

**CALL
for the submission of project applications**

**Programme:
„Green Industry Innovation“**

Provider:	Programme Operator – Governmental Office of the SR
Funding:	Norwegian Financial Mechanism (alt. Norway Grants) State Budget of the SR
Relevant programme outcomes:	2104 – Increased green job creation and entrepreneurship
Call publication start date:	28.03.2013
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Call code:	GII01

The Green Industry Innovation Programme in Slovakia is focused on the production of biomass (agricultural component), distribution of biomass (logistic centres) and conversion of energy using biomass (energy production facilities). All three components shall be represented in the project. Additional activities, such as production of energy from the biodegradable communal waste are also welcomed, as far as the biomass is the main source in the project.

The main aim of the Programme is to support green job creation. As the Programme Operator is aware of the low potential of logistics centres and energy production facilities as regards the creation of green jobs, it is supposed that most of the jobs will be created in the agricultural component, either as permanent or more frequently as seasonal jobs.

Strengthening the bilateral relations between Norway and Slovakia is one of the overall objectives of the Norway grants. The programme open up for an excellent opportunity to co-operate with Norwegian entities. To facilitate such co-operation, the Programme Operator has published a list of potential project partners from Norway. The list is not exhaustive, and it is up to the applicant whether it will choose one of the institutions from the list, or any other Norwegian institution. It shall also be stressed that the partnership with Norwegian institution is not obligatory, but is of great advantage for the assessment of the Project as well as for the implementation by the improvement of the quality of the Project and to the enrichment of Project by the Norwegian knowledge and experience.

1 REQUIREMENTS FOR THE PROJECTS

The purpose of the Call is to select projects that meet the specified requirements. These requirements are set by the objective, outcome, outputs and indicators of the project and the parameters of the project.

1.1 Objective of the project

Objective of the project is the outcome of the programme. Project shall have one objective, which is defined. The objective of the project and its indicators are defined according to the Annex 1 to this call. These data are pre-defined in the application template, it is not possible to change them or supplement them.

1.2 Project Outcomes

Outcome of the project is the output of the programme. The outcome of the project and its indicators are defined according to the Annex 1 to this call. These data are pre-defined in the application template, it is not possible to change them or supplement them.

1.3 Project Outputs

The Applicant is obliged to define at least one and not more than three outputs of the project for each outcome. The Applicant shall set at least one measurable indicator for each output of the project. Each output shall be assigned to a concrete entity, which will

implement the output (Project Promoter or Project Partner). Several outputs have already been defined by the Programme Operator.

1.4 Parameters of the project

The projects shall include activities that fall under all of the following areas:

1. Agricultural production and collection of biomass, implemented under the De Minimis Aid Scheme.
2. Investment in **Logistics centre** for storage, processing and distribution of biomass, implemented under the State Aid Scheme for Regional Investment Aid.
3. Investment in technology for **Energy Production Facility**, converting energy from biomass, implemented under the State Aid Scheme for Regional Investment Aid.

Priority shall be given to projects that:

1. Creates higher number of green jobs.
2. Include innovation in the field of biomass or energy production, or in any other field, related to the Project.
3. Bring together Research and Development Institutions and Entrepreneurs.
4. Do not have negative impact on the already existing biomass and energy producers in the given region.
5. Have at least one Project Partner from Norway.
6. Use the agriculturally unused land for the production of biomass.
7. Are located in the regions of Žilina, Prešov, Košice or Banská Bystrica.
8. Have already established biomass supply networks and heat, electricity or biomethane connections.
9. Link more activities in the logistic centres, for example storage of more types of biomass (zoomass, fytomass, dendromass), process the biodegradable components of municipal waste and so on.

1.5 State aid schemes

Projects shall be implemented in line with two schemes:

1. State Aid Scheme for the Regional Investment Aid.
2. De minimis Aid Scheme.

Both schemes are attached to the Call.

Project Promoters and Project Partners, operating the **Logistic Centre** and/or the **Energy Production Facility**, shall meet the requirements stipulated in the State Aid Scheme for the Regional Investment Aid.

Project Partners diversifying into non-agricultural activities and Norwegian partners shall meet the criteria stipulated in the De Minimis Aid Scheme.

2 ELIGIBILITY

2.1 Eligible applicants

Eligible applicants are:

1. Small and medium-sized enterprises established in Slovakia, which will either operate the **Logistic Centre** or the **Energy Production Facility**.

2.2 Eligible partners

Eligible partners are all entities stated in part 2.1 and:

1. Small and medium-sized enterprises established in Slovakia, which intend to diversify into non-agricultural activities.
2. Legal entities, established in Norway.

Eligibility requirements do not apply to partners which are not financially engaged in the Project and do not spend the project grant.

In exceptional case, the Project Promoter may operate the Logistic Centre, the Energy Production Facility as well as to supply the biomass, as well as be involved in Agricultural production and collection of biomass. In this case, the project grant shall be split into two parts, one under the State Aid Scheme for Regional Investment Aid and one under the De Minimis Aid Scheme.

2.3 Eligible applications

Eligible applications are those applications which fulfil the objectives, outcomes, outputs and parameters of the project. The application shall also meet administrative compliance criteria and eligibility criteria, annexed to the Call.

2.4 Eligible area

Eligible area is the entire territory of Slovakia, except for the Bratislava region. Under the de minimis aid scheme, the region of Bratislava is also eligible.

2.5 Eligible expenditures

- 1) Eligible expenditures for the **Logistic Centre** and **Energy Production Facility** are limited to:
 - a) Construction works,
 - b) Purchase of new equipment in its entire purchase price.
- 2) Eligible expenditures **for the diversification into non-agricultural activities** are limited to:
 - a) Purchase of new and second hand equipment in its entire purchase price.
- 3) Eligible expenditures for the Norwegian partners are all eligible expenditures of the project, as defined in the Regulation on the implementation of the Norwegian FM 2009 – 2014. In general, eligible expenditures are all expenditures which have direct link to the project except of the excluded expenditures and in-kind expenditures.

For the purpose of this Call, new and second hand equipment shall be considered as tangible assets with purchase price of more than EUR 1 700 and with anticipated useful life of more than one year and intangible assets with purchase price of more than EUR 2 400 and with anticipated useful life of more than one year.

Detailed information is given in the Regulation, Guidelines for the Applicant and in Guidelines for the Project Promoter and partner.

2.5.1 Period of eligibility of expenditures

Expenditures are eligible from the date set in the grant offer letter until one year after the scheduled project completion date, but not later than **30.04.2016**.

3 GRANT AMOUNT AND GRANT RATE

3.1 Grant amount

The total amount available under this Call is EUR **16,064,757**.

The Project Grant shall not be less than **EUR 1.000.000** and not higher than **EUR 5.000.000**.

Project Grant awarded to the Partner under the De minimis Aid Scheme shall not be higher than **200 000** EUR in the period of any of three fiscal years.¹

3.2 Grant rate

Grant rate (aid intensity) under the State Aid Scheme for Regional Investment Aid shall not exceed **50%** of the Total Eligible Expenditures.

The maximum grant rate under the De Minimis Aid Scheme is **80%** of the total eligible expenditures.

The rest of the total eligible expenditures shall be pro rata financed in cash from the own sources of the Project Promoter which includes also the sources of the partners or other sources e.g. bank loans or deposits of the third parties.

The aid intensity for the projects in this Call shall be calculated as a percentage of aid granted on the eligible expenses. As the aid will be granted across several years, the aid intensity will be calculated by the formula stated in the relevant aid scheme.

The exact procedure of aid amount and eligible expenditures discounting is set out in the Attachment No.2 of the corresponding Aid Scheme. For the purpose of discounting, the discount rate, applicable by the time of granting the aid, shall be used.

¹ The three-year period in the context of providing the de minimis aid is based on the accounting period of the Project Promoter in accordance with the relevant Act on Accounting.

The basis for calculating the discount rate is the basic rate, which actual value is published on the website of Ministry of Finance of Slovak Republic, www.finance.gov.sk/Default.aspx?CatID=5415.

Discounting is the process of determining the present value of future eligible expenditures and present value of project grant, while the main purpose is to calculate the intensity of the aid.

The Project Contract shall be signed for the nominal amount of eligible expenditures and the nominal amount of grant and the nominal amount of grant shall be disbursed to the Project Promoter.

The Programme Operator shall, before the disbursement of the final payment, re-calculate the aid intensity based on the real data known by the completion of the project and shall verify, if the maximum intensity of aid determined as a ratio of discounted amount of aid and the discounted eligible expenses has not exceeded the maximum specified in the aid scheme. The Applicant does not insert the discounted amounts of eligible expenses and the project grant into the forms.

4 PARTNERSHIP

The relation between the Project Promoter and the Partner shall not substitute the business relations between supplier and customer. Partner has its own budget and defined project outputs he is obliged to meet. The Project Promoter is responsible for all commitments and irregularities of the Partner in relation to the Programme Operator. Partnership agreement shall be concluded between the Project Promoter and the Partner. This agreement is subject to the approval of the Programme Operator before the Project Contract is concluded.

In case of the Partner with the financial participation, e.g. with the own budget within the project or the Partner who participates on the co-financing, the Partnership Agreement shall meet the requirements set by the Programme Operator in the template of the Partnership Agreement. Detailed information can be found in the Guidelines for the Project Promoter and Partner published on www.eeagrants.sk a www.norwaygrants.sk .

4.1 Partnership with Norwegian entities

One of the two main objectives of the Norway Grants is to support the cooperation with Norwegian entities. To this end, the Programme Operator has opened for the possibility to apply for grants for the search and establishment of partnerships between Slovak and Norwegian entities. These activities can be funded under the Programme Bilateral Fund, which will provide small grants up to 20 000 EUR, covering mainly the related travel costs.

Please, be aware that:

- 1) It is necessary to apply for these funds before the expenses have been incurred.
- 2) The grants will be disbursed in the form of reimbursement.
- 3) The reimbursement will be paid only if the project application under this Call has been submitted by the applicant.

Further information can be found in the Announcement on the opening of the Measure A from the Bilateral Fund, published along with this Call.

5 GUARANTEES

A lien over any property purchased or otherwise financed either wholly or partially from the Project Grant shall be granted to the Programme Operator for the entire period of the validity of the Project Contract. The total value of the lien shall not be less than the amount of the Project Grant provided.

6 PROJECT SUSTAINABILITY AND VALIDITY OF THE PROJECT CONTRACT

The project sustainability period is at least five years following the project completion report approval in case of investments into real estate (purchase, reconstruction). In other cases, the project sustainability period is at least three years following the project completion report approval. During the project sustainability period, both, the Project Promoter and the project Partner are obliged to maintain the achieved indicators, as defined by the Programme Operator in the Grant Offer.

The project sustainability period is not identical with the Project Contract validity period. Generally, the Project Contract remains in force for 5 years after **the final programme report** approval. The Programme Operator, Ministry of Finance of the Slovak republic as the Certifying authority, Donor states and other institutions set up in the special regulation, e.g. Ministry of Finance of the Slovak republic as the Audit authority and Supreme Audit Office of the Slovak republic are authorized to perform an inspection during the entire period of the Project Contract being in force. Both, the Project Promoter and the Project Partner are obliged to store all the documentation related to the project during the period of the Project Contract being in force. More information is available in the Project Contract template and in the guideline for the Project Promoter and partners.

6.1 Indicators

The Project Promoter is responsible for maintaining the following values of indicators throughout the whole time of project sustainability:

Indicator Title	Minimal maintained value
Number of green jobs created	75% from the amount stated in the grant offer
Installed capacity of power generation facility	100% from the amount stated in the grant offer
Total annual supply of products distributed by logistic centre	65% from the amount stated in the grant offer

In case of not meeting the above stated values, the grant reduction procedures will apply, as described in the Guideline for the Project Promoter and partner, applicable for not meeting the set indicators. The Programme Operator may waive its right to demand reimbursements in case the Project Promoter could have not prevented the decrease in indicators, due to

force majeure, economic development or other similar reasons that could have not been affected by the Project Promoter.

6.2 Conditions laid down in the Grant Offer Letter

The Programme Operator shall set the following conditions to the Project Promoter in the Grant Offer Letter:

1. The obligation to insure the property, acquired fully or partially from the project grant during the entire in-force period of the Project Contract.
2. The ban on selling the property, acquired fully or partially from the project grant during the entire in-force period of the Project Contract.
3. Publicity indicators that shall be followed by the Project Promoter.
4. The duty to disclose and freely share the project outcomes and outputs.
5. Other conditions of grant awarding, as can be found in the template of the Project Contract.
6. Specific project contract provision, defined by the Programme Operator as needed.
7. Suspensive conditions for first advance payment, if applicable.

More information about the content of the Grant Offer Letter is stated in the Guideline for applicant.

7 SUBMISSION OF THE PROJECT APPLICATION

7.1 Deadlines

The Project Application shall be submitted not later than 31.07.2013.

The application can be delivered personally, by mail or courier to the address:

Úrad vlády Slovenskej republiky
Námestie slobody 1
813 07 Bratislava

The registry of the Programme Operator is opened from 8:00 till 15:00 in working days. The lunch break is from 11:45 till 12:15.

For applications submitted by mail, the postmark date applies.

The following shall be written on the envelope:

- „DO NOT OPEN“
- Title „Norwegian Financial Mechanism“
- Code of the Call „GII01“
- Applicant's full legal name
- Project title.

7.2 Project application requirements

The project application must be submitted in Slovak language one original and two simple copies. Summary of the Project shall be submitted in English language. The application consists of the completed application form and all documents required as application mandatory annexes listed in the application form. The application must be signed by the statutory of the applicant. Electronic version shall be submitted along with the hard copy, on a read-only CD or DVD.

The application shall be submitted either in thermal or comb binding. Electronic version shall be attached to the original of the Project Application and submitted along with the hard copy, on a read-only CD or DVD.

7.3 Completion of the project application

A project application without an application form will be automatically rejected. The applicant shall be given 5 working days to complete his application in case the application lacks any of the mandatory annexes. The applicant shall be invited by an e-mail and in written form as well, to complete the documentation, while the period for the documentation completion starts the day after the e-mail was sent to the applicant. It is possible to complete the application only in the written form by sending the documentation in a manner and to the address stated in paragraph 7.1. In case the application is not completed in the given term, it will be rejected. The programme operator in response to the applicant's request may prolong this period by a maximum of 10 working days.

7.4 Data reliability

All of the information provided in the Project Application must be up to date, true, complete and accurate. The Programme Operator shall reject the Project Application from a further assessment process should he find out that the information does not meet the criteria listed in the previous sentence. When such fact is discovered by the Programme Operator later, while concluding that the wrongly provided information has had or might have had an effect on the assessment process, the project shall be terminated and the Programme Operator shall request the payback of the entire grant provided.

8 ASSESSMENT

The assessment is divided into three stages – the administrative compliance assessment, assessment of the Applicant and application eligibility and expert assessment. The assessment is carried out on the basis of the expert selection and comparative selection criteria which form the annex of this Call.

The selection process should be concluded in four months following the deadline of this Call.

Further details are listed in the Guidelines for the applicant.

9 SYSTEM OF FINANCING

The financial management system of the projects is based on the system of advanced payments. The amount of the advance payment depends on the duration of the implementation of the Project. The Applicant shall propose in the Project Application

whether Project Partners shall be financed through the advanced payments or reimbursement.

Project Implementation Duration	First Advance Payment	Second Advance Payment	Third Advance Payment	Fourth Advance Payment	Final Payment (reimbursement)
12 – 18 months	40%	20%	20%	10%	10%
18 – more	25%	25%	25%	15%	10%

Further details about the financial management can be found in the programme summary (on the website www.eeagrants.sk and www.norwaygrants.sk) and in the Guidelines for the Project Promoter and partner.

10 FURTHER INFORMATION

There is no legal title to the grant provision.

Before and during the application preparation it is necessary to be familiar with the following documents:

- Summary of the programme SK07 „Green Industry Innovation” published on web page www.eeagrants.sk/industry,
- Guidelines for the applicant,
- Guidelines for Project Promoter and partner,
- Regulation on the implementation of the Norwegian FM 2009 – 2014,
- Guidelines, manuals, regulations and other documents issued by the Norwegian Ministry of Foreign Affairs, Financial Mechanism Committee, Financial Mechanism Office, National Focal Point or the Programme Operator.

Documents are published on the web page of the Programme Operator www.eeagrants.sk a www.norwaygrants.sk.

We recommend the applicants watching the web page of the Programme Operator www.eeagrants.sk/industry where all updates in terms of the Call will be published.

Programme Operator will also publish the so called „F.A.Q. (frequently asked questions)” on the mentioned web page – further complementary information as the answers to the repeated questions of the applicants.

In case the Applicant did not find the answer to his request related with the Project Application preparation, he can address directly the Programme Operator via:

- a) e-mail: eeagrants@vlada.gov.sk
- b) post:
Úrad vlády SR
Odbor riadenia a implementácie FM EHP a NFM
Námestie slobody 1
813 70 Bratislava 1
- c) Telephone: 02/57 295 531 a 02 57295 593.

The request needs to be linked to the Call (by Call code GII01). The Programme Operator will answer these requests as desired by the Applicant not later than 5 working days from having received the request. Programme Operator will not respond to requests submitted less than 5 working days before the Call deadline.

The requests submitted in written form (by mail or e-mail) or published within F.A.Q. as well as further information published on the web page of the programme is considered as binding and can be referred to. Answers to question provided by phone or verbal answers as far as they were not elaborated in written form cannot be considered as binding and it is not possible to refer to them in later procedure.

Personal consultations are not provided. The Programme Operator will organize information meetings for the potential applicants for the relevant call. The exact date and place of the information meetings will be published on a web page of the Programme Operator www.eeagrants.sk/industry.

11 ANNEXES OF THE CALL

1. Objectives, outcomes and certain pre-defined outputs of the project and their indicators.
2. State Aid Scheme for the Regional Investment Aid.
3. De minimis Aid Scheme.
4. Model statement of Project Promoter and partners to qualify as an SME
5. Application form template
6. Guidelines for applicants
7. Selection criteria
8. Statute of the selection committee
9. Rules of procedures of the selection committee
10. Description of the project in English language
11. List of required attachments to the Project Application