

Norwegian Financial Mechanism 2009-2014

Green Industry Innovation Programme Bulgaria (GII)

Call for proposals

The Green Industry Innovation programme (GII) in Bulgaria has the objective to increase competitiveness of green enterprises, including greening of existing industries, green innovation and green entrepreneurship.

Green Industry Innovation programme's vision is: Good for business – good for the environment.

The GII is a special programme area under EEA Grants/The Norwegian Financial Mechanism and shall contribute to the reduction of economic and social disparities in the European Economic Area (EEA) and to strengthen the bilateral relations between Norway and the Beneficiary States. The highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainability, gender equality and equal opportunities shall apply in implementation of the Norwegian Financial Mechanism.

The fund manager is Innovation Norway, a state owned entity under the Norwegian Ministry of Trade and Industry and the Norwegian County Councils. The total available funding for project support is EUR 11'678 '100.

Total available funding from bilateral funds in preparation phase is EUR 100 000. The deadline for applications for individual projects is 12.00 noon, local Norwegian time, 15 April 2013.

**The deadlines for applications to the bilateral fund are:
31 January 2013, 12.00 - noon, local Norwegian time, for the Project Preparation Fund and
15 March 2012, 12.00 - noon, for the Travel support fund.**

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1. Eligible Activities

GII Bulgaria will provide support to activities within the following areas:

- 1.1 *Investments in environmental technology and processes, training, research and development (EUR 9'078'100*);*
 - 1.2 *Capacity building on environmental issues within the public, NGO and private sectors (EUR 500'000*);*
 - 1.3 *Remote monitoring related to the environment (EUR 2'000'000*).*
- *) distribution per area**

Environmental technologies include technologies which are less environmental harmful than the technology in use today, development/implementation of green products and services (defined as having less of an impact of the environment than today), material efficiency (defined as improved material flow in manufacturing and supply-chain, use and re-use of recycled materials) and efficiency in business operations (defined as solutions/systems related to management, HR, smart purchasing, green energy interventions, CSR, networking, clustering etc.)

Investments in solar parks and wind turbine parks on greenfield sites are excluded from eligible activities.

The activity remote monitoring is envisaged to increase the protection of the environment through better utilization of information from satellites in space and in-situ data, based on Norwegian competence in the area.

2. Eligible Applicants

1.4 *Eligible applicants are:*

- a) Private companies, constituted as legal entities in Bulgaria, are eligible for support for all areas listed in article 1.
- b) NGOs and research institutes, constituted as legal entities in Bulgaria and with main activities related to environmental protection or development of business environment, are eligible for support for activities related to 1.2. *Capacity building on environmental issues* ;
- c) Public authorities, constituted as legal entities in Bulgaria and with statutory role related to environmental protection or development of business environment, are eligible for support for activities related to 1.2. *Capacity building and 1.3. Remote monitoring related to the environment*

1.5 *Partnership requirement:*

To be eligible for support, a partnership between a legal entity from Bulgaria and at least one legal entity from Norway must be established prior to application. All entities shall be independent of each other and perform relevant tasks in the completion of the project.

Further provisions on partnership are given in Rules & Procedures.

1.6 Additional conditions:

- a) the applicant and the applicant's partner(s) must have been in operation for at least one full fiscal year,
- b) the applicant's and the applicant's partner(s)' main activities are closely related to the programme area for which an application is made,
- c) the applicant and the applicant's partner(s) and the legal representative signing the application have clean criminal and tax records,
- d) If the applicant has one or more partners, a partnership agreement defining the partner(s)' different roles and responsibilities, has to be signed by all partners and attached to the application.

The *Rules and Procedures* on the implementation of the Green Industry Innovation Programme in Bulgaria give further guidance to applicants, please see www.norwaygrants-greeninnovation.no.

3. Minimum and maximum grant amount per project

The minimum amount of grant assistance applied shall be EUR 200'000.

The maximum amount of grant assistance applied shall normally be EUR 1'000'000.

Grant rate and co-finance ceiling

- a) For Enterprises and projects that undertake economic activity, i.e. offer goods and services to a market - the maximum grant rate *will be awarded* in line with the applicable state aid legislation.

Projects undertaken by Public Authorities or NGOs may also fall under this category, based on an individual assessment.

- b) For Public Authorities the maximum grant rate is up to 85 % of the eligible project costs.
- c) For Non-governmental organisations the maximum grant rate is up to 90 % of the eligible project costs.

The co-financing shall be provided in the form of cash by the Project Promoter and/or by Project Partner(s). Man-hour contribution from the Project Promoter and Partners will be accepted as cash contribution, based on approved hourly rates for salaries.

4. Duration of projects

The projects must be completed by 30 April 2016, which is also the end of the eligibility period for the implementation of the programme.

5. Eligibility of expenditure in projects

General principles and detailed provisions for the eligibility of expenditures are described in the Rules and Procedures for the programme, article 4. For applicants or projects performing economic activity, the state aid regulations in EU/EEA will apply. The grant assistance scheme for commercial business is normally limited to the General Block Exception Regulation.

http://ec.europa.eu/competition/state_aid/legislation/block.html

Eligibility of expenses for financial aid will be in line with the categories:

- 1) Regional Aid, Section 1, article 13
- 2) Research and Development and Innovation, Section 7
- 3) Aid for environmental protection
- 4) Aid for training
- 5) Aid for consultancy in favour of SMEs

In special occasions, financial support will awarded as de minimis support in line with the state aid regulation.

In cases where eligibility provisions in the General Block Regulations are more extensive than the detailed eligibility provisions in the Rules and Procedures, the Rules and Procedures will prevail.

6. Procurement and state aid

Bulgarian and European Union legislation on public procurement shall be complied with at any level in the implementation of a project.

A Project Promoter that receives 50 per cent or more public funding of the eligible expenditures of the project shall conduct its procurement for that project in compliance with the national public procurement law as though the Project Promoter were a contracting authority under paragraph 9 of Article 1 of Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts. This paragraph applies mutatis mutandis to Project Partners. If the partnership consists of undertakings, i.e. entities dealing with economic activity (private and public), the grant provided must be in compliance with the relevant state aid legislation (Commission regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (now 107 and 108 of the TFEU), General Block Exemption Regulation (GBER) (Official Journal 2008 L 214, p. 3), and the EU rules on the de minimis.

7. Fund for bilateral relations

A fund, amounting to EUR 100'000, is available in the frame of the programme to strengthen bilateral relations between Norway and Bulgaria. The fund shall be used to search for partners prior to or during the preparation of a project application, the development of such partnerships and the preparation of an application.

6.1. Eligible activities

The following activities are eligible for grant support :

- a) activities related to the preparation of individual project applications, such as feasibility studies, financial and economic analyses, and preparation of technical documentation necessary for the application (*project development fund*);
- b) travel costs (*travel support*);

6.2. Eligible applicants

All Bulgarian entities, eligible in the frame of the programme, are eligible for support from the Fund for bilateral relations. Norwegian legal entities are also eligible to benefit from the Fund.

6.3. Grant rate and co-finance ceiling

The maximum grant amount for *project development fund* support (6.1.a) is EUR 10,000 per beneficiary per application with a maximum grant rate of 50%.

For travel support (6.1.b) the support will be provided as lump sum to cover travel costs and accommodation, but not more than EUR 1'200.

The applicable rules on state aid shall be complied with.

Further information about the application process and procedure can be found at the programme website www.norwaygrants-greeninnovation.no.

8. Project assessment criteria and methodology

Innovation Norway will assess all project proposals based on the criteria for eligibility, selection and award set out in the Rules and Procedures on the implementation of the Green Industry Innovation Programme in Bulgaria.

Innovation Norway might supplement the internal Programme Team with external experts if/when needed.

Innovation Norway will perform an initial review of applications received and if any shortcomings are found concerning the formal- and administrative criteria, these can be corrected by the applicant upon

request from Innovation Norway. Applicants whose applications are rejected at this stage shall be informed in writing and will have two weeks to appeal that decision to Innovation Norway.

Applications meeting the formal and administrative criteria, as well as the eligibility criteria, will then be subject to a full assessment organised by Innovation Norway. Innovation Norway may use external experts in the assessment process. The National Focal Point in Bulgaria will be invited to give its reasoned opinion on the projects prior to the decision of Innovation Norway.

Project applications must comply with a specified set of assessment criteria. The said criteria are based on the objectives that the Programme seeks to achieve. Objectives and principles of good governance, sustainable development and gender equality are cross-cutting issues that shall be considered as part of the assessment process, as well as corporate social responsibility.

The application **assessment criteria & methodology** are divided into the following sections:

Formal/administrative criteria

- a) The application has been filled in according to the instructions given in the call for proposals and in the electronic application form and all mandatory documentation is attached to the application;
- b) The application and supported documents are presented in English;
- c) The appropriate application form has been used.

Eligibility criteria

- a) Applicant
 - i. The applicant is constituted as a legal entity in Bulgaria, or in case of an application for project development fund or travel support under the bilateral fund on programme level, in Bulgaria or in Norway;
 - ii. The applicant (and any partner(s)) has been in operation for at least one full fiscal year, and their main activities are closely related to the programme area for which the application is made;
 - iii. The applicant (and any partner(s)) and the legal representative signing the application have clean criminal and tax records.
- b) Project
 - i. The proposed project is within the focus areas and expected outcome “realization of business opportunities linked to the greening of the European economy”. and its implementation period is no longer than the deadline for cost eligibility;
 - ii. Grant maximum and minimum amounts and co-financing rates are complied with;
 - iii. No overlapping/double funding arises from the applications for a similar project from EU/EEA/International Financial Institution/bilateral or other sources;
 - iv. The project is in compliance with both EU and national legislation in Bulgaria (in particular public procurement, state aid, environment requirements).

- iv. The project is a partnership project, and a partnership agreement defining the partners different roles and responsibilities has to be signed by all partners and attached to the application;

Assessment criteria

- i. The entity/entities have the necessary human resources and the technical and financial capacity to implement the project and support its costs;
- ii. The project is mature, i.e. technically viable and feasible in terms of time schedule, budget and value for money;
- iii. If applicable, Partnership quality, the division of tasks and responsibilities among partners is established and described and each partner has a significant contribution to the project activities;
- iv. The project is adequately supported by a risk mitigation plan;
- v. The quality of the planned arrangements to publicise the project and disseminate the results (Publicity Plan);
- vi. The project promoter and the partners adhere to Corporate Social Responsibility (on company level);
- vii. The project meet have environmental effect/ impact. The project is in compliance with relevant cross-cutting issues in the application form;
- viii. The grant awarded has a releasing effect on the project;
- ix. The project is in compliance with national, regional and local plans or strategies;
- x. The project has added value, i.e. the socio-economic profitability;
- xi. The project incorporates clear sustainability measures, i.e. the durability of the project after the implementation deadline;
- xii. The project contributes to the overall objectives of Norway Grants 2009-2014 (reduction of economic and social disparities in the EEA Area and to strengthen the bilateral relations between Norway and the beneficiary state);
- xiii. Gender equality (a part of the cross-cutting issues, but will be assessed and reported separately).

Additional assessment criteria for private projects

- i. project profitability;
- ii. Financial report assessment;
- iii. Operating risk rating;
- iv. Credit score rating;
- v. Business plan/model assessment, if applicable;
- vi. Innovation level;
- vii. Status Intellectual Property Rights
- viii. Market potential and competitiveness.

Award

The assessment criteria above will be scored in a rating from one to six points (1 lowest, 6 highest). The scoring will constitute a basis for an assessment profile, a tool for the project prioritizing. Each of the assessment criteria may be a critical success factor, a factor that can jeopardize the whole individual project. The scoring profile will be the basis for the prioritizing for the project proposals.

Other elements in the prioritizing of projects:

- private sector partnership projects will be given priority
- regional distribution of projects

After the assessment of the project proposal has been performed, Innovation Norway will make the final grant decision. Applicants shall be notified of the decision of Innovation Norway to support or reject their application.

All applicants will receive information about the final results concerning financing within tentatively 5 months after the closure of the call. A list of approved projects will be published on the programme website.

Further information on the project assessment criteria and methodology can be found at the programme website www.norwaygrants-greeninnovation.no.

9. Mode of Payment

Grant assistance shall be given as reimbursements of already incurred documented costs according to an agreed disbursement Plan.

The Project Promoter (Applicant) has the opportunity to apply for an advance payment in line with the requirements in the Rules and Procedures.

Interim payments will be made on the base of interim reports with description of results achieved together with financial statements. All financial statements on claimed expenses in project reports shall be confirmed by a certified auditor, audit requirements will be detailed in the project contract.

Commitments and payments will be carried out in Euro (€).

10. Procedure for submission of application

Only electronic applications, submitted to Innovation Norway, Oslo, in English, will be accepted. A project implementation plan, a detailed project budget, a co-financing statement, a procurement plan, a publicity plan, partnership agreement and a disbursement plan must be provided by the applicant, as part of the application. The electronic applications and templates for requested supportive documents are available on the programme website www.norwaygrants-greeninnovation.no.

The deadline for applications for individual projects is 12.00 p.m. local Norwegian time, 15 April 2013.

The deadline for applications for project development fund and travel support is 12.00 p.m. local Norwegian time, 31 January 2013.

11. Documents of specific importance to the call

In addition to the call, the following documents shall be consulted by applicants when preparing the application:

- Executive Summary of Programme Document
- Rules and Procedures on the implementation of the Green Industry Innovation Programme in Bulgaria
- Guideline for Application Form
- Standard Terms and Conditions
- Template – Partnership Agreement ;
- Template – Project Implementation Plan;
- Template – Detailed Activity Budget;
- Template – Disbursement Plan;
- Template – Procurement Plan
- Frequently Asked Questions (to be published on the website and updated on a regular basis, according to the questions received from potential applicants).
- General Block Exemption Regulation
http://ec.europa.eu/competition/state_aid/legislation/block.html

More information

Entities interested in applying for grant support from Green Industry Programme can access all relevant information and application submission forms at www.norwyagrants-greeninnovation.no.

For clarifications please contact:

Innovation Norway, Akersgt. 13, 0104 Oslo, Norway, Ms. Randi Alkem Andresen, Programme Manager, e-mail: bulgaria@norwaygrants-greeninnovation.no

Innovation Norway, Sofia office, Ms. Vencheslava Yankovska, Manager, e-mail:

sofia@innovationnorway.no

More background information about the Norwegian Financial Mechanism is available on:

www.eeagrants.org