterprises and activities that are aimed at agriculture, fisheries and aquaculture or activities listed in Article 1 (2-5) and Article 13 of the General Block Exemption Regulation and Article 1 (1) of the de minimis aid regulation.

5 Activities supported in the framework of the Programme

- 5.1. The following activities are supported from the **main call**:

- 5.1.1. organisation and process innovation, including the development and implementation of digital technologies that increase the efficiency of processes;
- 5.1.2. implementation of product development;
- 5.1.3. validating and protecting patents and other immaterial assets;
- 5.1.4. in the case of projects in the field described in clause 3.7.1, 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;
- 5.1.5. dissemination of results of the project (information events), excluding marketing and advertising.

6 Eligible and non-eligible costs

- 6.1. Within the grant scheme, eligible costs are justified, reasonable, compliant with the legislation, and directly required to carry out the supported activities and achieve the objectives of the project. The project costs should comply with the principles of economy, efficiency, and effectiveness.
- 6.2. Eligible costs are only those costs which are indicated in the budget of the project submitted with the application.
- 6.3. Only such eligible costs can be supported which have been incurred during the eligibility period determined in the project contract. Costs are considered to have been incurred if the invoice for the costs is submitted and paid and the work is done, and the merchandise is delivered or the service is provided during the period of eligibility for the project.
- 6.4. Costs may, as an exception, be considered eligible if the invoice for them is submitted during the last month of the eligibility period and paid within 30 calendar days of the end date of the eligibility period, and if the activities charged for in the invoice were carried out during the eligibility period.
- 6.5. The costs of carrying out the following activities listed in clauses 5.1.1 and 5.1.2 of the Programme Procedure are considered eligible costs:
 - 6.5.1. the remuneration of employees carrying out the project 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;

- 6.5.2. 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;
 - 6.5.3. transport and accommodation costs related to the business trip of an employee working on the basis of 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 on the basis of the simplified reimbursement method in accordance with the conditions set out in the Annex to the Programme;
 - 6.5.4. daily allowances related to the business trip of an employee carrying out the project and working on the basis of an employment contract;
 - 6.5.5. the cost of purchasing new or used machinery or equipment or the cost of using it under a lease or ²leasing contract³, 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 practices (e.g. if the machine's lifespan is 10 years and the project period is three years, the eligible expense of the machinery is 30% of its cost).
 - 6.5.6. The purchase, rent or lease of used machinery or equipment can be filed under eligible costs if the following requirements are met:
 - 6.5.6.1. the seller or renter 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 less 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 licences 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 consumables and supplies, provided that they are identifiable and assigned to the project;
- 6.6. Costs for the acquisition, validation and protection of patents and other intangible assets necessary for carrying out the activities listed in clause 5.1.3 of the Programme Procedure are eligible costs.
 - 6.7. The costs of carrying out the following activities listed in clause 5.1.4 of the Programme Procedure are considered eligible costs:

² The substance of a commercial lease contract is the lessor's obligation to grant the lessee use of the object of the lease contract for a fee and to provide the lessee with the fruit obtained by way of the regular management of the object of the commercial lease contract.

³ In the case of a leasing contract, the lessor undertakes to acquire the object of lease from a seller determined by the lessee and to grant use of the object to the lessee, and the lessee is required to pay a fee for use of the object of lease.

- 6.7.1. the cost of acquiring tangible assets, if this is an integral and necessary part of achieving the results of the project. In the case of large companies, the purchased assets must be new;
 - 6.7.2. the cost of setting up the assets, transporting them and the insurance cost necessary for transport if that is included in the purchase cost of the assets;
 - 6.7.3. the cost of acquiring immaterial assets if they meet the following requirements:
 - 6.7.3.1. the assets must only be used by the company receiving the aid;
 - 6.7.3.2. the assets must be depreciable;
 - 6.7.3.3. the assets must be purchased on market conditions from third-party sellers not linked to the purchaser;
 - 6.7.3.4. the assets must be among the enterprise's assets and remain linked to the project for which the grant is provided for at least five years (three years in the case of small and medium-sized enterprises);
 - 6.7.3.5. immaterial asset costs in large companies must not account for more than 50% of all eligible expenses.
 - 6.7.4. When providing a grant to a large enterprise for a fundamental change in the overall production process, the eligible costs have to exceed the depreciation of assets (during the preceding three financial years) related to the activity to be updated. In the case of a grant provided for the diversification of production of an existing enterprise, the eligible costs have to exceed the book value of reusable assets that have been registered during the financial year preceding the start of the works by at least 200%.
 - 6.7.5. Investing has to be in line with the conditions of the regional aid map of the country of residence of the applicant and/or partner.
- 6.8. Expenses tied to the activities outlined in the communication plan and notification requirements set out in clause 5.1.5 of the Programme Procedure, including the organisation of information events for target groups, arranging meetings and seminars and translation costs are all eligible costs.
- 6.9. The costs of an auditor who is independent of the project and the partners and who audits the foreign partner's expenses are considered eligible costs. The grant provided for covering the aforementioned costs is considered de minimis aid within the meaning of the de minimis aid regulation.
- 6.10. Among other things, the following costs are non-eligible:
- 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 court costs;
 - 6.10.8. excessive and unjustified expenses;
 - 6.10.9. expenses under subsection 48 (4) of the Income Tax Act treated as fringe benefits and fringe benefit tax;
 - 6.10.10. non-monetary contributions;
 - 6.10.11. expenses stemming from transactions by the project promoters and/or between partners;

- 6.10.12. transactions between related parties as described in section 8 of the Income Tax Act.
- 6.11. 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.
- 6.12. Verification of costs:
- 6.12.1. 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.
- 6.12.2. To provide evidence of the foreign partner's expenses, 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 that the expenses were incurred in, as per the terms and conditions of the Programme Procedure, local law and generally accepted accounting practice.

7 Eligibility period of project

- 7.1 Unless a later date is established in the project contract, the eligibility period of the project starts from the date when the application is approved.
- 7.2 The maximum eligibility period of a main call project is 36 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 not past 30 April 2024. To extend the eligibility period, the project promoter should submit the corresponding application to Enterprise Estonia.
- 7.4 The project promoter and partners may not start with binding activities related to 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.) before a decision to award the support to the project, except when entering into a partnership agreement with project partners.

8 Thresholds and conditions for grant financing

- 8.1 The minimum grant amount to be applied from the main call is 200,000 euros per project and the maximum amount is 700,000 euros. The maximum grant amount for applications in the field set out in clause 3.7.3 of the Programme Procedure is 1,250,000 euros per project.
- 8.2 When awarding a grant for the activities specified in clauses 5.1.1, 5.1.3 and 5.1.5 of the Programme Procedure, the share of the grant in the total eligible costs will not exceed 50%.
- 8.3 When awarding a grant for activities specified in clauses 5.1.2 and 5.1.4 of the Programme Procedure on the basis of the General Block Exemption Regulation, the maximum share of the grant of the total eligible costs is:
- 8.3.1. up to 45% in the case of a small enterprise;

- 8.3.2. up to 35% in the case of a medium-sized enterprise;
- 8.3.3. up to 25% in the case of a large enterprise.

- 8.4. When awarding a grant for activities specified in clause 5.1.2 of the Programme Procedure on the basis of the General Block Exemption Regulation and where it is deemed efficient collaboration, the maximum share of the grant of the total eligible costs is:
 - 8.4.1. up to 50% in the case of a small and medium-sized enterprise;
 - 8.4.2. up to 40% in the case of a large enterprise.

- 8.5. When awarding a grant for activities specified in clauses 5.1.2 and 5.1.4 of the Programme Procedure on the basis of the de minimis aid regulation, the maximum share of grant can reach 50% of the total eligible costs of the project.

- 8.6. The maximum share of costs of an auditor who is independent of the project and the partners and who audits the foreign partner's expenses is 50%.

- 8.7. The main call is financed on the basis of a single grant rate, which will be determined by applying the lowest of the grant thresholds applicable to the project promoter and the project partners.

- 8.8. The project's own contribution and the co-financing of the partners should both cover a share of the project which is not funded from the grant. Public support is not considered to be the project's own contribution or co-financing, regardless of whether this support is funded from local, regional, national or European Union resources, including by public entities or entities under their dominant influence.

9 Applying for a grant

- 9.1. Application in the main call takes place on an application round basis. Enterprise Estonia communicates the start and end date of an application round by means of a press release and on its website.

- 9.2. In order to apply for a grant in the main call, an applicant can turn to Enterprise Estonia for an individual consultation prior to submitting an application. The aim for the consultation is to support thorough preparation of the application and to explain the terms and conditions of the Programme.

- 9.3. An application can be submitted to Enterprise Estonia via the e-service of structural funds (<https://etoetus.strukturifondid.ee/>) with the digital signature of the applicant's legal representative.

10. Requirements for applicants and partners

- 10.1. The grant applicants may include enterprises registered in Estonia, provided that the share of the state or local government in the company is below 25%.

- 10.2. The project partners may include all legal entities registered in Estonia and Norway (e.g. companies, non-profit associations, associations, foundations, universities).

- 10.3. A partnership agreement is a prerequisite for the implementation of the partnership project. In the case of a partnership agreement, the partners can make eligible costs and financially contribute to the project funding.
- 10.4. An applicant must comply with the following requirements:
- 10.4.1. the applicant does not operate in the fields listed in Articles 1 (3) and 13 of the General Block Exemption Regulation or Article 1 (1) of the de minimis aid regulation;
 - 10.4.2. the applicant's tax arrears or payment in arrears inclusive of interest do not exceed 100 euros, or these have been rescheduled;
 - 10.4.3. the applicant should have duly complied with the obligation to submit tax returns established in tax legislation and regulations;
 - 10.4.4. no liquidation or bankruptcy proceedings have been initiated against or bankruptcy decisions made concerning the applicant or partner, or person controlling the applicant/partner;
 - 10.4.5. the applicant has the required funds for the financing of the project in accordance with the limits and terms and conditions established in clause 8;
 - 10.4.6. when applying for a grant on the basis of the General Block Exemption Regulation, the applicant cannot be a person in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation;
 - 10.4.7. an applicant who has previously received grants through Enterprise Estonia, the European Union or foreign aid resources which have been subject to recovery has made the relevant repayments in a timely and required manner;
 - 10.4.8. the applicant and group to which the applicant belongs should not receive or should not have received de minimis aid within the meaning of the regulation on de minimis aid of 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);
 - 10.4.9. if an applicant and the group to which the applicant belongs have received de minimis aid with de minimis aid to be provided to an enterprise providing a service of general economic interest (European Commission's Regulation No. 360/2012), the total amount of aid granted along with the de minimis aid applied in the framework of the Programme cannot exceed 500,000 euros over the current financial year and the two previous ones.
- 10.5. If a partner or partners are involved in the implementation of the project, the requirements listed in clause 10.4 of the Programme Procedure will also be applied to the partner(s).

11. Obligations of applicants

- 11.1. An applicant is obliged to:
- 11.1.1. to provide additional information about the applicant, the partner(s), and the application in the required format and by the due date upon the request of Enterprise Estonia;
 - 11.1.2. to enable the verification of compliance of the application, the applicant, and the partner(s) with the requirements, including to carry out an on-the-spot inspection at the applicant and the partner(s) premises;

- 11.1.3. to immediately notify Enterprise Estonia about any changes or circumstances in the information provided in the application which may influence the decision-making process with regard to the application;
- 11.1.4. to prove the availability of the project's specified own contribution and co-financing or other funds or documents upon request of Enterprise Estonia;
- 11.1.5. to immediately 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);
- 11.1.6. to fulfil the obligations established in other legislation and submit information to Enterprise Estonia about the factors that may influence the decision-making process with regard to the application;
- 11.1.7. to inform Enterprise Estonia about simultaneously application for grants from several measures or other budgetary, European Union or external aid resources to fund the individual activities of the project.

12. Requirements for an application

- 12.1. The project included in the application should comply with the objectives of the Programme and the following requirements:
 - 12.1.1. the application has been submitted in the manner and format established in clause 9;
 - 12.1.2. the grant is applied for the supported activities established in clause 5, and the budget of the project includes the eligible costs provided in clause 6;
 - 12.1.3. the activities of the project included in the application are performed within the period of the project's eligibility according to the conditions provided in clause 7;
 - 12.1.4. the amount of the applied grant does not exceed the financing threshold established in clause 8 or the maximum amount of the grant
 - 12.1.5. the budget of the project includes the project's required own contribution;
 - 12.1.6. the information provided in the application is complete and correct;
 - 12.1.7. the project has not received public funding.
- 12.2. Applications have to be submitted in Estonian or English. If at least one of the partners comes from Norway, the application and its Annexes should be presented in English. In the case of an application submitted in English, a summary of the application shall be added in Estonian which describes the project's objective, necessity and all planned activities of all the parties to the project in Estonian.
- 12.3. A project directly related to the state's information systems must not conflict with the principles of the state's IT architecture and interoperability framework⁴ or the principles of the European interoperability framework⁵ nor duplicate existing national information systems;

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

⁵ Principles of the European Interoperability Framework: https://ec.europa.eu/isa2/eif_en

- 12.4. when authenticating users of the information system created during the project and providing digital signatures, it is necessary to follow the highest level of security – eIDAS (electronic IDentification, Authentication and trust Services) Regulation⁶.
- 12.5. **The following documents are annexed to the application:**
- 12.5.1. **Project plan** in accordance with guidelines in Annex 2.
 - 12.5.2. The project’s **financial prognosis**, including the description of the economic impact of the project, including the estimated annual growth in turnover and growth in net operational profit (%), and the market potential of the solution created as a result of the project.
 - 12.5.3. for Green Industry Innovation projects set out in clause 3.7.1, an **environmental impact forecast** which elaborates and analyses the resource savings that will be achieved as a result of the project (decrease of energy consumption (MWh), CO₂ emissions reductions (tonnes of CO₂-equivalent per year));
 - 12.5.4. in the case that an activity set out in clause 5.1.4 is carried out by a large enterprise, a justification for (added to the application form):
 - 12.5.4.1. how the eligible costs in the case of a grant provided for the diversification of production exceed the book value of reusable assets that have been registered during the financial year preceding the start of the works by at least 200%; or
 - 12.5.4.2. how the eligible costs in the case of a grant provided for a fundamental change in the overall production process exceed the depreciation of assets (during the preceding three financial years) related to the activity to be updated;
 - 12.5.5. 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;
 - 12.5.6. a copy of the last annual report confirmed by a person having the right to represent the applicant, unless the report is available in the Estonian commercial register;
 - 12.5.7. the CVs of the project manager and the members of the project team (including the partner(s)’ team members);
 - 12.5.8. a procurement plan (if the grant rate is 50%) (in the form of Annex 12);
 - 12.5.9. the project budget, including cost calculations for all project activities and the project’s grant rate (in the form of Annex 14)
 - 12.5.10. an English summary of the project for applications submitted in English and Estonian (in the form of Annex 8);
 - 12.5.11. in the case of an application submitted in English, a summary of the application shall be added in Estonian which describes the project’s objective, necessity and all planned activities of all the parties to the project in Estonian;
 - 12.5.12. an authorisation document if the applicant and/or partner’s legal representative acts based on authorisation;
 - 12.5.13. a statement from the Norwegian business register confirming the registration of a Norwegian partner if required by the law of its country of residence.;
 - 12.5.14. in the case of involving partner(s), a signed partnership agreement that has been compiled based on the sample provided by Enterprise Estonia;
 - 12.5.15. a project plan in accordance with guidelines in Annex 13;

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

- 12.5.16. a table of economic indicators for the applicant and partners (in the form of Annex 15);
- 12.5.17. other relevant additional documents upon the request of Enterprise Estonia;
- 12.5.18. All requirements set out in clauses 12.5.5, 12.5.6., 12.5.8., 12.5.12. and 12.5.16 are also applied to the partner(s) involved in the implementation of the project; foreign partners are required to present these documents translated into Estonian or English.

13. Processing of applications

- 13.1. Enterprise Estonia will perform the following operations with regard to the application: registering the application and reviewing it, requesting explanations and additional information, declaring the application and the applicant / the partner compliant or non-compliant, evaluating the compliant application, approving the application and concluding the project contract or refusing to approve the application.
- 13.2. During the processing of the application, Enterprise Estonia may request explanations about the details provided in the application from the applicant if Enterprise Estonia finds that the application is not clear enough and at the same time indicate which circumstances require additional explanation.
- 13.3. The term for processing an application is up to 65 business days from the deadline of the application round.

14. Registration and review of applications

- 14.1. The application is registered and reviewed by Enterprise Estonia. The term for reviewing an application is up to 10 (ten) business days from the deadline of the application round. During the review of the application, it is verified whether the application has been duly completed and received with all required Annexes.
- 14.2. If the inspection of the compliance of the application finds any deficiencies in the compliance of the applicant, partner or application, the applicant is informed about these deficiencies. The applicant can then eliminate the deficiencies within 10 (ten) business days, by which the deadline for processing the application is extended.
- 14.3. Enterprise Estonia will make the decision on refusal to approve the application without evaluating the contents of the application if the applicant has failed to eliminate the insufficiencies within the term provided in clause 14.2 of the Programme Procedure.
- 14.4. If the application is submitted later than the deadline of the application round, Enterprise Estonia will not review the application.

15. Conditions for declaring the applicant, partners and the application compliant with the requirements

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

- 15.2. The applicant and the partners are deemed to be compliant if all requirements concerning the applicant and the partner established in clause 10 of the Programme Procedure have been met.
- 15.3. The application is declared compliant if all requirements established in clause 12 of the Programme Procedure have been fulfilled.
- 15.4. The application is not declared compliant if at least one of the following circumstances occurs:
 - 15.4.1. the application does not comply with the requirements of clause 12 of the Programme Procedure;
 - 15.4.2. the application contains incorrect or incomplete information, or the applicant affects the decision-making in an unlawful manner;
- 15.5. Upon refusal to declare the application, applicant or partner compliant, Enterprise Estonia will make a decision on refusal to declare the application compliant without evaluating the contents of the application.

16. Evaluation of applications

- 16.1. An application that has been declared compliant will be evaluated according to the evaluation methodology. The evaluation methodology will be made available on the website of Enterprise Estonia.
- 16.2. Evaluation is based on the review of the application materials and a discussion of further questions concerning the project.
- 16.3. The evaluation is conducted by two evaluators appointed by Enterprise Estonia who are independent with regard to the applicant, partner(s) and the application. In the case of donor partnership projects, the additional criterion set out in clause 16.4.4 will be evaluated by the programme partner Innovation Norway.
- 16.4. Main call projects will be evaluated based on the following evaluation criteria:
 - 16.4.1. Impact of the solution created in the framework of the main call project (hereinafter '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. Organizational capability of the applicant and partners and quality of project preparation – 30% of the total score;
 - 16.4.4. Additional criterion for donor partnership projects: the extent to which the project is aimed at cooperation with Norwegian partners – 10% of the total score.
- 16.5. The applications of the main call are evaluated on a scale of 0 to 4.
- 16.6. The total score given during the evaluation is based on the weighted average scores of evaluation criteria given by each evaluator.
- 16.7. The final score of an applications is the arithmetic mean of the individual total scores given by the evaluators, which is then used to rank applications in order.

- 16.8. An application is approved if it:
- 16.8.1. has received at least a 2.50 total score for the evaluation criteria listed in clause 16.4;
 - 16.8.2. has received at least a 2.00 total score for the evaluation criteria listed in clauses 16.4.1 - 16.4.3;
 - 16.8.3. and does not exceed the budget allocated for the main call.
- 16.9. If the total score given by one evaluator exceeds the thresholds set out in clauses 16.8.1 and 16.8.2 of the Programme Procedure (2.50 and above of the total score, and at least 2.00 for evaluation criteria 1–3) and the total score given by the other evaluator is below a threshold (below 2.50 of the total score or below 2.00 for at least one criterion of evaluation criteria 1–3), a third evaluator is brought on to ensure independent evaluation of the project. In such cases the arithmetic average score of the two closest scores shall be used for ranking the projects.
- 16.10. The ranking of projects will be reviewed by an Selection Committee, which is formed by the Ministry of Economic Affairs and Communication (MEAC) and comprises representatives from the MEAC, Enterprise Estonia and Innovation Norway. When reviewing applications of health technology development projects, a representative from the Ministry of Social Affairs is included as a voting member of the Selection Committee. Representatives from a liaison agency and the Ministry of Foreign Affairs of the Kingdom of Norway are invited to attend the meetings of the Selection Committee as observers. The list of applications and evaluation reports of applications will be provided to the Selection Committee and the observers.
- 16.11. The Selection Committee:
- 16.11.1. provides an evaluation to the application’s compliance with the requirements, the objectivity and justification of the evaluations;
 - 16.11.2. makes a proposal to Enterprise Estonia to approve or refuse to approve an application;
 - 16.11.3. if it is justified, changes the ranking mentioned in clause 16.7.
- 16.12. Applications that meet the requirements listed in clause 16.8 and that have prompted the Selection Committee to make a proposal to approve the application based on the ranking are subject to approval until the budget allocated for the application round is used up. If several projects have received the same evaluation score, the application that has received a higher score for the evaluation criterion listed in clause 16.4.4 of the Programme Procedure will be preferred. If the score for that evaluation criterion is also the same for the projects, then the application submitted by a small or medium-sized enterprise will be preferred. If the applications still have equal evaluation scores, the application that received the highest score for the criterion in clause 16.4.1 will be preferred.

17. Conditions and procedure of approval or refusal to approve an application

- 17.1. Upon approval of the application, Enterprise Estonia shall make a decision to approve the application. Upon refusal to approve the application, Enterprise Estonia shall make a decision to refuse to approve the application.
- 17.2. The application is subject to partial or full approval.

- 17.3. 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 the grant can be decreased and other supported activities can be altered with the consent of the applicant. If the applicant does not agree with a partial approval proposal, Enterprise Estonia will make a decision to refuse approval.
- 17.4. Partial approval of the application is allowed under the following circumstances:
- 17.4.1. the grant has been applied for activities or costs that are non-eligible, insignificant or unjustified with regard to the implementation of the project;
 - 17.4.2. ensuring the project's own contribution and/or co-financing is not possible or realistic in the amount of the budget provided in the application;
 - 17.4.3. the project objectives can also be achieved with a partial grant;
 - 17.4.4. the financial volume of the application exceeds the available balance of the budget for the main call.
- 17.5. 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 the application cannot be approved, a decision to refuse to approve the application will be made.
- 17.6. A decision to refuse to approve the application shall include the reasons for refusal.
- 17.7. In the case of a decision to refuse to approve the application, a complaint can be lodged with Enterprise Estonia within 30 days from becoming aware of the decision or from the day that the person was to become aware of the violation of their rights (section 73(2) and section 75 of the Administrative Procedure Act). Complaints are solved by Enterprise Estonia.
- 17.8. Enterprise Estonia will enter into the project contract with the project promoter on the basis of the decision to approve the application.
- 17.9. If the project contract cannot be entered into within 20 business days due to reasons arising from the project promoter, Enterprise Estonia shall deem the decision to approve the application invalid.
- 17.10. The decision to approve or refuse to approve the application will be sent to the applicant electronically with a digital signature, either via e-service or by e-mail.

18. Modification of the project contract

- 18.1. The project contract may be amended on the initiative of Enterprise Estonia or on the basis of the corresponding application submitted by the project promoter and based on the project contract. The project promoter may submit an application to amend the project contract only with the written consent of the partners.
- 18.2. The project promoter is obligated to request in advance (i.e. before the implementation of amendment) the amendment of the project contract from Enterprise Estonia if the project promoter requests to amend:

- 18.2.1. the project activities, which results in increasing the cost of one or several budget lines more than 20% in total, or the budget with regard to categories of state aid;
 - 18.2.2. the project partners;
 - 18.2.3. the division of the grant amount of the project by the project promoter / the partners if the grant amount of at least one project promoter / partner increases;
 - 18.2.4. the commencement 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 influencing the project objectives.
- 18.3. Amendment of the project is allowed, provided that the initial impact of the project is not diminished.
- 18.4. It is required to take clause 7 of the Programme Procedure into account. when amending the commencement or end date of the implementation of the project activities.
- 18.5. Enterprise Estonia has the right to refuse to amend the project contract if the requested amendment significantly influences the expected results and impact of the project or the compliance thereof with the objectives and conditions of the Programme.
- 18.6. The amendment of the project contract shall be decided by Enterprise Estonia within 20 business days of the receipt of the corresponding application.
- 18.7. Upon amending the project contract, the amendments should comply with the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 and the European Union rules on state aid.

19. Conditions for the payment of grant

- 19.1. The payment of the grant will be made to the project promoter according to the conditions provided in the Programme Procedure and the project contract.
- 19.2. The prerequisites for making the payment of a grant include the implementation of project activities and the payment of the corresponding costs.
- 19.3. The payment of a grant is made based on a payment request submitted by the project promoter through the e-service of Enterprise Estonia.
- 19.4. The payment of a grant takes place as interim payments or as a final payment. The grant will be paid after Enterprise Estonia has approved the interim and/or final report of the project and the corresponding payment order. Enterprise Estonia processes documents for up to 35 business days.
- 19.5. Enterprise Estonia may decide to partially or fully refuse to pay the grant in the following cases:
- 19.5.1. the submitted request for payment or expense receipts do not comply with set requirements;
 - 19.5.2. the submitted expense receipts do not correspond to the period, activities and objectives of the project indicated in the application of the project;
 - 19.5.3. the activities conducted do not match the activities set out in the application or there is no proof of these having been conducted;

19.5.4. the pending recovery obligations in front of Enterprise Estonia have not been fulfilled.

20. Reporting procedure

- 20.1. The project promoter presents the final report of the project according to the provisions of the decision to approve the application and the provisions of the project contract. Reports for the project are submitted in Estonian or English, and a summary in English is added to the final report along with an overview of the results of the project.
- 20.2. The final report covers the costs borne 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.
- 20.3. The minimum reporting period in the framework of the main call is 3 months and the maximum reporting period is 6 months. The project promoter will define the duration of the reporting period on the application form of the project.
- 20.4. The project promoter submits the final report of the project to Enterprise Estonia through the e-service of structural funds.
- 20.5. To prove the costs indicated in the expenditure report, the project promoter is required to provide Enterprise Estonia with 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.
- 20.6. The project promoter submits the follow-up report in the format established by Enterprise Estonia within 1 year after the implementation of the project.
- 20.7. The reporting forms are established by Enterprise Estonia and it makes them available on its website.

21. Obligations of the project promoter and project partners

- 21.1. The project promoter and project partners are obligated:
 - 21.1.1. to carry out the project according to the terms and conditions fixed in the application, the project contract, and the partnership agreement;
 - 21.1.2. to use the grant in compliance with the approved application, the project contract, and the Programme Procedure;
 - 21.1.3. to ensure the project's specified own contribution and co-financing;
 - 21.1.4. to notify Enterprise Estonia about the need to amend the project activities, budget or deadlines;
 - 21.1.5. to repay the grant in the amount and by due date provided in the recovery decision;
 - 21.1.6. to answer the questions about the project promoter, partners and implementation of the project submitted by Enterprise Estonia;
 - 21.1.7. to submit the required information and reports to Enterprise Estonia on time;
 - 21.1.8. the investment must be retained under the ownership of the project promoter/partner for at least five years after the project's end and must be used to

- achieve the general goals of the project. Moreover, resources for the timely maintenance of equipment must be planned for at least five years after the project's end;
- 21.1.9. the investment must be duly protected from any damage, such as fire, theft or other conventionally insured cases, both during the implementation period of the project and at least five years after the project's end;
 - 21.1.10. to ensure that in the accounting of the project promoter and the partners, the transactions of the project to be supported and the expense receipts and payment documents reflecting these can be clearly distinguished from other costs and expense receipts and payment documents of the project promoter and the partners by means of a separate accounting system or codes, and these comply with the generally recognised accounting practices;
 - 21.1.11. to store the original documentation related to the performance of the application, grant and project at least until 31 December 2030;
 - 21.1.12. to enable access to the person exercising supervision and the auditor to the premises and territories related to the performance of the project and owned, rented or otherwise used by the project promoter or the partner;
 - 21.1.13. to grant the auditor and the person exercising supervision use of any and all data and documents relating to the implementation of the project within three business days of a request;
 - 21.1.14. to provide immediate and full assistance to quickly carry out the audit and monitoring;
 - 21.1.15. to immediately inform Enterprise Estonia about all changes or circumstances in the submitted information which influence or may influence the performance of obligations by the project promoter and/or the partner, including any changes in the name, address, and legal or authorised representatives, restructuring, the start of bankruptcy proceedings or the determination of a liquidator, and the termination of activities even in the case the above-mentioned amendments have been registered in the commercial register or disclosed through the mass media;
 - 21.1.16. to immediately inform in writing about the high likelihood or inevitability of a negative result of the project, or about the dubious feasibility of continuing the project which has occurred during the implementation of the project;
 - 21.1.17. to immediately inform in writing about the approval of a decision to transfer an enterprise or its part and any items or rights related to these which serve as the basis for the implementation of the project during the implementation of the project;
 - 21.1.18. to ensure that the costs comply with the requirements of applicable legislation;
 - 21.1.19. the internal accounting rules and audit procedures of the project promoter and/or partner should enable direct comparison between the costs and revenue declared with regard to the project with the accounting reports and supporting documents;
 - 21.1.20. to comply with the notification and publication obligations arising from the legal documents to be established by the Programme, which are set out in greater detail in Annex 13 of the Programme Procedure (Notification conditions of the project and guidelines for compiling a communication plan), including creating a website for the project in English and Estonian and organising information events;
 - 21.1.21. to comply with all relevant local, national, and European Union legislation (including, but not limited to, legislation concerning the environment, public procurements, and state aid);
 - 21.1.22. if the grant rate of the project promoter and/or the partner is 50% or more, then upon purchasing goods or services as part of the project, the project promoter and/or partner should comply with the obligations established for the contracting authority in the regulation of public procurements of the country of residence and in the European

Union directives, including carry out the corresponding procurement, if required. In the case of transactions performed below the public procurement threshold, at least three tenders from independent providers, along with a description of the terms of reference of the tender, must be submitted if the transaction without VAT is worth 20,000 euros or more or according to the procurement procedure set by the project promoter. If three separate and independent tenders cannot be submitted or the most favourable tender is not chosen, a statement of substantiation for this should be attached to the payment application;

21.1.23. if the grant rate of the project is below 50%, the project promoter and/or their partner must submit at least three comparable tenders from providers independent of one another along with a description of the terms of reference if the sum of the transaction without VAT is 20,000 euros or more. If three separate and independent tenders cannot be submitted or the most favourable tender is not chosen, a statement of substantiation for this should be attached to the payment application;

21.1.24. the project promoter should ensure that the project partners comply with their obligations arising from the partnership agreement and other relevant sources.

22. Rights of a project promoter

22.1. A project promoter has the right:

22.1.1. to obtain information and advice from Enterprise Estonia which is related to the performance of the obligations provided in the Programme Procedure.

23. Rights of Enterprise Estonia

23.1. Enterprise Estonia has the right:

23.1.1. to carry out the audit of expense receipts and supervisory operations;

23.1.2. to inspect the use of the grant and the project's own contribution and co-financing;

23.1.3. to inspect the activities of the project promoter and/or partner(s) while performing the obligations arising from the project contract;

23.1.4. to request the submission of additional information and documents about the duration, activities, objectives, and costs of the project included in the application, verifying the required implementation of the project and the required performance of the obligations of the project promoter;

23.1.5. to reduce the grant amount if the submitted report reveals that the project promoter and/or the partner has partially or fully failed to carry out the activities planned in the project scheme;

23.1.6. to reduce the amount of the grant to be paid in proportion to the reduction of the project's own contribution and co-financing of the project promoter and/or the partner below the rate established in the project contract;

23.1.7. to cancel the project contract based on clause 25 of the Programme Procedure;

23.1.8. to demand partial or full repayment of the grant based on clause 25 of the Programme Procedure;

23.1.9. to perform other operations established by legislation.

24. Obligations of Enterprise Estonia

24.1. Enterprise Estonia is obliged:

24.1.1. to make the Programme Procedure, application and reporting formats and any relevant guidance materials available on its website;

- 24.1.2. to immediately notify the project promoters about any amendments made to the documents governing the use of the grant;
- 24.1.3. to immediately notify the project promoter about the decision to approve or refuse to approve the reports provided in clause 20.1 and the request for payment provided in clause 19.3;
- 24.1.4. to make the following information available on its website after the project contract has been entered into: the name of project promoter and project partners, the name of project that will receive the grant, the amount of grant, and the total volume of the project;
- 24.1.5. to maintain the confidentiality of information that has become known during the processing of the grant application. The information provided in clause 24.1.4 of the Programme Procedure is not considered to be confidential; it is also possible to deviate from the confidentiality obligation in cases provided by law;
- 24.1.6. to deliver the decisions on the approval or refusal to approve the application, and about amending the project to the project promoter electronically.

25. Cancellation of the project contract and recovery of grant

- 25.1. Enterprise Estonia may cancel the project contract and/or partially or fully recover the grant from the project promoter if at least one of the following circumstances occurs:
 - 25.1.1. a circumstance becomes evident with regard to which the application would not have been approved;
 - 25.1.2. the project promoter and/or the partner violate an obligation arising from the project contract, including using the grant to cover non-eligible costs, not using the grant under established conditions or not complying with the implementation terms;
 - 25.1.3. the project promoter and/or the partner violate their obligation arising from the law;
 - 25.1.4. the request of the project promoter to amend the project contract is not approved and it is not possible for the project promoter to continue using the grant according to the terms and conditions provided;
 - 25.1.5. The Norwegian Ministry of Foreign Affairs requires the recovery of the grant based on legal documents establishing the Programme;
 - 25.1.6. the partnership agreement is cancelled, and therefore, it is not possible to fully complete the project as planned;
 - 25.1.7. the project promoter submits an application on renouncing the grant.
- 25.2. Upon receiving an application to cancel the grant, Enterprise Estonia has the right to decide on the invalidation of the decision to approve the application and the termination of the project contract within 20 business days.
- 25.3. If the circumstance provided in clause 25.1 of the Programme Procedure to cancel the project contract is temporary and fixable, Enterprise Estonia has the right to provide the project promoter with a reasonable term to eliminate the circumstances serving as the basis for cancelling the project contract, unless it is in conflict with the Programme Procedure, its underlying legal documents, or the project objective. Enterprise Estonia has the right to suspend the payment of a grant during the term that has been given to eliminate the circumstances provided in clause 25.1 of the Programme Procedure to the project promoter, and after the circumstances have been eliminated, Enterprise Estonia has the right to reduce the grant amount or reclaim the grant that has been unduly paid. If the project promoter does not eliminate the circumstance provided in clause 25.1

during the term given by Enterprise Estonia, the latter has the right to immediately cancel the project contract.

- 25.4. The principles of financial correction stipulated in section 45 of the 2014-2020 Structural Assistance Act and the Regulation No. 143 of the Republic of Estonia of 1 September 2014 'Conditions and procedure for considering eligible the costs to be compensated from the 2014–2020 structural fund, paying the grant, and making financial corrections' are taken into account when demanding recovery of the grant.
- 25.5. Enterprise Estonia may demand late interest from the residue of the grant to be recovered at the rate established in legislation.
- 25.6. The grant to be recovered should be returned to Enterprise Estonia within 60 business days of disclosing the decision to recover the grant.