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Terms and conditions of issuing innovation and development voucher grants

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[RT I, 13.11.2015, 1](#)

Entry into force: 16 November 2015

[Amended by the following legal instruments](#) (show)

This regulation is established on the basis of section 14 of the [2014-2020 Structural Assistance Act](#).

Chapter 1

General provisions

§ 1. Scope of regulation

(1) This regulation establishes ways of implementing the objectives of the activity 'Research and Development Vouchers' of the measure 'Support measure for enterprise development plans to support business development and export activities and increase management capacity' of the priority axis 'Growth-capable entrepreneurship and internationally competitive RD&I' as part of the Operational Programme for Cohesion Policy Funding 2014-2020.

(2) The regulation is aimed at fulfilling the goals set forth in the Estonian Research and Development and Innovation Strategy 2014-2020 'Knowledge-Based Estonia' and in the development plan 'Estonian Entrepreneurship Growth Strategy 2014-2020' and fulfilling the Operational Programme for Cohesion Policy Funding 2014-2020 goal 'Estonian companies offer innovative products and services with high added value'.

(3) The grant issued under this regulation is considered de minimis aid in the meaning set out in subsection 33 (1) of the Competition Act. De minimis aid is issued according to the European Commission Regulation (EU) No. 1407/2013, which regulates the European Union administrative procedure and the application of Articles 107 and 108 to de minimis aid (OJ L 352, 24.12.2013, pp. 1–8) (hereinafter DMA regulation), and the Competition Act section 33.

(4) [Repealed - [RT I, 04.06.2021, 5](#) - entry into force 07.06.2021]

(5) According to this regulation, entrepreneurs are not issued de minimis aid in situations described in subsection 1 (1) of the de minimis aid regulation.

(6) The regulation does not apply to projects in the following activity fields, as described in the Estonian Classification of Economic Activities (EMTAK 2008):

1) agriculture, forestry and fishery (EMTAK 2008 division A) and the processing and preserving of fish, crustaceans and molluscs (EMTAK division C 102);

2) brokerage, wholesale and retail trade (EMTAK 2008 division G), excluding maintenance and repair of motor vehicles and motorcycles;

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3) real estate activities (EMTAK 2008 division L);

4) manufacture of tobacco products (EMTAK 2008 division C 120);

5) organisation of gambling and betting activities (EMTAK 2008 division R 920);

6) financial and insurance activities (EMTAK 2008 division K);

7) legal and accounting activities (EMTAK 2008 division M 69), activities of head offices and management consultancy activities (EMTAK 2008 division M 70), advertising (including online advertising) and market research (EMTAK 2008 division M 73);

8) rental and operating lease, temporary employment agency activities (EMTAK 2008 division N 77 and EMTAK 2008 division N 782).

9) [Repealed - [RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

§ 2. Purpose and outcome of awarding the grant

(1) The aim of the grant is to raise the competitiveness of Estonian small and medium-sized enterprises (hereinafter *SME*) through offering innovative products and services with higher additional value, as well as creating new technologies. The goals are achieved through transfer of knowledge and

technology, increasing competence in the field of intellectual property protection and intensifying cooperation with research and development organisations and consultancy and engineering services, including those offering preliminary research and consultancy services in the field of production and technology.

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(2) Additional goals of the grant are:

1) facilitating creation of new contacts between the beneficiary and companies offering innovation services;

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2) supporting the continuation of cooperation between the beneficiary and companies offering innovation services and allowing SMEs to receive information regarding the feasibility and profitability of their innovative idea.

(3) The project contributes to an increase in the following performance indicators of the measure:

1) the share of private sector research and development expenditure (hereinafter *R&D expenditure*), which is calculated as a percentage of gross domestic product;

2) the percentage of universities and entrepreneurs that collaborate in the field of innovation among all respondents.

(4) The project contributes to an increase in the following output indicators of the measure:

1) private investment alongside government aid for innovation or R&D projects;

2) amount of businesses receiving aid.

(5) As a result of implementing the regulation, the following will increase:

1) the number of entrepreneurs and innovation service providers collaborating, through which the knowledge and technological competence of entrepreneurs will increase, in accordance with the goal in subsection 2 (1) and point 1 of subsection 2 (2) of this regulation;

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2) the number of entrepreneurs and innovation service providers continuing to collaborate, through which the knowledge and technological competence of entrepreneurs will rise, in accordance with the goal in subsection 2 (1) and point 2 of subsection 2 (2) of this regulation;

§ 3. 1st Level Intermediate Body and 2nd Level Intermediate Body

(1) The 1st Level Intermediate Body, pursuant to the list of structural support measures approved by the Government of the Republic in accordance with subsection 12 (3) of the 2014-2020 Structural Assistance Act (hereinafter referred to as the *Structural Assistance Act*), is the Ministry of Economic Affairs and Communications (*hereinafter 1st Intermediate Body*).

(2) The 2nd Level Intermediate Body, pursuant to the list of structural support measures for the period 2014-2020 approved by the Government of the Republic on the basis of subsection 12 (3) of the Structural Assistance Act, is Enterprise Estonia (*hereinafter 2nd Intermediate Body*).

§ 4. Definitions

(1) A development voucher is a targeted grant for the applicant for acquiring services described in subsection 6 (2) of this regulation from a company offering innovation services and for salary expenses of a developer, as well as costs for implementation of activities and acquiring necessary materials on conditions outlined in subsection 7 (3) sections 2-3 of this regulation.

(2) A developer is a highly qualified employee, for example, a scientist, engineer, intellectual property commercialiser or other employee related to development who has completed at least a tertiary education degree or a corresponding qualification and has at least five years of experience in the field within the last ten years. A developer cannot participate in marketing, be a member of the board, have a share in the company or own stock or have been employed with an employment contract or contract for services for at least a year before the day of the submission. Doctoral degree counts as relevant experience.

(3) e-Service means a portal on the website of the 2nd Intermediate Body where the applicant can submit the required documents to the 2nd Intermediate Body.

(4) Innovation is defined by the subsection 2 (5) of the Organisation of Research and Development Act.

(5) An innovation voucher is a targeted grant for the applicant for acquiring services outlined in subsection 6 (2) of this agreement from a company that offers innovation services.

(6) An innovation service provider for the purposes of the innovation voucher (*hereinafter IOT*) is:

1) an accredited person or a patent holder;

2) the Central Office of Metrology in Estonia;

3) standardisation organisation or accreditation agency;

4) legal person who offers engineering services (EMTAK 2008 code 7112 - engineering activities and related technical consultancy) that has a team for completing tasks and that has turned a profit of more

than 50,000 euros within the relevant EMTAK division in the financial year preceding the application;

5) a competency centre that has received support on the conditions outlined in regulation nr 5 of the Minister of Public Administration "Terms and conditions of issuing support for developing regional competency centres" issued on 20 January 2016;

6) a positively evaluated research and development institution (hereinafter *R&D institution*) in the meaning of section 3 of the Organisation Research and Development Act;

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7) an enterprise that has received support on the conditions outlined in regulation no. 89 of the Minister of Entrepreneurship and Information Technology "Terms and conditions for supporting technology development centres" issued on 22 October 2014;

8) an educational institution that has the right to offer higher education services according to regulation no. 62 of the Government of Estonia "Standards of Higher Education" issued on 11 July 2019 (hereinafter *higher education institution*).

(7) The person offering innovation services for development vouchers (hereinafter *AOT*) is, in addition to those named in subsection 6 of this section, a legal person that has a team to complete tasks and whose profit for the financial year preceding the application in this field of activity was above 50,000 euros and who operates within one of the following fields of activity:

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1) services in information technology (EMTAK 2008 division 6201);

2) services in biotechnology (EMTAK 2008 division 7211);

3) research and development in the field of other natural sciences and technology (EMTAK division 7219).

(8) Consultancy is an individual activity during which an IOT or AOT gives a SME methodical, informative or technical information on how to solve the presented issues. As a result of consultancy, the IOT or AOT will devise an individual solution for the SME's issues. At the end of consultancy period, the competence of the IOT or AOT remains with the IOT or AOT, and the end result is transferred from the IOT or AOT to the SME. Consultancy does not include preparing the applicant for professional qualification exams.

(9) A project plan is a document encompassing all aspects of the project, the instructions on compiling which will be published on the 2nd Intermediate Body's website.

(10) Feasibility research is a research process outlined in the subsection 2 (87) of the block exemption regulation.

(11) Product development is a process outlined in subsection 2 (86) of the block exemption regulation.

(12) Mediation is an activity carried out by a mediator, broker or trader bringing together the parties of a purchasing agreement and arranging business transactions in the name of the product or service developers, while gaining profit from the activity.

(13) A SME is a small or medium-sized enterprise outlined in subsection 2 (2) of the block exemption regulation.

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§ 5. Submission of appeals

(51) An appeal against an act or decision of the 2nd Intermediate Body shall be filed with the 1st Intermediate Body via the 2nd Intermediate Body pursuant to section 51 of the Structural Assistance Act before a complaint is filed with the administrative court. The challenge will be examined in accordance with the procedure established by the Administrative Procedure Act. A decision on the appeal will be forwarded to the party that appealed electronically, if they have agreed to this.

Chapter 2

Supported activities, eligibility of expenses and support rate

§ 6. Supported activities

(1) Support is given to projects that will make an impact on increasing the output measurements described in section 2 of this regulation and that are directed towards developing new innovative solutions for the applicant, if the applicant lacks the resources, knowledge, skills or experience necessary.

(2) Supported activities:

1) accreditation;

2) metrology services;

3) intellectual property protection consultancy, research and registration related to patents, useful models or production design solutions;

4) prototype development;

5) certification;

- 6) standardisation;
- 7) technological development, testing and demonstration of components;
- 8) tech-based consultancy in the field of product and service design;
- 9) organising product and industrial experiments, conducting feasibility research;
- 10) correspondence assessment.

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(2¹) Consultancy described in point 8 of subsection 2 of this section is carried out during the activities described in points 1, 2, 4, 5, 6, 7, 9 and 10 of the same section.

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(3) Based on this regulation, the following activities are not supported:

1) qualification studies and additional education, including vocational education, applied higher education, Bachelor's, Master's, doctoral or post-doctoral degrees, professional education, additional education and other similar education types or educational trips;

2) creating, changing or amending business models;

3) consultancy related to production organisation, quality standards or management;

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4) creation and utilisation of design solutions;

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5) creation of websites and online stores;

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6) organisation of feasibility and profitability research based solely on literature and databases.

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§ 7. Eligibility of expenses

(1) All costs necessary for carrying out the activities confirmed by the application decision which are in accordance with section 2 of the Government of the Republic's Regulation No. 143 of 1 September 2014 'Terms and conditions of eligible costs, grant payments and financial corrections for Structural Assistance for the period 2014-2020' (hereinafter referred to as *joint regulation*) and the terms stipulated in this regulation.

(2) Eligible costs shall be paid during the project eligibility period or within 45 calendar days of the end of the project eligibility period, but no later than 31 August 2023.

(3) The following expenses for achieving goals and outcomes described in section 2 of this regulation and for conducting activities described in subsection 6 (2) of this regulation are considered eligible, in accordance with the set maximum rates and percentages of eligible costs set out in section 9 of the regulation, as well as the decision to approve the application:

1) costs of requested services from IOT or AOT that are needed for conducting activities described in subsection 6 (2) of this regulation;

2) personnel costs of developers hired with an employment contract while applying for the development voucher, according to points 1 and 4 of subsection 3 (1) of the joint regulation on the conditions that the developer works with at least 0.2 FTE workload, working on the project for at least 8 hours a week. The maximum rate of support is 50% of the maximum sum of eligible expenses. The Developer's place of work is in Estonia;

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3) when applying for a development voucher and support to acquire materials for conducting activities, the maximum rate of expenses is 25% of the eligible expenses.

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(4) In addition to expenses outlined in section 4 of the group exception agreement, expenses that are not related to the project or are not explained or are irrelevant are considered ineligible. When hiring a developer, personnel costs for already employed developers or filling in or replacing already existing positions are not eligible.

(5) When proving eligible expenses, subsection 2 (4) of the joint regulation should be used.

(6) Transactions between persons who are associated persons within the meaning of section 8 of the Income Tax Act are not included in eligible costs.

(7) All eligible expenses should be justified, transparent and explained in detail.

(8) VAT is not considered an eligible expense.

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§ 8. Eligibility period of project

(1) A project's eligibility period is the time frame stipulated in the application decision during which project-related activities start and end and expenses necessary for carrying out the project are incurred.

(2) The eligibility period of the project begins on the date of submitting the application to the 2nd Intermediate Body or on the later date stated on the application or the application decision and ends on the date stated on the application or the application decision but no later than 31 August 2023.

(3) The beneficiary must not commence project activities or take responsibility for the implementation of said activities before submitting their application to the 1st Intermediate Body.

(4) The maximum eligibility period of the project is 12 months for innovation vouchers and 18 months for development vouchers. The minimum eligibility period for both innovation vouchers and development vouchers is 4 months.

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(5) The beneficiary may apply for an extension of the project eligibility period for a valid reason, provided that the result they wish to achieve continues to be related to the objectives of the measure and the project and that the project activities are implemented by 31 August 2023.

[\[RT I, 12.05.2020, 1](#) - entry into force 15.05.2020]

(6) If the request to extend the eligibility period is approved, the expiration date of the eligibility period is the date that is stated on the amendment decision.

(7) The project is considered to have been completed when the 2nd Intermediate Body approves the final report.

§ 9. Maximum rate of support, terms and conditions and self-financing

1) The maximum amount of support per project is:

1) 6000 euros for the innovation voucher;

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2) 35,000 euros for the development voucher.

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(2) The maximum rate of support for eligible costs is:

1) up to 80% for the innovation voucher;

2) up to 70% for the development voucher.

(3) The amount of self-financing must cover the part of the eligible expenses that the assistance does not cover. Support from other countries, local governing bodies or other European Union institutions or funds are not counted as self-financing.

(4) The maximum amount of the grant as well as the rate of support are set in the application decision.

Chapter 3

Applying for support and requirements for applicants and applications

Applying for support

(1) Support can be applied for on a continuous basis.

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(2) The 2nd Intermediate Body will announce the commencement of receipt of applications, the end of this period, the termination of receipt of applications and the budget on their website.

(3) An application can be submitted to the 2nd Intermediate Body via the e-Service with the digital signature of the applicant's legal representative.

(4) From the moment the total of the aid requested in applications is equal to or more than the remaining budget for the measure, applications will be processed in the order they were submitted.

(5) The 2nd Intermediate Body will stop accepting applications if the amount remaining in the application round budget is equal to the total of the applications still under review.

(6) According to the regulation, applicants can receive both innovation and development vouchers twice. The amount of times vouchers have been granted will be counted based on regulation no. 5 of the Minister of Economic Affairs and Infrastructure "Terms and conditions for issuing support for innovation vouchers", issued on 27 January 2009.

[\[RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

(7) The applicant cannot have more than one project funded on terms outlined in subsection 6 of this section at a time.

[\[RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

§ 11. Requirements for the applicant

(1) The applicant must be a SME registered in the Estonian commercial register.

(2) The applicant must adhere to the requirements set out in sections 2 and 3 subsections 1 and 2 of the Government of the Republic's Regulation No. 133 'Requirements and Conditions for Applying for Structural Assistance and for Processing Applications for the Establishment of the Regulation on the Terms and Conditions of Granting Assistance in the Period of 2014-2020' issued on 21 August 2014 (*hereinafter referred to as the Regulation on the Processing of Applications*).

(3) The applicant must fulfil the following conditions in addition to those outlined in subsection 2 of this section:

1) the applicant has fulfilled their obligation of submitting tax returns as stated in the Taxation Act;
2) no liquidation or bankruptcy proceedings have been initiated against or bankruptcy decisions made concerning the applicant or a person with significant influence over them;

3) [Repealed - [RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

4) [Repealed - [RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

5) [Repealed - [RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

6) employees working on an employment contract or contract for services, members of the board or those owning shares or stock will not be working during the eligibility period of the project nor the preceding year on an employment contract or contract for services, as a member of the board or owning shares or stock in IOT or AOT;

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6¹) if IOT or AOT is a R&D organisation or a higher education institution, employees working on an employment contract or contract for services with the applicant must not have worked at the R&D or structural institution within a higher education facility that offers the service described in the application for at least a year;

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(7) De minimis aid applied for by the applicant under this regulation cannot, along with other de minimis aid granted by the de minimis aid regulations of the European Commission not named in this regulation, amount to more than 200,000 euros in the current fiscal year and the previous two fiscal years in total.

8) de minimis aid along with the support applied for within the given regulation for entrepreneur transporting wares for a fee or rent in the road transport industry for the current and last two fiscal years must not exceed 100,000 euros;

9) If the beneficiary of the grant has received de minimis aid on the basis of European Commission Regulation (EU) No. 360/2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (OJ L 114, 26.04.2012, p. 8-13), the de minimis aid they receive within this regulation and on the basis of de minimis aid regulations cannot exceed 500,000 euros in total.

§ 12. Obligations of applicants

In addition to that which is stipulated in the Structural Assistance Act subsection 21(2), the applicant also has the following obligations:

1) prove at the request of the 2nd Intermediate Body the feasibility of required self-financing and the ability to carry costs or prove the existence of necessary equipment or documents for conducting the project;

2) allow inspection of the adherence of the applicant and the application to requirements, incl. oversight;

3) fulfil obligations stemming from the Structural Assistance Act or any other legislation, as well as share any information that might influence the application decision with the 2nd Intermediate Body.

§ 13. Requirements of application

(1) In addition to the data set forth in subsection 1(4) of the Regulation on Processing of Applications, an application must also fulfil these conditions:

1) the application is for the activities described in subsection 6(2) of this regulation and the project corresponds to goals outlined in the subsections 2(1-2) of this regulation;

2) the requested amount does not exceed the maximum amount or the rate of support outlined in section 9 of this regulation.

(2) In addition to the data confirmation set out in subsection 4(2) of the regulation on the processing of applications, an application must also contain the following data and documents:

1) applicant's data: legal name, Business Registry code, KMKR number, postal address, phone number, bank account details, name and contact details of a representative and project manager, details of shareholders, main field of activity and a brief description;

2) brief description of the problem at the core of this project;

3) details about the project: name of the project, start and end date, activity plan and timeline, goals and expected results, total cost of the project, requested amount;

4) balance sheet and income statement for the current financial year;

5) a quote issued by the IOT or AOT related to implementation of the project, including a brief description of planned activities;

6) terms of reference and at least three comparable and independent quotes by service providers with a brief description of planned activities if the overall amount of the transaction without VAT is equal to or greater than the sum outlined in subsection 26(6) of the Structural Assistance Act and the applicant

does not have to follow the Public Procurement Act. If three separate and independent quotes cannot be submitted or the cheapest one is not chosen, a note on the reasons for this must be added to the application.

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7) [Repealed - RT I, 04.04.2020, 1 - entry into force 07.04.2020]

8) project plan and team members' CVs should be included in the development voucher application;

8¹) team members' CVs should be included in the innovation voucher application;

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9) the developer's CV and a document or a screenshot from the Estonian Education Information System proving their educational or professional qualification;

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10) an authorisation document if the applicant's representative is acting on the basis of one;

11) a scheme of the applicant's group's members;

12) the applicant's confirmation that they fulfil the criteria outlined in section 11 of this regulation;

13) the applicant's consent to receive appeals electronically if the applicant accepts this method of delivery;

14) confirmation from the applicant stating that the submitted information is true and accurate.

(3) If the applicant has applied for assistance for a project or parts of a project at the same time from several measures or other state budget, European Union or foreign assistance funds, the applicant must provide information on it.

Chapter 4

Processing of applications

§ 14. Processing of applications

(1) Processing applications consists of registering the application, primary analysis, admitting or rejecting the application from processing, asking for clarification, additional information or requesting amendments or changes, confirming that the applicant fulfils the criteria, evaluating the project and deciding whether to approve or reject the application.

(2) In the course of processing an application, the 1st Level Intermediate Body may request explanations and additional information from the applicant concerning information submitted in the application, or supplementation or amendments to the application if it finds that the application is not sufficiently clear or has deficiencies.

(3) The deadline for processing the innovation voucher application is 10 business days after registering the application, and 20 business days for the development voucher. The time for processing the application may be extended by up to 10 working days in justified cases and the applicant will be informed of this.

§ 15. Registration and primary review of applications

(1) The application is registered and reviewed by the 2nd Intermediate Body. The deadline for primary analysis is three business days after registering the application. During the review of the application, it is verified whether the application has been duly completed and submitted with all the required Annexes.

(2) If the application does not require amending or a situation described in subsection 10 (4) of this regulation arises, the applicant is informed within three business days of registering.

(3) If inaccuracies or deficiencies are detected in the application, the applicant will be informed about this immediately and given a deadline of up to 10 working days to rectify the deficiencies, by which period the deadline for processing the application will also be extended.

§ 16. Recognition of applicant and application as adhering to necessary requirements

(1) The 2nd Intermediate Body will recognise the applicant as adhering if the applicant adheres to the terms stipulated in section 11 of this regulation.

(2) The 2nd Intermediate Body will approve the application if it has fulfilled all of the requirements set forth in section 13 of this regulation.

(3) The application will not be approved in the case of at least one of the following circumstances:

1) the application does not fulfil the criteria set in section 13 of this regulation;

2) the applicant influences the review process using fraud or threats or any other unlawful methods;

3) the applicant does not allow for the inspection laid down in subsection 21(7) of the Structural Assistance Act to be performed at the location of the applicant or at the location of implementation of the planned activities;

4) situations described in subsections 1(4-6) of this regulation occur.

(4) In the event of the non-compliance of an applicant or application with the requirements, the 2nd Intermediate Body shall make a decision not to approve the application without assessing the

application in accordance with the conditions specified in section 17 or 17¹ of this regulation.

[\[RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

§ 17. Criteria for evaluation of applications for the development voucher

[\[RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

(1) Those development voucher applications that fulfil the criteria are evaluated. The 2nd Intermediate Body has the right to create an assessment committee to advise the assessment process and bring in experts to assess the development voucher applications. The 2nd Intermediate Body must coordinate the creation and composition of assessment committees with the 1st Intermediate Body.

(2) If deficiencies are discovered during the assessment process or additional information is needed to fully assess the development voucher application, the applicant will be notified immediately and given up to 10 business days to amend the application, whereas the deadline for processing the development voucher application is extended by this period. The 2nd Intermediate Body will inform the recipient immediately if the processing timeframe has been extended.

(3) A development voucher application shall be assessed on a scale from 0-4. The total score given to the development voucher application during the evaluation is based on the weighted average scores of the evaluation criteria given by each evaluator.

(4) The assessment criteria for development voucher application and their share of the final mark are the following:

- 1) impact of the project on achieving the objectives of the measure – 50% of the total mark;
- 2) project team competencies and ability to implement the project and further activities – 30% of the total mark;
- 3) project quality – 20% of the total mark

(5) The development voucher assessment shall be carried out in accordance with the assessment methodology approved by the 2nd Intermediate Body. When compiling the assessment methodology, the 2nd Intermediate Body bases it on the assessment criteria outlined in subsection 4 of this section and approves it with the 1st Intermediate Body. The 2nd Level Intermediate Body will publish the development voucher assessment methodology on their website no later than the first day of the application round.

[\[RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

§ 17¹. Criteria for evaluation of applications for the research voucher

When making a decision on whether to approve the research voucher application, the projects are deemed to be fulfilling the goals and results outlined in section 2 of the regulation if all the conditions mentioned below are met:

- 1) the application meets the criteria outlined in the regulation;
- 2) the applicant meets the criteria outlined in the regulation.

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§ 18. Conditions and procedure for approving or rejecting an application

(1) The 2nd Intermediate Body shall make the decision of whether to approve an application. If the application is rejected, the 2nd Level Intermediate Body shall make the decision to reject the application. The application can be approved in full, in part or conditionally.

(2) The application is approved if it meets the terms and conditions and fulfils all the following criteria:

- 1) the application received a score of at least 2.5 based on the assessment criteria described in subsection 17(4) of this regulation;
- 2) the application has not received a score of less than 2.0 in any of the assessment criteria outlined in subsection 17(4) of this regulation.

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(2¹) The innovation voucher application is approved if it meets the terms and conditions and fulfils the criteria outlined in section 17¹.

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(3) The decision to approve the application will contain a detailed description of the beneficiary's rights and obligations, the terms of the grant and, in addition to the conditions outlined in subsection 8(4) the application assessment regulation, the following is laid down:

- 1) conditions of project implementation;
- 2) deadlines for the submission of reports;
- 3) terms and conditions of payment of the grant.

(4) If the evaluation of an application reveals that the application contains false information or there are circumstances due to which the applicant or the application cannot be declared compliant or the application cannot be approved, a decision to reject the application will be made.

(5) Applications being processed requesting an amount that exceeds the budget of the call for proposals and which cannot be partially satisfied pursuant to the provisions of subsection 9(1) of the

Regulation on Processing of Applications will be rejected on the basis of subsection 8(2)(6) of the Regulation on the Processing of Applications.

(6) The data set forth in subsection 8(5) of the Regulation on the Processing of Applications will be noted in the decision to refuse an application.

(7) The decision to approve or reject an application is sent to the applicant through the e-System within two working days of the date of the decision.

§ 19. Partial approval of application or approval with additional conditions

(1) Partial approval of an application is permitted only in justified cases and provided that the objective of the project can also be achieved with partial support. Upon the partial approval of the application, the amount of the grant may be reduced and the supported activities may be amended with the consent of the applicant. If the applicant does not agree to the proposal of the 2nd Intermediate Body, the 2nd Intermediate Body will reject the application.

(2) In addition to the conditions outlined in subsection 9(1) of this regulation, the partial approval of the application is justified if:

1) the amount requested in the application exceeds the budget available for the application round;
2) the application is partially requesting to cover ineligible costs of activities or expenses that do not correspond to market conditions or are not important, necessary or justified for implementing the project;

3) the project objectives can also be achieved with a partial grant;

(3) A decision to approve an application may be made with additional conditions in accordance with the provisions of subsection 9(3) of the regulation on the processing of applications.

(4) In case of a partial approval, the recipient does not get the right to have the support paid. The recipient obtains the right to have the support paid once the 2nd Intermediate Body has added the information on setting or fulfilling the conditions for the decision to approve the application.

(5) The decision to satisfy an application partially or with additional conditions is drawn up according to subsection 18(3) of this regulation.

§ 20. Amendment or annulment of the approval of an application

(1) The decision to satisfy an application can be amended at the initiative of the 2nd Intermediate Body or a written application from the beneficiary submitted through the e-System according to the terms and conditions stipulated in section 10 of the Regulation on the Processing of Applications.

(2) In addition to the situations described in section 10 of the application assessment regulation, the applicant must immediately seek consent from the 2nd Intermediate Body to amend the application in the following situations:

[\[RT I, 12.05.2020, 1\]](#) - entry into force 15.05.2020

1) if the applicant wants to change the project activities, goals, IOT or AOT;
2) if the applicant wishes to extend the eligibility period according to the conditions laid down in subsection 5(8) of this regulation.

(3) If the applicant wishes to change conditions set in the decision to approve the application according to subsection 10(2)(1-3), the 2nd Intermediate Body will evaluate the necessity and feasibility of the requested changes according to the assessment criteria set out in subsection 17(4) or section 17¹ of this regulation.

[\[RT I, 04.04.2020, 1\]](#) - entry into force 07.04.2020]

(4) The 2nd Intermediate Body has the right to refuse to amend the decision to approve the application if the amendments could negatively impact the possibility of achieving the project's expected results or the possibility of the project being completed during its eligibility period.

(5) The amendment of the development voucher application decision shall be decided by the 2nd Intermediate Body within 10 business days of the receipt of the corresponding application and within 20 business days for the research voucher application.

(6) A decision to approve an application shall be declared invalid in whole or in part if at least one of the grounds provided for in subsections 22(3) or 47(3) of the Structural Assistance Act exists; or:

1) the beneficiary has not started using the grant within the given timeframe;
2) the beneficiary does not comply with the provisions of the application decision or legislation or does not use the grant under the prescribed conditions;
3) it is not possible to finish the project activities by the deadline marked in the application decision and no later than 31 August 2023.

Chapter 5

Submission of reports and conditions for payment of grants

§ 21. Submission of reports

(1) In accordance with the regulations set out in the decision to approve the application, the recipient must submit the following reports to the 2nd Intermediate Body through the e-System:

1) final report of the innovation voucher;
2) interim report for the development voucher if the project implementation period is more than 12 months, and a final report.

(2) The 2nd Intermediate Body decides what information should be included in the forms and reports and publishes them in the e-System.

(3) The recipient shall submit the interim report by the deadline stated in the decision to approve the application. The minimum reporting period is 9 months and the maximum reporting period is 12 months.

(4) The recipient must submit the final report within 30 calendar days of the last day of the project's eligibility period.

(5) At least the following must be reflected in the interim report:

1) the outcomes and an evaluation of the project's success, including activities carried out and upcoming activities;
2) the beneficiary's signed confirmation stating that the data is correct.

(6) At least the following must be reflected in the final report:

1) information about the implementation of the project and its outcomes, including the work that was done;

2) the beneficiary's evaluation of the project's success and implementation;

3) the beneficiary's confirmation confirming that the data is correct with their signature and the date.

(7) The 2nd Intermediate Body shall confirm the interim report and final report or reject it at the latest within 20 business days as of its registration at the 2nd Intermediate Body.

§ 22. Terms and conditions for payment of grants

(1) The submission and processing of applications for payment and the payment of grants shall be performed in accordance with sections 11-14 of the joint regulation and the conditions specified in the current regulation.

(2) [Repealed - [RT I, 21.05.2020, 1](#) - entry into force 24.05.2020]

(3) The prerequisite for paying the grants on the basis of real expenses are:

1) performing project activities, incurring eligible costs and paying the corresponding costs at least to the extent of self-financing, if the grant is paid based on subsection 14(1) of the joint regulation.

[[RT I, 21.05.2020, 1](#) - entry into force 24.05.2020]

2) [Repealed - [RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

3) submitting payment claims and expense documents certifying the occurrence of costs arising from project activities or copies thereof.

(4) The 2nd Intermediate Body may suspend the processing of or payment application in part or in full in the case laid down in subsection 30(1) of the Structural Assistance Act.

(5) To facilitate the payment, the beneficiary must submit a payment request through the e-System containing copies of expense documents and documents proving these expenses (including VAT) were paid.

(6) If the beneficiary is paid on the terms outlined in subsection 14(1)(2) of the joint regulation, the beneficiary pays the total sum of unpaid invoices and submits the invoices that need to be paid to the 2nd Intermediate Body within 10 calendar days of receiving the grant.

(7) Prior to submitting the next payment application, the conditions set out in subsection 6 of this section must be fulfilled, otherwise, the 2nd Intermediate Body reserves the right to stop paying the grant to the recipient based on the conditions set out in subsection 14(1)(2) of the joint regulation.

[[RT I, 04.06.2021, 5](#) - entry into force 07.06.2021]

(8) Expense documents are documents proving that a financial transaction has occurred, such as an invoice, employment contract, payslip, delivery notes, instrument of receipt or contract. The grant will only be paid if the eligible expenses are paid for via bank transfer.

(9) The 2nd Intermediate Body processes payment applications within 20 business days of submission.

(10) The grant is paid according to the percentage of eligible cost based on the type of grant issued and mentioned in the decision to approve the application and no more than the defined amount of the grant.

(11) If a shortcoming is discovered in the payment application during the processing of the application, that can be eliminated within a determined deadline, then the 2nd Intermediate Body shall assign a deadline for eliminating the shortcoming according to subsection 30(2) of the Structural Assistance Act.

(12) The 2nd Intermediate Body may decide to partially or fully refuse to pay the grant in the following cases:

1) the submitted payment application or expense documents do not comply with the set requirements;

- 2) the submitted expense documents do not correspond to the period, activities and objectives of the project indicated in the project application;
- 3) the performed activities do not match the activities set out in the application or there is no proof of them having been conducted;
- 4) if a payment that had to be reimbursed was not paid back by the deadline, it is subtracted from the grant that was due to be paid for the project.

Chapter 6

Rights and obligations of the beneficiary and 2nd Level Intermediate Body

§ 23. Rights and obligations of the beneficiary

(1) In addition to the obligations provided in sections 24 and 26 of the Structural Assistance Act, the beneficiary undertakes to meet the following obligations:

- 1) to use the grant according to the provisions of the decision to approve the application;
- 2) to answer questions about the beneficiary and the implementation of the project submitted by the 2nd Intermediate Body;
- 3) to submit the terms of reference and three independent and comparable quotes based on it if the product or service being bought or the price of it has changed in comparison with what was previously stated in the application and if the beneficiary does not have to follow the Public Procurement Act and the total cost of the transaction without VAT is equal to or greater than the sum outlined in section 26(6) of the Structural Assistance Act. If three independent quotes cannot be produced, an explanation for this must be submitted;

[[RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

- 4) [Repealed - [RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]
- 5) to submit the required information and reports to the 2nd Intermediate Body on time;
- 6) to immediately inform the 2nd Intermediate Body about any changes in the submitted information or circumstances which influence or may influence the performance of obligations by the beneficiary, including any changes in the name, address, and legal or authorised representatives, restructuring, the start of bankruptcy proceedings and changes in applicant's VAT status, even if the above-mentioned amendments have been registered in the commercial register or disclosed through the mass media;
- 7) to immediately inform in writing of the high likelihood or inevitability of a negative result of the project or the dubious feasibility of continuing the project which has developed during the implementation of the project;
- 8) to inform the 2nd Intermediate Body in writing immediately if during the implementation of the project the enterprise or its part and entities related to them that serve as the location of the project are acquired, restructured or disposed of;
- 9) to fulfil other obligations set forth in the Structural Assistance Act and legal acts established on the basis thereof.

(2) The beneficiary has the right to:

- 1) receive information and explanations from the 2nd level Intermediate Body that concern legal requirements set out in the Structural Aid Act and the obligations of the beneficiary;
- 2) submit their opinions according to the subsection 23(2) of the Structural Assistance Act.

§ 24. Rights and obligations of the 2nd Level Intermediate Body

(1) In addition to the provisions of subsection 8(2) of the Structural Assistance Act, the 2nd Intermediate Body has the following obligations:

- 1) to provide application and report forms and relevant instruction materials through the e-service;
- 2) to immediately inform the beneficiaries of any changes made to legislation regulating the use of the grants;
- 3) to immediately notify the beneficiary of any decision made relating to them within three working days;
- 4) to forward information on applications, project monitoring and other data to the structural assistance registry;
- 5) to supervise the execution of the project;
- 6) to conduct constant monitoring of the financial balances of the measure and to submit a respective review to the 1st Intermediate Body, if necessary;
- 7) to preserve the data concerning the provision de minimis aid with the information and necessary additional documents for ten years from the last grant payment;
- 8) to review and approve or reject project reports within 20 business days of their submission and file the reports to the Structural Assistance Registry;
- 9) to submit the data necessary for preparing the reports regarding the awarding and use of the grant;
- 10) to compile and publish an overview of the awarding and use of the grant;

- 11) to inform the 1st Intermediate Body of any obstacles in using the grant;
 - 12) to prepare a monitoring report and final report for the measure, to confirm that the data provided in the report are correct and to forward the report to the 1st Intermediate Body.
- 2) The 2nd Intermediate Body has the right to:
- 1) carry out inspections of expense documents and of the implementation of project activities at the location of the beneficiary according to section 42 of the Structural Assistance Act;
 - 2) review the documents prepared while preparing the project and conducting the works;
 - 3) verify the eligibility of expenses;
 - 4) request the submission of additional data and documents on the duration, application, activities, aims, results and expenses of the project in the application that prove the proper execution of the project and the proper performance of the obligations by the beneficiary;
 - 5) refuse to pay the grant if the beneficiary's economic situation has deteriorated so much that the use of the grant or implementation of the project plan is compromised;
 - 6) suspend the payment of the grant and demand reimbursement of the grant in part or in full if the beneficiary breaches the Structural Assistance Act, the given regulation or its terms and conditions, or otherwise deviates from the provisions of the application or the decision to approve the application;
 - 7) reduce the amount of the grant in proportion to the reduction of the cost of the project confirmed in the decision to approve the application;
 - 8) perform other actions set out in the Structural Assistance Act and legal acts established on the basis thereof.

§ 25. Financial corrections

- 1) The decision on a financial correction is made in accordance with the provisions of sections 45-47 of the Structural Assistance Act and sections 21-23 of the joint regulation.
- (2) A demand for the reimbursement of the grant is made in accordance with section 48 of the Structural Assistance Act and section 23 of the joint regulation. Reimbursement of the grant may be divided into parts in accordance with conditions outlined in section 24 of the joint regulation.
- (3) If the grant is not reimbursed by the deadline, the beneficiary will incur fines as laid down in section 49 of the Structural Assistance Act.

§ 26. Implementation of regulation

- (1) An application that has been submitted before the current regulation passed in April 2020 will be processed in accordance with the regulation that came into force on 16 November 2015.

[\[RT I, 04.04.2020, 1](#) - entry into force 07.04.2020]

- (2) For applications submitted prior to amendments to subsection 4(6)(6) entering into force in May 2021, the redaction that was in force at the time is applied.

[\[RT I, 04.06.2021, 5](#) - entry into force 07.06.2021]