Annex 2

To the Project application selection regulations

**Project application selection round No.2**

**Methodology of application form completion**

**of the 1.2.1 specific support objective**

**"To increase investments of the private sector into R&D"**

**1.2.1.4 measure**

**"Support for the introduction of new products into production"**

**2017**

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**Methodology for the completing the project application form of the specific support objective 1.2.1 "To increase investments of private sector into R&D" activity 1.2.1.4 "Support in introduction of new products into production"**

Methodology for completing the project application form (hereinafter - the methodology) has been prepared in compliance with the second round of project application selection rules (hereinafter - selection regulations) set out in the Regulations of the Cabinet of Ministers No. 293 of May 10, 2016, "Regulation for the implementation of activity 1.2.1.4 “Support in introduction of new products into production” of specific objective 1.2.1 “To increase investments of private sector in R&D” of the operational programme “Growth and Employment””[[1]](#footnote-2) (hereinafter - the CM Regulations) and explanations included in the methodology for applying project application evaluation criteria.

A project application form, which is annexed to the selection regulations, is published on the website of the co-operation institution [www.cfla.gov.lv](http://www.cfla.gov.lv/), and is to be completed in a computerized form, is used for the preparation of the project application. The title of the project application sections, the name of the indicators, and the names of the cost positions cannot be changed or deleted.

If the project application is submitted to the Cohesion Policy Funds Management Information System for 2014-2020, then the data fields specified in the system must be completed.

All sections of the project application form are completed in Latvian. The project application is complemented by all annexes and, if necessary, additional annexes to which the project applicant refers in the project application. Additional information on the presentation of the documents to be submitted is indicated in Section III of the selection regulations "Project application development and submission procedure".

When completing the project application, it is necessary to ensure the coherence between both the information provided in the project application form and the business plan, as well as all sections of the project application and the business plan, in which the information is mentioned or referred to.

**There is no need to duplicate the information specified in the project application and in the annex "Business Plan" of the project application, since the project applicant submits it in one of the documents, respectively, the second one may include references to the section of the project application/business plan, which specifies the particular information.**

The methodology is developed in accordance with the sections of the project application form, explaining what information the project applicant must indicate in the relevant sections, clauses and annexes of the project application form. All recommendations, explanations regarding the completion of the project application form and references to regulatory enactments are marked in italics and "*blue*".

Information contained in the methodology regarding which project information evaluation criteria will be used for evaluating information included in the sections (points) of the particular project application is indicative, as the evaluation of project applications in accordance with the evaluation criteria will take into account the information indicated in the project application.

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| **Application to the European Regional Development Fund project** |

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| Project title: | *The project title must not exceed one sentence. It should accurately reflect the aim of the project.* |
| Number and title of the specific support aim/event selection round:  | 1.2.1. specific support aim "To promote investments of private sector in R&D"**1.2.1.4. measure "Support for the introduction of new products into production"**project application selection round No.2 |
| Project applicant:  | *Indicate the legal name of the project applicant without the use of abbreviations.**The project applicant may be a merchant registered in the Republic of Latvia as defined in Clause 11 of the Cabinet Regulations or an appropriate agricultural or forestry cooperative society.* |
| Taxpayer registration code:  | *Indicate the registration number.* |
| Type of the project applicant *(according to Annex 1 of the Regulation 651/2014[[2]](#footnote-3)*): | *Chooses the appropriate applicant type from the classifier:****SME*** *- The category of micro, small and medium-sized enterprises includes companies with fewer than 250 employees, with an annual turnover not exceeding EUR 50 million and/or an annual balance sheet not exceeding**EUR 43 million.****Large merchant*** *- a company with more than 250 employees, with an annual turnover exceeding EUR 50 million and/or an annual balance sheet exceeding**EUR 43 million.* |
| State budget financed institution | *In this SSA measure, the project applicant is not an institution financed by the state budget - indicate "No".* |
| Project applicant classification according to General Classification of Economic Activity NACE: | NACE code | Title of economic activity |
| *Indicate the project's NACE Rev. 2 class (a four-digit code*) | *Indicates the exact title of the economic activity of the project applicant, as specified in the NACE Rev. 2 code.**The project applicant chooses the name of the economic activity corresponding to its main activity; if the project applicant is subject to several activities, the main activity (even if different from the project topic) is indicated in the form, because this information is used for statistical purposes.* *The NACE Rev. 2 classification is available on the website of the Central Statistical Bureau of the Republic of Latvia:* [*http://www.csb.gov.lv/node/29900/list*](http://www.csb.gov.lv/node/29900/list) |
| Legal address: | *Specify the exact legal address of the project applicant by entering the information requested in the relevant fields.**Street, name of house, No./apartment No.* |
| *City* | *District* | *Town or region* |
| *Postcode* |
| *E-mail* |
| *Website* |
| Contact information:  | *Provides information on the contact person by specifying the information requested in the appropriate fields**The project applicant presents a responsible employee who is competent in the information provided in the project application and organization of the project implementation, for example, the planned project manager as the contact person.* |
| *Position* |
| *Phone* |
| *E-mail* |
| Correspondence address *(to be filled, if different than legal address)* | *Specify the exact correspondence address of the project applicant (if different than the legal address) by entering the information requested in the relevant fields.**Street, name of house, No./apartment No.* |
| *City* | *District* | *Town or region* |
| *Postcode* |
| Project identification No.\*:  | *This field is filled-in by CFCA.* |
| Project submission date\*: | *This field is filled-in by CFCA.* |

*\*Filled in by CFCA*

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| **SECTION 1 - PROJECT DESCRIPTION** |

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| * 1. **Project summary: objective, main activities, duration, total costs and planned results of the project (<2000 characters>)**

(information will be published after the project is confirmed): |
| *It is advisable to write the summary after filling in all the other sections.* *In this section, the project applicant provides a comprehensive, structured summary of the nature of the project, which gives an overview of what the project is planning on to any interested person.* *In the summary:** *indicate the project purpose (briefly);*
* *indicate the sector in which the merchant operates, as well as the project implementation sector (including the corresponding NACE code) and justify its compliance with the specialization areas specified in the Smart Specialization Strategy;*
* *include information on the main Project activities;*
* *information on the planned results;*
* *Provide information on the total costs of the project (can outline the amount of the planned European Regional Development Fund support);*
* *indicates information on the duration of the Project after the conclusion of the Agreement on the Project implementation, as well as information on the time when the implementation of the activities is commenced, if they are planned to be launched after submission of the project application to the Liaison Authority;*

*NB!!! At this point, select and define ten key words that match the specifics of the Project. We recommend using the section "Horizons 2020" on the website "EU Programs 2014-2020", which lists the programs closest to the project implementation theme, based on key words; from the "Top descriptions" (*[see for example http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/eeb-01-2014.html](see%20for%20example%20http%3A//ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/eeb-01-2014.html)*) keywords most appropriate for the project specifics are then chosen.** ***In accordance with Paragraph 48 of the CM Regulations, implementation of the activities provided for in the project may be initiated and the planned costs of the project shall be attributed to the day the project application for project implementation is submitted to the co-operation authority.***
* ***In accordance with Paragraph 51 of the CM Regulations, the project may be implemented for a maximum period of four years from the date of the conclusion of the agreement on project implementation (but not later than December 30, 2022).***

*Information on the project after approval of the project application will be published on the website of the Managing Authority of the European Union funds* [*www.esfondi.lv*](http://www.esfondi.lv/)*.****The indicated information will be evaluated according to the unified criterion No.7 for evaluation of project applications, the single selection criterion No.2, the specific eligibility criteria No.4, 5, 6 and the quality assessment criterion No.2.*** |

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| * 1. **Objective of the project and its rationale (<2000 characters>):**
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| *The selection round supports projects aiming at the objective of the SSA measure specified in Paragraph 4 of the CM Regulations - to promote the increase of productivity and competitiveness of merchants by developing and introducing new products and technologies into production, as well as increasing private sector investments in research, development and innovations according to the Smart specialization strategy.**Support is granted to project applicants who define the requirements for experimental technology, manufacture it or complete it themselves or order it from external service providers or suppliers, install and test it in their actual production environment in the course of their business activities. Consequently, it is necessary to* ***provide a summary of the requirements defined by the project applicant for experimental technology. Additionally, the detailed requirements for experimental technology (technical specifications, drawings, technological schemes, etc.) must be added in the annex.****The supported project activities are the production or purchase of experimental technologies, as well as installation and testing in the real production environment, carrying out economic activity, up to the level 8 of technology readiness (in accordance with the international standard ISO 16290:2013) (inclusive), but not exceeding this level. Technology Readiness Level No 8 is the last level of technology development and it is achieved when the system is complete and tested: it has been demonstrated that the technology operates in its final form and in the planned conditions. Consequently, it is necessary to* ***explain why the technology planned in the project is considered as experimental and for which features of an experimental referred to in Paragraph 30 of the CM Regulations the technology corresponds. It should be clarified how these technologies will differ from the ones already available on the market.*** *According to the requirements defined by the project applicant, experimental technology components or equipment are made for at least 20% of the cost of experimental technology. These costs must comply with the description on the research and development costs in pilot factories, as described in Chapter 2 of the OECD Frascati Manual, (Frascati Manual 2015 Guidelines for Collecting and Reporting Data on Research and Experimental Development) (http://www.oecd.org/sti/frascati-manual-2015-9789264239012-en. htm). It is therefore necessary to* ***provide an explanation as to how the components of the experimental technology comply with the explanations provided by the Frascati manual for pilot factories at the amount of at least 20%.****According to Paragraph 52 of the Cabinet Regulations, the technology readiness level No. 8 (in accordance with the international standard ISO 16290: 013) provides for testing of experimental technology in a real production environment in the course of economic activity. Consequently, it is necessary to clarify what tests are planned during the project and what tests will be continued after the project end.**The objective of the project must:** ***comply with the objective of the SSA measure****. The project applicant reasonably justifies how the project and its planned activities meet the objective of the SSA measure and how the project implementation will contribute to the achievement of the objective of the SSA measure;*
* ***act as an appropriate solution to the problem*** *(information in section 1.3 of the Methodology), i.e. project objectives are directly relevant to the project target group and the problem situation of the project;*
* ***be achievable, i.e., it can be achieved through the implementation of the activities specified in the project****. When defining the project objective, it must be taken into account that the project objective must comply with the competence of the project applicant and that it can be achieved with the available resources within the planned time.*

*The objectives of the project should be formulated clearly so that at the end of the project it can be verified that they have been achieved. Given that the project is limited in time, the goal should also be achieved during the project time limit.** *In accordance with Paragraph 52 of the CM Regulations, the project has been achieved and the project is completed when the experimental technology is manufactured, delivered to Latvia, installed in the project site specified in the project application, is in working order and accepted into service, is owned, fully paid and used by the Beneficiary to carry out the economic activity provided for in the project in accordance with the project application.*
* ***The description of project objectives should not be longer than 400 characters, because in accordance with the regulatory enactments regarding the minimum publicity requirements for which more detailed information is included in Section 5 of this methodology, the aim should also be pointed out to certain publicity materials.***

***The indicated information will be evaluated according to the unified criterion No.13 for evaluation of project applications, the single selection criterion No.2, the specific eligibility criteria No. 3, 8, 9 and the quality assessment criterion No.2.*** |

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| **Description of problems and solutions, including description of group problems and solutions****(<4000 characters>)** |
| * *Identify the problem, indicate its topicality, briefly describe the current situation and justify why the identified problem needs to be addressed at a specific time and place, and indicate the expected consequences if the project is not implemented.*
* *The use of statistical data (with reference), the results of the feasibility studies, references to studies and evaluations is advisable.*
* *Describe how the project addresses the identified problem and why the activities planned in the project will be able to achieve the goals of the project and solve the problem of the target group most effectively.*
* *In the description of the problem solution provide a clear idea that:*
* *the chosen solution ensures achievement of the project objective and solution of the problem of the target group specified in section 1.4 of the project application form;*
* *the actions to be undertaken and the results to be achieved are optimal and reasonable and help to solve the problem.*

*In accordance with Paragraph 17 of the CM Regulations, the project applicant shall* ***provide information on what R&D activity the project applicant or its related persons have performed during the last year before the year of project submission in order to define the hypothetical requirements for experimental technology*** *and its components or equipment. The research and development activities carried out* ***are based on one or more of the following types of documents*** *(according to the specifics of the project),* ***by adding a copy of them to the project application:***1. *contracts with scientific institutions or research staff;*
2. *reports on research or development activities performed;*
3. *experimental design and prototype descriptions;*
4. *test reviews;*
5. *research reviews.*

*The supporting documents for research and development activities must, as a minimum, reflect the following information:** *what were the aims of the performed actions;*
* *news/innovations (comparison);*
* *personnel involved****;***
* *methods used;*
* *budget;*
* *how will the conclusions drawn from the research and development activities be integrated into the economic activity;*
* *due dates.*

*The description of the problem and solution presented in section 1.3 of the project application form helps to increase the productivity and competitiveness of merchants by developing and introducing new products and technologies into production, as well as to increase private sector investments in research, development and innovations according to the Smart specialization strategy.**In order for the project application to be approved in accordance with the set criteria, it should be taken into account that it is necessary to justify the project's objective with the objective of the measure, explaining what the planned result of the project is under the Oslo Manual (*[*http://www.oecd.org/sti/inno/oslomanualguidelinesforcollectingandinterpretinginnovationdata3rdedition. htm*](http://www.oecd.org/sti/inno/oslomanualguidelinesforcollectingandinterpretinginnovationdata3rdedition.htm)*).****Information indicated in the Paragraph will be evaluated according to the unified selection criterion No.2 for project applications and the specific eligibility criteria No.3 and No.8.*** |

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| * 1. **Description of the project target group (<4000 characters>)**
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| * *Describe the project target group to which the project activities will be subject and which will be directly affected by the project results.*
* *Justify the relevance of project activities to the needs of the target group.*

*The target group of the measure specified in Paragraph 5 of the CM Regulations - merchants and appropriate agricultural or forestry cooperative societies.****Information indicated in the Paragraph will be evaluated according to the unified selection criterion No.2.*** |

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| 1. **Project activities and results to be achieved:**
 |
| **No.** | **Project activity\*** | **Description of project activity** **(<2000 characters for each activity>)** | **Result** | **Numerical result** |
| **Amount** | **Unit** |
|  |  | * *The description of activities describes in a concise manner the steps and actions that will be taken during the implementation of the action concerned.*
* *If the business plan provides comprehensive and detailed information on the activity, then the description may, in addition, include a reference and a specific page that contains the information.*
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|  |  |  |  |  |  |
| *2.* | *Example:* *Manufacturing, installation and testing of the experimental technology* |  |  |  |  |
| *2.1* | *Example:**Manufacturing of experimental technology components or equipment in accordance with defined requirements* | *Example:**Taking into account the developed set of requirements, an experimental technology will be produced/assembled; the sub-activity description should justify that at least 20% of the cost of experimental technology corresponds to the R&D costs of pilot plants with the main objective of research and development, and the use of experimental technology is not commercial until the end of the project implementation (Paragraph 15 of the CM Regulations).* | *Example:**An experimental technology is produced/assembled* | *1* | *technology* |
| *2.2* | *Example:**Purchase of components or equipment available on the market* |  | *Example:**Experimental technology components/equipment purchased* | *1* | *technology* |
| *2.3*  | *Example: Testing of experimental technology in a real-world production environment by conducting business activities to make sure that the experimental technology meets the planned quality, productivity and other parameters on which the business plan is based.* |  | *Example:* *The experimental technology has been stable for 2 months in continuous, intense operating conditions. In practice, the planned quality, productivity and other parameters on which the business plan is based, are achieved.* | *2* | *months*  |
| *2.4* | *Example:* *Preparation of instructions or manuals for the use of components or equipment of the experimental technology* |  | *Example:**Instructions or manuals for the use of components or equipment of the experimental technology have been prepared* | *5* | *Instructions and manuals* |
| *2.5.* | *Example:**Production manufactured using the experimental technology has been testes*  |  | *Example:**The tests performed confirm that the production is in line with the planned specifications* | *10* | *Tests* |

\*The project activities must coincide with the time schedule for the project implementation (Annex 1). All activities to be supported within the project must be indicated - both the ones performed before project confirmation, and the ones planned to be fulfilled after the confirmation of the project application.

*In the column "No." indicates the relevant activity number; the numbering is also maintained in the sections of the subsequent project application, i.e. Annex 1 and Annex 3;*

*In the column "Project activity" specify the specific title of the action and, if necessary, add sub-activities.*

***If sub-activities are indicated, they operational description and the result must also be indicated, by filling in all the columns.***

***If sub-activities are created, the super-activity does not have to specify the information in the columns "Results" and "Results in numerical form" because there is no need to duplicate the information already indicated for sub-activities.***

*In the column "Description of the project activity", the project applicant describes what measures and activities will be carried out during the implementation of the relevant action.*

*The "Results" and "Results in numerals" columns indicate the precisely defined and realistic result, its numerical expression (indicates* ***only*** *certain numerical information) and the corresponding unit of measure.*

***For each activity or sub-activity one result to be achieved must be indicated; it can be divided into several sub-activities if there are several results planned for the activities.***

*When planning the project activities, the project applicant needs to identify and list the actions to be taken aimed at achieving the project objective (section 1.2) and results. The CM Regulations are observed in the planning of the project activities*

* ***Only activities that comply with the supported activities specified in Paragraph 26 of the CM Regulations can be planned in the project -*** *the manufacture or purchase of experimental technologies, as well as installation and testing in the real environment of production, in the course of economic activity, up to Technology Readiness Level 8 (including but not exceeding). Technology Readiness Level No. 8 is the last level of technology development and it is achieved when the system is complete and tested: it has been demonstrated that the technology operates in its final form and in the planned conditions.*
* *According to Paragraph 13 of the CM Regulations, support is granted to project applicants who define the requirements for experimental technology, manufacture it or complete it themselves or order it from external service providers or suppliers, install and test it in their actual production environment in the course of their business activities.*
* *In accordance with Paragraph 27 of the CM Regulations, activities corresponding to the Technology Readiness Level No. 4, 5, 6, 7 or 8 shall be carried out during the implementation of the project.*
* ***According to CM Regulations, only initial investment costs are eligible; study costs, incl. R&D costs incurred to define the requirements for experimental technology, are not eligible.***
* *According to Paragraph 28 of the CM Regulations, at the end of the project implementation, the experimental technology has to meet the Technology Readiness Level No.8, but cannot exceed it.*
* *In accordance with Paragraph 52 of the CM Regulations, the project has been achieved and the project is completed when the experimental technology is manufactured, delivered to Latvia, installed in the project site specified in the project application, is in working order and accepted into service, is owned, fully paid and used by the Beneficiary to carry out the economic activity provided for in the project in accordance with the project application.*

***The indicated information will be evaluated according to the unified criteria No.14 and 15 for evaluation of project applications, the single selection criterion No.2, the specific eligibility criteria No.8 and 9 and the quality assessment criteria No.2 and 3.3.***

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| * 1. **Project implementation place:**
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| **1.7.1. Project implementation address\***  | *Specify the exact address of the project implementation site by entering the information requested in the relevant fields.* |
| The whole Latvia |  |
| Statistical region |  |
| City or district |  |
| Town or region |  |
| Street |  |
| Name of the house / No. / apartment No. |  |
| Postcode |  |
| Cadastral number or designation |  |
| Description of project implementation place |  |

\* *The actual implementation address of the project must be provided in an additional table(s), if several implementation sites are planned*

* *In accordance with Paragraph 44 of the CM Regulations, the place of project implementation is the place where the project applicant manufactures its own production or provides services. A project can be implemented at multiple addresses if a single production or service chain is established at these addresses. The project is implemented in the territory of the Republic of Latvia.*

***Information indicated in the Paragraph will be evaluated according to the unified selection criterion No.2 for project applications and the quality evaluation criterion No.8.***

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| **1.8. Financial impact of the project to several territories:**  |
| **No.** | **Please, indicate name of the respective territory\***  | **Please, indicate the financial impact (%) from total funding**  |
| 1. | *Indicates the appropriate administrative territorial unit, i.e. the county, city or parish.* *If the financial impact of the project covers all the counties and cities in the statistical region - indicate the statistical region.* | *Indicates the percentage of project financing that is attributable to the particular area (from 1% to 100%).** ***The total financial impact of all designated areas (%) must be 100%.***
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| 2. |  |  |
| 3. |  |  |

*\* The republic city also needs to be indicated (by indicating a district, the town/region also has to be indicated).*

*If the financial impact of the project covers all districts and cities within statistical region, please, indicate the total financial impact of the project by statistical region. If the project impacts the whole Latvia, then Section 1.8 is not indicated on the PA form in accordance with the provisions of the regulatory enactment regarding the implementation of the relevant EU fund SSA or its measure.*

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| **SECTION 2 - PROJECT IMPLEMENTATION** |

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| **2.1 Project implementation capacity*****Information indicated in the Paragraph will be evaluated according to the unified criterion No.3 for project applications and the specific eligibility criterion No.3.4.***  |
| Administering capacity **(<2000 characters>)** | *When describing the project management capacity, the project applicant provides information on the required project management personnel (e.g. project manager, assistant manager, accountant, lawyer), the number of them and their main tasks, as well as the experience and professional qualifications required to complete the work.**The project applicant provides information on how the project applicant intends to provide the staff for the project implementation (project applicant's staff or outsourced).* |
| Financial capacity **(<2000 characters>)** | *When describing the financial capacity of the project, the project applicant provides information on the financial resources available for the project implementation, the project funding arrangements, deadlines from the project applicant and whether it is planned to request an advance for the project implementation in accordance with the provisions of Clause 59 of the CM Regulations.**The project applicant indicates and justifies that at least 25% of the total project eligible costs will be invested in the implementation of the project through its own resources or external financing, which is not related to any commercial support. The detailed justification of financial capacity is indicated in the business plan, and it is based on additional documents to be attached in conjunction with the individual situation of the project applicant.**In accordance with Section 73 of the CM Regulations, support under the measure for the same eligible costs may be combined with support that is or will be provided in another state support program and project, which may be combined with other de minimis support provided in the state support program or project, as well as can be combined with support provided for in another state support program in the form of tax rebates, not exceeding the maximum allowable regional aid intensity:** *for micro and small merchants - 55% of the eligible costs;*
* *for medium-sized merchants - 45% of the eligible costs;*
* *for large merchants - 35% of the eligible costs;*

*According to Paragraph 74ofthe CM Regulations and Article 8 (4) of the Commission Regulation (EC) No 651/2014, support provided under the provisions of these measures within the framework of the CM Regulations can be combined with support provided under Articles 21 and 22 of the Commission Regulation 651/2014, the costs of which cannot be determined, provided that the amount and intensity of the total eligible financing of the these measures determined in the CM Regulations is not exceeded.* |
| Implementation capacity **(<2000 characters>)** | *When describing the project implementation capacity, the project applicant provides information on the cooperation partners involved in the project implementation, specific or potential suppliers, outsourcing providers, installers who will implement the planned project activities, as well as information about the procurement procedure (whether it is commenced or concluded) and other information, which indicates the capacity of the project applicant to implement the planned project activities.**Information about previous experience in the development of new products is also provided, as the experience of the project applicant is also characterized by the experience of the project applicant's employee (as a natural person) as well as related persons in the development of the new product that is planned to be introduced into production within this project.* |

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| **2.2 Description of project implementation, administering and monitoring****(<4000 characters>)** |
| *The project applicant provides information on:* * *the project management system, i.e., what activities are planned to ensure the successful implementation of the project, which monitoring tools are planned to be used for project management quality assurance and control, etc.;*
* *the project implementation system, i.e. how is the cooperation between the project implementation and management personnel planned, which monitoring tools are planned to be used for ensuring and controlling the project implementation.*

***Information indicated in the Paragraph will be evaluated according to the unified criterion No.3.*** |

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| **2.3 Project implementation time\* (full months):** | *Indicates the total planned duration of the project implementation in full months* |

*\* The project implementation time must coincide with the period specified in the project implementation schedule (Annex 1) after the conclusion of the Contract*

*The specified duration of the project must coincide with the information regarding the total duration of the project implementation specified in section 1.1 of the project application form and in the timetable (Annex 1), which is indicated by an "X" in the timetable (i.e., after the conclusion of the project implementation contract).*

* ***In accordance with Paragraph 51 of the CM Regulations, the project implementation period is four years from the date of the conclusion of the agreement on project implementation with the cooperation authority, but not later than December 30, 2022.***
* *According to Paragraph 48 of the CM Regulations, the supported actions provided for in the project application may be initiated upon submission of a project application to the co-operation authority.*
* *According to Paragraph 49 of the CM Regulations, if the envisaged support actions are started after submission of the project application to the co-operation authority, they cannot be completed before the co-operation authority has made a decision regarding approval of the project application, approval with a condition or rejection of the application.*

***Information indicated in the Paragraph will be evaluated according to the unified selection criterion No.12.***

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| **2.4 Assessment of project risks:** |
| **No.** | **Risk** | **Risk description** | **Risk influence**(high, medium, low) | **Probability of seizing**(high, medium, low) | **Measures of risk prevention/mitigation** |
| 1. | Financial | *Provides a brief description of the specific risks, which specify the nature of the risk or describe the circumstances of its occurrence.**Example:**Inappropriate financial flows, rising market prices, inadequate expenses, rising costs and inflation, as a result which, at the moment of launching project, the planned costs may significantly differ from the actual ones, changes in the regulatory enactments that affect the financial flow of the project,**.....* | *Indicates the level of risk impact to the project implementation and achievement of objectives.* | *Analyse the probability and frequency of risk occurrence during project implementation or over a certain period of time* | *Indicates the measures planned and performed during the implementation process that reduce the level of risk or reduce the likelihood of risk occurrence. When developing measures, it should be taken into account that measures must be realistic, economical (costs must be less than the potential losses), coordinated at all levels and they should comply with management and control measures (internal regulatory enactments) developed by the project applicant, ensuring the quality of project implementation.**Provide information on the experience regarding implementation of previous projects, such as the appropriate financial correction, indicating the steps planned to manage these risks.*  |
| 2. | Implementation  | *Example:**Inaccurate/illogical performance of activities, incomplete/inadequate organizational structure, non-compliance with planned activities, and other risks related to personnel involved in the project implementation, such as lack of knowledge or skills, staff turnover, insufficient or ineffective allocation of human resources to carry out the activities provided for in the project, delays in the procurement procedure**.....* |  |  |  |
| 3. | Achievements of results and monitoring indicators | *Example:**Deficiencies in the development of the experimental technology,**Issues related to providing intellectual property rights**.....* |  |  |  |
| 4. | Administering | *Example:**Lack of project management experience, failure of the management team to co-operate, changes in the planned project timetable, which may lead to other risks.**.....* |  |  |  |
| 5. | Other | *Example:** *Non-compliance with contractual obligations*
* *Changes in regulatory enactments*

*……* |  |  |  |

*The project applicant indicates potential risks that may adversely affect, distort or delay the project implementation or the achievement of the project objectives and results. The project applicant identifies risks against the project activities or project phases to which these risks may be subject, assesses the impact of the risk on project implementation and the achievement of the objective, and the probability of risk occurrence, and develops a plan of measures to reduce or eliminate risks.*

*The project implementation risks are described by risk grouping:*

* *financial risks - risks associated with project financing, such as poorly planned financial flows, rising costs and inflation, as a result of which at the moment of launching the project implementation, the planned costs can be significantly different from the actual costs incurred by the regulatory enactments affecting the financial flow of the project; risks of the inadequate expenses.*
* *Implementation risks - the risks that arise when processes or procedures are malfunctioning or not working at all, resulting in significant impediments or delays in the project implementation, such as inaccurate/illogical execution of operations, incomplete/inadequate organizational structure, inadequacy of the actions implemented, and other risks related to the personnel involved in the project implementation, such as lack of knowledge or skills, staff turnover, insufficient human resources in the institution or ineffective allocation of them to carry out the activities provided for in the project.*
* *project management risks - risks associated with project management and administration work related to project implementation, and changes in project timetables that may lead to other risks, such as lack of project management experience, lack of teamwork management, management changes.*
* *other risks - risks related to changes in existing regulatory enactments or non-compliance with their requirements, incl. regulatory enactments in the field of procurement and violation of the norms of the Labour Law, non-compliance with contractual obligations and other legal aspects.*

*The column* ***"Risk description"*** *provides a brief description of the specific risks, which specify the nature of the risk or describe the circumstances of its occurrence.*

*The column "Risk impact (high, medium, low)" indicates the level of risk impact on project implementation and achievement of the objectives. When assessing the level of risk impact, its impact on the project as a whole - project financial resources, time allocated to the project, planned activities, results and other factors specific to the project - should be taken into account. The following Risk Impact Assessment Scale can be used:*

***The risk impact is high*** *if, in the event of a risk occurring, it has a significant impact and the implementation of the project, the achievement of objectives and indicators, the increase in funding or significant losses, is significantly impaired.*

***The risk impact is medium*** *if, in the event of a risk occurring, it may affect the implementation of the project, impede the successful implementation of the project and the achievement of its objectives.*

***The risk impact is low*** *if in the event of a risk occurrence it does not have a significant impact and does not affect the implementation of the project.*

*The column* ***"Occurrence probability (high, medium, low)"*** *analyses the probability and frequency of risk occurrence during the project implementation or for a certain period of time, for example during the implementation of the relevant activity, if the risk is limited to a particular activity. The evaluating the probability of risk occurrence the following scale can be used:*

***The probability of occurrence is high*** *if it is certain or almost certain that the risk will occur, for example, once a year;*

***The probability of occurrence is medium*** *if it is possible that the risk will occur, for example, once during the project;*

***The probability of occurrence is low*** *if it is unlikely that a risk will occur, or it will only happen in emergencies.*

*The column* ***"Risk prevention/mitigation measures"*** *indicates the measures planned and performed during the implementation process that reduce the level of risk or reduce the likelihood of risk occurrence. When developing measures, it should be taken into account that measures must be realistic, economical (costs must be less than the potential losses), coordinated at all levels and they should comply with management and control measures (internal regulatory enactments) developed by the project applicant, ensuring the quality of project implementation.*

* *The classification of risks used in the methodology according to the groups indicated in the project application, as well as the scale of the proposed risk assessment, is informative and the project applicant may use the risk assessment scale used in the organization if it is more appropriate for the project application.*

***Information indicated in the Paragraph will be evaluated according to the unified selection criterion No.17.***

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| **2.5. The project's substantive connection with other submitted/implemented/currently being implemented projects:**  |
| No. | Project title | Project number | Project summary, main activities | Description of complementarity/demarcation | Project total costs*(euro)* | Source and type of funding (state/municipal budget, EU funds, other) | Project implementation time (mm/yyyy) |
| Project launch | Project completion |
| 1. |  |  |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |  |  |

*The project applicant shall provide information on related projects, if any (indicating information available at the moment of filling in the project application), indicating information on other specific support objective projects, financial instruments and support programs for the planning period 2014-2020, which are seen as* ***complementarity/demarcation****, incl. also on other EU projects implemented by the applicant during the planning period 2004-2006 and 2007-2013.*

*Indicate information regarding* ***complementarity/demarcation*** *with:*

1. *Measures of specific support objectives during the planning period 2014-2020, e.g.:*
2. *1.2.1.1. specific support objective "Support for the development of new products and technologies within competence centres";*
3. *1.1.1.1. specific support objective "Practical research";*
4. *3.3.1. specific support objective "To increase the volume of private investment in the regions by investing in business development in accordance with the area's economic specialization specified in local government development programs and based on the needs of local entrepreneurs";*
5. *4.1.1. specific support objective "To promote the efficient use of energy resources, reduction of energy consumption and the transition to the processing of PPE in the industrial sector";*
6. *5.6.2. specific support objective "Territorial revitalization by regenerating brownfields in accordance with integrated development programs of local governments".*

*The project applicant provides information on the content of the project related to the projects implemented in the framework of the measure 3.1.1.5 "Support for investments in the construction and renovation of industrial facilities and infrastructure" of the specific support objective 3.1.1 "Creation and development of SMM, especially in the manufacturing industry and priority sectors of RIS3" (if applicable).*

*The column "Description of complementarity/demarcation, indicates how this project is related to another project, for example, the equipment produced within this project will be located in the premises created with the support of the specific support objective 3.3.1 or 5.6.2.*

1. *Projects of the European Union funds of the planning period 2004-2006 and 2007-2013, the implementation of which is continued within this project.*

*The column "Description of complementarity/demarcation" indicates which activities supported by this project are the continuation of the previous project. Provide information, whether project applicant or its related merchant with the support of the European Union or other foreign financial assistance instruments has developed at least one new product in the period of 2004-2006 or 2007-2013 that it intends to implement in the framework of this project,*

1. *Other projects and state support measures deemed to be complementary/demarcated by reasoning them, for example, in the form of tax rebates or, for example, guarantees issued by the "Development Finance Institution "Altum"".*

***Information indicated in the Paragraph will be evaluated according to the specific compliance criterion No.9 for project applications and the specific eligibility criteria No.3.4 and 7.***

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| **SECTION 3 - COMPLIANCE WITH THE HORIZONTAL PRINCIPLES** |

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| **3.3. Description of the compliance with the horizontal principle "Sustainable development" (<4000 characters>)** |
| 1. *Green procurement*

*Indicates whether the* ***principle of green procurement*** *(hereinafter - GP) is planned to be applied in the project procurements (procurement tender regulations, selection and evaluation criteria).* *The project application must indicate whether the procurement rules, selection and evaluation criteria will apply to GP. In order to obtain an additional point in application of the GP, the project application requires:** *to describe which categories of goods and services will be subject to environmental requirements,*
* *to indicate how many purchases, in which the GP principle will be applied, will be made.*

*The green procurement should be based on the already developed procurement technical specification - with includes criteria for the GP criteria and is attached to the project application.**An achievable value, such as the number of applied GPs, also needs to be planned for. If the project application receives additional points in the evaluation due to the application of the green procurement, the Beneficiary must provide information on the* ***GP score (EUR contribution)*** *in the final payment request.* *Note. If the evaluation includes additional points for the GP and if in the framework of the project the procurements do not include environmental requirements as specified in the project application, a financial correction may be applied.**Further information on the application of the GPP/GP is available in:* * *CM Regulations No. 533 of June 20, 2017 "Requirements for green public procurement and the procedure for its application" available at:* [*https://likumi.lv/ta/id/291867-prasibas-zalajam-publiskajam-iepirkumam-un-to-piemerosanas-kartiba*](https://likumi.lv/ta/id/291867-prasibas-zalajam-publiskajam-iepirkumam-un-to-piemerosanas-kartiba)*;*
* *Guidelines for the implementation of the Green public/Green procurement are available at the MEPRD site:* [*http://www.varam.gov.lv/lat/darbibas\_veidi/zalais\_publiskais\_iepirkums/?doc=22769*](http://www.varam.gov.lv/lat/darbibas_veidi/zalais_publiskais_iepirkums/?doc=22769)*;*
* *in the website of the Ministry of Environmental Protection and Regional Development:http://www.varam.gov.lv/lat/darbibas\_veidi/zalais\_publiskais\_iepirkums/;*

*In the website of the "Methodology for monitoring the implementation of the horizontal principle "Sustainable Development" involved in the implementation of the European Regional Fund, the European Social Fund and the Cohesion Fund of the planning period 2014-2020", developed by MEPRD:* [*http://www.varam.gov.lv/lat/fondi/kohez/2014\_2020/?doc=18633*](http://www.varam.gov.lv/lat/fondi/kohez/2014_2020/?doc=18633)1. *Eco-innovation - any kind of innovation (new technology, product, process or service) that can promote environmental protection or more efficient use of resources.*

*The item provides information on whether the project is implemented in the field of eco-innovation (if a technology or product is introduced for production that will ensure the efficient use of natural resources, a cleaner production process, reduction of the amount of raw materials and energy consumption, emissions and waste). This should be based on a reference to the point of the business plan, which provides information about the product and/or service, technology, or process. The point in the business plan must provide a reasoned, measurable, verifiable justification of the environmental problem that is being addressed.**Eco-innovations are taken into account both in the production process itself (for example, less waste in the production process) and in the life cycle of the product (for example, the product reduces waste as its production requires less energy, the production of alternative products). Or, for example, the product is lighter than other alternative products, so its transportation produces less CO2 emissions and, if delivered to a landfill, it produces less waste than other, alternative products.* *Section 3.4 of the project application specifies the relevant indicators to be achieved, for example, the investment made in eco-innovations.**See examples:* T*he section "Environment" of the European Commission's website, under the heading "Eco-innovation examples"* [*https://ec.europa.eu/environment/ecoap/about-eco-innovation\_en*](https://ec.europa.eu/environment/ecoap/about-eco-innovation_en)*Information on the indicators of the horizontal principle "Sustainable development" is available at the website of "Methodology for monitoring the implementation of the horizontal principle "Sustainable Development" involved in the implementation of the European Regional Fund, the European Social Fund and the Cohesion Fund of the planning period 2014-2020" developed by MEPRD:* [*http://www.varam.gov.lv/lat/fondi/kohez/2014\_2020/?doc=18633*](http://www.varam.gov.lv/lat/fondi/kohez/2014_2020/?doc=18633)***The information indicated will be evaluated according to the quality criteria for project applications of horizontal priorities No.9.1., No.9.2. and No.9.3.*** |

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| **3.4. The indicators to be reached when implementing the horizontal principle "Sustainable Development" planned for the project:** |
| **No.** | **Title of the indicator** | **Initial value** | **Achievable value** | **Unit** | **Notes** |
| *1.* | *Example:**Investments in eco-innovations* | *-* | *indicate the amount in euro* | *EUR* | *Data on the achieved value (in EUR) will be provided in the final payment request* |
| *2.* | *Example:**Green procurement*  |  | *1* | *EUR* | *Data on the achieved value (in EUR) will be provided in the final payment request* |
|  |  |  |  |  |  |

***The information indicated will be evaluated according to the quality criterion for project applications of horizontal priorities No.10.***

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| **SECTION 5 - PUBLICITY** |

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| **Informative and publicity activities of the project** |
| **Type of the activity** | **Description of the activity** | **Implementation period** | **Amount** |
| Informative poster | *For example, an informative poster at the object planned for in the project* | *During project implementation* | *1 informative poster* |
| Large-format informative stand | *Example:**a temporary information stand at the planned object* | *During project implementation/**installation within 3 months after completion*  | *1 temporary informative stand/**1 informative stand/* |
| Informative plate | *For example, an informative plate at the object planned for in the project* | *within 3 months after completion, i.e. after receiving the final payment* | *1 plate* |
| On-line information | *Example:**Indicate the website of the project applicant (if any), in which the current information about the project, its objectives and results will be published.* | *During project implementation* | *At least once every three months*  |
| Other (please, indicate) |  |  |  |

*In this part of the project application, the project applicant, in accordance with the requirements specified in regulatory enactments[[3]](#footnote-4), indicates the information and publicity measures and gives a description of the measures (i.e. what this measure includes, who will implement it, how often), indicates the implementation period (for example, the whole time of implementation of the project, specific quarters of the year) as well as the number of events.*

*If the total public funding (EU support, as well as other sources of financing - public funding) allocated to the project exceeds EUR 500.000 and equipment will be purchased in the framework of the project, then the following mandatory publicity measures should be envisaged:*

* *during the implementation of the project at the place of project implementation - installation of a temporary information stand (information is indicated in the column "Temporary informative stand");*
* *at least three years after completion of the project, implementation of the project by the SME, or five years after completion of the project (receipt of the final payment), in the case of a large merchant - maintenance of an informative stand or a plate in the place of the project implementation (information is indicated as "Large format informational stand" or "Informative plate").*

*If the total public funding (EU support, as well as other sources of financing - public funding) allocated to the project does not exceed EUR 500.000 and equipment will be purchased in the framework of the project, then the following mandatory publicity measures should be envisaged during the implementation of the project at the place of project implementation - installation of an informative poster (information is indicated in the column "Informative poster").*

*The column "Other" indicates information about the planned activities related to the project information, but does not constitute mandatory publicity measures.*

*Detailed requirements and recommendations for mandatory publicity requirements are explained in the "Publicity guidelines for the Beneficiaries of European Union Funds for the planning period 2014-2020" issued by the Ministry of Finance on December 30, 2016, available on the website* [*http://www.esfondi.lv/vadlinijas--skaidrojumi*](http://www.esfondi.lv/vadlinijas--skaidrojumi)*, section "Information and Publicity".*

***Information indicated in the Paragraph will be evaluated according to the unified selection criterion No.16.***

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| **SECTION 6 - MAINTENANCE OF PROJECT RESULTS AND PROVISION OF SUSTAINABILITY** |

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| **6.1. Describe how the results achieved during the project will be maintained after completing the project (<4000 characters>):** |
| * *Indicate how the project applicant will ensure the maintenance of the values created as a result of the implementation of the project in accordance with Paragraphs 33.3. and 33.4 of the CM Regulations, ensuring the production or service provision in the project implementation area after the project implementation, as well as providing information that after the project implementation investments are included in the section of long-term investments of financial statements.*
* *Indicates how the experimental technology generated by the project will be introduced to the market and patented (or when it obtains another level of protection of intellectual property rights).*
* *In accordance with Paragraph 52 of the CM Regulations, the Technology readiness level No. 8 (in accordance with the international standard ISO 16290:2013) provides for testing of experimental technology in a real-world manufacturing environment in the course of economic activity. If testing of the experimental technology in a real-world production environment requires more than two months in the course of an economic activity, the final report shall be submitted two months after commencement of the economic activity, and the tests are continued in the project's post-monitoring period. Consequently, it is necessary to clarify what tests are planned to be continued after the project end.*
* *Includes information on the maintenance of R&D workplaces created by the merchant throughout the project's post-monitoring period.*
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| **6.2 To describe how the sustainability of indicators achieved during the project will be maintained after completing the project****(<4000 characters>):** |
| * *Indicate how the project applicant will ensure the sustainability of the results achieved in accordance with Paragraph 5 of Article 14 of the Commission Regulation No. 651/2014 - after the completion of the investment, the investment remains in the beneficiary area for at least five years or at least three years in the case of SMEs.*
* *An explanation must be provided on the financial resources available to the project applicant in order to continue the economic activity in the test mode until there is complete assurance that the experimental technology meets the planned quality, productivity and other parameters on which the business plan is based.*
* *In accordance with Paragraph 30 of the CM Regulations, the business plan is formed on the basis of theoretical calculations and assumptions which have not been previously verified in the real production environment. Therefore, an explanation of which financial sources will ensure the sustainability of the indicators achieved in the project should be provided, in case significant deviations from the business plan occur in practice.*
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| **SECTION 7 - NATIONAL SUPPORT** |

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| 7.1. | Project implementation type: | *In this SAM measure, the project applicant receives state aid, but is not a state aid provider; indicate "****the beneficiary of the project receives state aid****".* |
| 7.2. | Support tool: | *In this SAM measure, the project applicant indicates "direct payment from the state or local government budget (subsidy or grant)", as state aid within the SAM measure is provided in the form of a grant.* |
| 7.3. | Support objective or a national support framework, according to which the project is implemented (mark one or more relevant values) |
| 7.3.1. | *Regional support - Investment support (Article 14 of the Commission Regulation 651/2014)* | *Indicate this support objective, since financing for covering the costs indicated in the CM Regulations is provided in accordance with Article 14 of the Commission Regulation No. 651/2014.* |
| 7.4. | The company does not correspond to the definition of a firm in difficulty (as defined in the Cabinet Regulations of the specific support objective or its measure) | *The project applicant indicates "The company does not correspond" if it does not correspond to the definition of a company in difficulty. 651/2014.**In this SSA measure. the project applicant does not qualify for funding if he meets the definition of a firm in difficulty.* |
| 7.5. | The project has not been started (according to the deadline specified in the Cabinet Regulations of the specific support objective or its measure) | *The project applicant can choose one of the following classifier values:** *"The project is started";*
* *"The project is not started".*

*In this SSA measure, it is allowed to start a project no earlier than the day when a project application is submitted to the co-operation institution.**The project must fulfil the conditions of incentive effect in accordance with Article 6 of the Commission Regulation No. 651/2014, namely that the activities envisaged in the project application are not started before submission of the project application to the co-operation authority.* |

***The indicated information will be evaluated according to the unified selection criterion No.1, the specific conformity evaluation criteria No. 6 and 7, as well as the quality assessment criterion No.5.***

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| **SECTION 8 - ACKNOWLEDGEMENT** |

I, the undersigned, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

*name, surname*

 Responsible official \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the

*Title of the project applicant*

 Project applicant \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

*Job title*

hereby confirm that at the moment of submitting the project application

1. the project applicant does not comply with any provisions for the exclusion of project applicants referred to in Section 23, Paragraph 1 of the Law on the Management of the European Union Structural Funds and the Cohesion Fund for the Planning Period 2014-2020;
2. the project applicant has sufficient and stable financial resources (not applicable to the state budget institutions);
3. the information provided in the project application and its annexes is true and the co-financing of the European Regional Development Fund requested by the project will be used in accordance with the project application;
4. there are no reasons why this project could not be implemented or its implementation could be delayed, and I confirm that the obligations stipulated in the project can be carried out in the regulatory enactments regarding the implementation of the specific objective of the European Regional Development Fund or the implementation of the measure within the time limits specified;

I am aware that the project may not be approved for co-financing from the European Regional Development Fund if the project application, including this section, is not fully and qualitatively completed, as well as if the funding of the European Regional Development Fund (for the current year/planning period) for the regulatory enactments regarding the implementation of the specific objective of the European Regional Development Fund or its measure have been used up at the moment of project approval.

I am aware that in the case of false information in the confirmation, administrative sanctions may be imposed against me and against the said legal entity - the project applicant.

I am aware that in case of increase in project costs, the project applicant will cover all costs that may arise as a result of cost fluctuations.

I certify that I am familiar with the specifics of the relevant European Regional Development Fund, the purpose of the objective or its measure and the requirements specified in the selection regulations.

I agree on the processing of data specified in the project application in the Cohesion Policy Funds Management Information System for the period of 2014-2020 and on the transfer of information to other national information systems.

I certify that the copies attached to the project application correspond to the original documents in my possession and copies and the electronic version of the project application corresponds to the original project application submitted.

I am aware that the project has to be implemented in accordance with the activities provided for in the project application and the results should be maintained in accordance with the project application.

*Signature\*:*

*Date:*

 *dd/mm/yyyy*

*\* In case the project application form is submitted to Cohesion Policy Funds Management Information System 2014-2020 or signed with an e-signature, the signature section is not to be filled in*

*The project application is signed by the responsible official of the project applicant, who has been granted with signature rights.*

*If the project application is signed by another person, the project application shall be accompanied by a signed authorization (power of attorney, order, etc.) of the project applicant, confirming the right of the person concerned to sign and submit a project application for receiving funding from the European Regional Development Fund.*

*The project applicant indicated in the certificate must coincide with the project applicant indicated on the title page of the project application.*

# **ANNEXES**

Annex 1

to the Project Application

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| --- |
| **Project implementation schedule** |

|  |  |  |
| --- | --- | --- |
| Project activity number[[4]](#footnote-5) |  | Project implementation schedule (in quarters)[[5]](#footnote-6) |
| Year 2017 | Year 2018 | Year 2019 | Year 2020 | Year 2021 | Year 2022 | Year 2023 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *...* |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *2.* |  |  |  | *X* | *X* | *X* | *X* | *X* | *X* | *X* | *X* | *X* | *X* | *X* |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *2.1* |  |  |  | *X* | *X* | *X* | *X* | *X* | *X* | *X* |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *...* |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

*In the time schedule for Project implementation (Annex 1) the time of implementation of the planned Project activities is indicated.*

***The maximum term of Project implementation in accordance with Paragraph 51 of the CM Regulations is not more than four years from the date of conclusion of the contract with the Liaison Authority, but not longer than until December 30, 2022.***

* *According to Paragraph 48 of the CM Regulations, the supported actions provided for in the project application may be initiated upon submission of a project application to the co-operation authority.*
* *According to Paragraph 49 of the CM Regulations, if the envisaged support actions are started after submission of the project application to the co-operation authority, they cannot be completed before the co-operation authority has made a decision regarding approval of the project application, approval with a condition or rejection of the application.*
* *In accordance with Paragraph 52 of the CM Regulations, the project has been achieved and the project is completed when the experimental technology is manufactured, delivered to Latvia, installed in the project site specified in the project application, is in working order and is used in the economic activity provided for in the project in accordance with the project application.*

*The column "Project activity number" indicates all activities and sub-activities of the project application from section 1.5 "Project activities and results to be achieved", marking "X" respectively indicates the implementation time after the conclusion of the agreement on project implementation. If operations are started before the conclusion of the project implementation agreement is concluded (i.e. after submission of the project application to the co-operation authority), then the specific activities are marked with "P".*

* *The information on the duration of the implementation of the activities indicated in the project timetable must correspond to the information specified in the project financing plan (Annex 2) for the annual breakdown of the project financing as well as the information on the duration of project implementation specified in section 2.3 "Duration of the project (in full months)" after the conclusion of the agreement.*

***Information indicated in the Annex 1 will be evaluated according to the unified selection criterion No.12.***

Annex 2

to the Project Application

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| **Funding plan** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Source of funding | Year 2017 | Year 2018 | Year 2019 | Year 2020 | Year 2021 | Year 2022 | Year 2023 | **Total** |
| Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount | % |
| ERDF funding |  |  |  |  |  |  |  |  |  |
| Private eligible costs |  |  |  |  |  |  |  |  |  |
| **Total eligible costs** |  |  |  |  |  |  |  |  |  |
| ***Total costs*** |  |  |  |  |  |  |  |  |  |

*The project "Financing Plan" (Annex 2) indicates the distribution of the planned costs by year and sources of financing within the project, ensuring the appropriate proportion of the funding distribution in each year of implementation, and taking into account the period of implementation of the activities specified in the "Project implementation schedule" (Annex 1) and the respective amount of funding required for the operation.*

* *The maximum term of Project implementation in accordance with Paragraph 51 of the CM Regulations is not more than four years from the date of conclusion of the contract with the Liaison Authority, but not longer than until December 30, 2022.*
* *According to Paragraph 9 of the CM Regulations,* ***the minimum eligible costs of the project are 500.000 EUR****, but the maximum eligible costs* ***cannot exceed 16.000.000 EUR.*** *Accordingly, the amounts indicated in the column "Total" may not exceed the limits of these maximum amounts in the corresponding columns.*
* *In accordance with Paragraph 10 of the CM Regulations, within the framework of the measure, for one project applicant's group of connected persons, the total ERDF financing does not exceed 4.000.000 EUR, and this financing is provided in the form of a grant.*
* *According to Paragraph 31 of the CM Regulations,* ***the ERDF funding is from 35% to 55%*** *depending on the total amount of eligible funding planned for the project applicant status, i.e. the percentage indicated in the column "Total" is 35% (for large enterprises), 45% (for medium-sized enterprises ), 55% (for small (micro) merchants).* ***For reduced demand intensity, additional points are awarded in accordance with the conditions of the quality assessment criterion No.6.***
* *According to Paragraph 32 of the CM Regulations, at least 25% of the total project eligible costs will be invested in the implementation of the project through the Beneficiary's own resources or external financing, which is not related to any commercial support.*

***In the funding plan:***

* *all eligible expenditures per year are planned arithmetically precisely (both horizontally and vertically within one year) with two digits after the decimal point, indicating the amount in euro.*
* *the project applicant fills in a table indicating the corresponding amounts in the "white" cells, the other table fields are filled in automatically, but the* ***project applicant is responsible for verifying the accuracy of the calculations made****;*
* *ensure that the total eligible costs of the project in the "Total" column correspond to the total eligible costs indicated in the "TOTAL" column of the "Summary of the Project Budget" (Annex 3);*
* *if there is no funding planned in a given column during the year, indicate "0.00".*

***The information indicated in Annex 2 will be evaluated according to the unified selection criteria for evaluation of project applications No.7, 8, 9, 10 and 12, as well as the quality assessment criterion No.6.***

Annex 3

to the Project Application

|  |
| --- |
| **Summary of the project budget** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Code** | **Title of the cost item\*** | **Amount** | **Unit**  | **Project activity No.** | **Eligible costs** | **TOTAL** | **Incl. VAT** |
| **EUR** | **%** |
| **6.** | **Costs of materials, equipment and devices** |  |  |  |  |  |  |  |
| **6.2** | **Costs of equipment and devices** |  |  |  |  |  |  |  |
| 1.2.6. | Experimental technology components or equipment (made according to the requirements defined by the project applicant)*(Articles 19, 20 and point 38.1 of the CM Regulations)**Indicates the cost of equipment necessary for the production, installation and testing of experimental technology in a real production environment while carrying out an economic activity.** *At least 20% of the cost of experimental technology is comprised of components or equipment for experimental technology produced by the applicant himself or produced according to its requirements.*
 |  |  |  |  |  |  |  |
| 6.2.2. | Experimental technology components or equipment (chosen from the ones already available on the market)*(Articles 16,19, 20 and point 38.1 of the CM Regulations)**Indicates the cost of equipment necessary for the production, installation and testing of experimental technology in a real production environment while carrying out an economic activity.** *No more than 80% of the cost of experimental technology constitute for components or equipment that the project applicant or external service provider or supplier will choose from those already on the market.*
 |  |  |  |  |  |  |  |
| **6.4.** | **Other costs** |  |  |  |  |  |  |  |
| 6.4.1. | Software costs*(Point 38.2.1 of the CM Regulations)**Indicate the cost of the software if a manufacturer's declaration is provided that the software directly provides the operation of the experimental technology provided for in the project.* |  |  |  |  |  |  |  |
| **8.** | **Patents, licenses, etc.***(Point 38.2.2 of the CM Regulations)**Indicate the costs of purchasing licenses and patents related to the creation of a new production site or business location or the expansion of an existing business, the diversification of production with new products or substantial changes in the production process.* |  |  |  |  |  |  |  |
|  | **TOTAL** |  |  |  |  |  |  |  |

\*Cost items are indicated according to eligible costs specified in the regulatory enactment regarding the implementation of the specific objective of the European Union fund

*The cost items in Annex 3 of the project application, "Summary of the Project Budget", are defined in accordance with the eligible cost items as specified in Paragraph 38 of the CM Regulations, in compliance with cost classification set out in Annex 1 of the Cabinet Regulations No. 748 of 16 December 2014, "Procedure for authorities managing the European Union Structural Funds and the Cohesion Fund to ensure the preparation of planning documents and the implementation of these funds in the planning period 2014-2020".*

*The project applicant, by completing Annex 3 "Summary of the Project Budget" of the project application, can create* ***sub-levels*** *for the defined items (it is possible to define three further sub-levels). For example, a project applicant may, if necessary, develop cost positions 8.1 and 8.2, to divide the defined cost position in more detail. The project applicant is not allowed to create new additional positions. For example, the project applicant can not add the cost item 6.3. If any of the costs can not be included in the already defined ones, please consult the Central Financial and Contract Agency according to the Selection Regulations. In addition, please note that amounts by position should be indicated in the lowest sub-level, i.e. can not be a situation where the amount is indicated on the top position, but not in the sub-position.*

*When planning a project budget, it should be noted that only those costs necessary for the implementation of the project and their necessity arising from the project activities indicated in section 1.5 of the project application (including the descriptions included in sections 1.2, 1.3, and 1.4) may be included in the project. The costs must ensure that the results are achieved (results planned in Section 1.5).*

*When planning eligible costs, it is necessary to take into account the cost positions specified in the CM Regulation, their constraints and the guidelines of the Managing Authority of 11 July 2017 "Guidelines for determining eligible and ineligible costs for the planning period 2014-2020". The guidelines are available on the website of the European Union funds at* [*www. esfondi.lv*](http://www.esfondi.lv/) *(*[*http://www.esfondi.lv/upload/00-vadlinijas/2-1--aptieciniabas-vadlinijas\_2014-2020.pdf*](http://www.esfondi.lv/upload/00-vadlinijas/2-1--attiecinamibas-vadlinijas_2014-2020.pdf)*).*

* *The column "Title of the cost item" includes the costs that correspond to the positions specified in Paragraph 38 of the CM Regulations, taking into account the non-eligible costs specified in Clause 41 of the CM Regulations.*
* *Ineligible costs are the costs of investments that are not technologically and financially justified for the implementation of the project.*
* *In accordance with Paragraph 15 of the CM Regulations, components or equipment of the experimental technology must be* ***produced*** *by the project applicant or according to the requirements defined by the project applicant at the amount of* ***at least 20%*** *of the costs of the experimental technology.*
* *According to Article 16 of the CM Regulations,* ***no more than 80%*** *of the cost of experimental technology must constitute for components or equipment that the project applicant or external service provider or supplier will choose from* ***those already on the market.***
* *If the project applicant intends to attract an outsource provider or supplier for the project implementation, then, in accordance with the provisions of Paragraph 19 of the CM Regulations, in Annex 2 of the project application, it is necessary to separately indicate which components or equipment of the experimental technology will be manufactured according to the requirements defined by the project applicant.*
* *If the project applicant produces or completes and sets up the experimental technology by himself, then, in accordance with the provisions of Paragraph 20 of the CM Regulations, in Annex 2 of the project application, it is necessary to separately indicate whether the components or equipment of the experimental technology will be manufactured by the project applicant himself or according to the requirements defined by the project applicant.*

*The column "Quantity" indicates, for example, the number of machines, the number of contracts. The information given in the columns "Quantity" and "Unit" should not be contradictory to the planned performance results indicated in section 1.5 "Project activities and results to be achieved" of the project application.*

*The column "Unit" specifies the name of the unit.*

*The column "Project Activity No." refers to the Project activity to which these costs apply. If the costs are attributable to several Project activities - indicate all of them. The project activity number must coincide with the number of the project activity (or sub-operation - if applicable) indicated in section 1.5 "Project activities and achievements" of the project application. t should be noted that the activities must comply with the provisions of Paragraph 26 of the CM Regulations.*

*The column "Eligible costs" indicates the respective costs in Euros with two decimal places. If costs in the respective cost position or column are not planned for in the Project, indicate "0.00".*

*In the column "Total" "EUR" indicate the amount of eligible costs, while the percentage is calculated from the total Project costs.*

*Information in the column "incl. VAT” is indicated if the project applicant cannot recover it in accordance with the regulatory enactments and such costs are included in the project's eligible costs.*

***The information indicated in Annex 3 will be evaluated according to the unified selection criteria for evaluation of project applications No.7, 8, 11 and 12, as well as the unified selection criterion No.2 and the specific compliance assessment criterion No.9.***

1. The CM Regulations No.423 of July 24, 2017 "[Amendments to the Regulations of the Cabinet of Ministers No. 293 of May 10, 2016, "Regulation for the implementation of activity 1.2.1.4 “Support in introduction of new products into production” of specific objective 1.2.1 “To increase investments of private sector in R&D” of the operational programme “Growth and Employment””](https://likumi.lv/ta/id/292470-grozijumi-ministru-kabineta-2016-gada-10-maija-noteikumos-nr-293-darbibas-programmas-izaugsme-un-nodarbinatiba-1-2-1-specifiska) entered into force on July 28, 2017. [↑](#footnote-ref-2)
2. *COMMISSION REGULATION (EU) No 651/2014 of 17 June declaring certain categories of aid compatible with the internal market, by applying Articles 107 and 108 of the Agreement* [↑](#footnote-ref-3)
3. Regulation (EU) of the European Parliament and of the Council No 1303/2007 of 17 December 2013 laying down common provisions on the European Regional Development Fund, the ESF, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and the general rules on the European Regional Development Fund, the ESF, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (Article 115 and Annex XII), Cabinet Regulations No. 87 of February 17, 2015 "The Procedure for the provision of compliance with communication and identity requirements within the implementation of the European Union Structural Funds and the Cohesion Fund during the planning period 2014-2020" and the publicity guidelines of the EU funds for the planning period 2014-2020 of 30 December 2016 for Beneficiaries of European Union funds [↑](#footnote-ref-4)
4. The project activity number must correspond to the project activity number indicated in section "1.5. Project activities and results to be achieved" of the project application. [↑](#footnote-ref-5)
5. If according to the Cabinet Regulations regarding the implementation of the specific support objective, the actions supported by the project have been performed before the approval of the project application, they should be marked with "P"; after the project application has been approved, the planned activities should be marked with "X". [↑](#footnote-ref-6)