Annex 4

To the Project application selection regulations

**Project application evaluation criteria**

|  |  |
| --- | --- |
| Title of the activity program | Growth and employment |
| Number and title of the priority direction | 1. Research, technology development and innovations |
| Number and title of the specific support aim | 1.2.1. To increase investments of private sector in research and development (R&D) |
| Title of the measure | **1.2.1.4.** Support for the introduction of new products into production |
| Project implementation type | Open project application selection |
| Responsible authority | Ministry of Economics |
| Project application selection regulations | **Project application selection round No.2** |

**Uniform criteria**

| **Criterion** | **Impact of the criterion on making the decision**  **(R[[1]](#footnote-2);A[[2]](#footnote-3))** |
| --- | --- |
| 1. The project applicant complies with the requirements for the project applicant set out in Cabinet Regulations **No. 293**[[3]](#footnote-4)[[4]](#footnote-5). | R |
| 1. The project application form is completed in computer readable form. | R |
| 1. The project applicant has sufficient administrative, implementation and financial capacity to implement the project. | A |
| 1. The project applicant has no tax arrears[[5]](#footnote-6) in the Republic of Latvia, including debts of state social insurance contributions in the amount of more than 150 *euro*. | A |
| 1. The original of the project application has the legal force of the document: | A |
| 5.1. It is designed in accordance with the requirements of the regulatory enactments regulating the circulation of electronic documents (applicable if the project application is submitted in the form of an electronic document), i.e. the project application has been signed with a secure electronic signature in accordance with the regulatory enactments regarding the drawing up of electronic documents, accompanied by an authorization (if necessary); |  |
| 5.2. It is drawn up in accordance with the regulatory enactments that determine the requirements for the preparation and presentation of documents (applies if the project application is submitted in paper form), i.e. the project applicant's signature has been signed by the project applicant or its authorized person, the project application is accompanied by an appropriate authorization. |  |
| 1. The project application form is fully completed in accordance with the requirements set out in the Cabinet Regulations No. 784 of 16 December 2014 "The Procedure for the Preparation of Planning Documents and the Implementation of Funds by involved institutions under the guidance of European Union Structural Funds and the Cohesion Fund for the 2014-2020 Planning Period", the project application is accompanied by all the documents set out in the Cabinet Regulations **No. 293** and the project application selection regulations. | A |
| 1. Financial data of the project application are indicated in *euro*. | A |
| 1. The financial calculation of the project application is arithmetically accurate and complies with the requirements of the project application form. | A |
| 1. The amount of EU funds provided for in the project application complies with the amount of the EU funding allocated to the project according with the Cabinet Regulations **No. 293**. | A |
| 1. The intensity of the support provided by the EU Fund in the project application does not exceed the maximum support intensity of the EU fund set out in the Cabinet Regulations **No.293**. | A |
| 1. The total costs included in the project application (total project eligible costs, ineligible costs (if applicable) and total project costs), planned support activities and cost items are in line with Cabinet Regulations No. 293, they do not exceed the amounts of defined cost positions, and:   11.1. are related to the project implementation,  11.2. are necessary for the implementation of the project (for the implementation of the activities, for the needs of the target group, and for the solution of the defined problem indicated in the project),  11.3. ensures achievement of the objective and indicators set out in the project. | A |
| 1. The deadline for project implementation corresponds to the project implementation period specified in Cabinet Regulations **No. 293**. | A |
| 1. The project purpose is in line with the objective set out in the Cabinet Regulations **No. 293**. | A |
| 1. Expected results and monitoring indicators planned in the project application are precisely defined, justified and measurable, and contribute to the achievement of the indicators specified in Cabinet Regulations **No. 293**. | A |
| 1. Project activities planned for in the project application:   15.1. complies with Cabinet Regulations **No. 293** and provides for a link with the relevant supported activities  15.2. are precisely defined and justified, and solve problems defined in the project. | A |
| 1. The publicity measures and information dissemination activities planned for in the project application are in line with the communication and visual identity requirements set out in the Cabinet Regulations No. 87 of February 17, 2015 "The procedure for implementation of communication and visual identity requirements during the implementation of the European Union Structural Funds and the Cohesion Fund for the planning period of 2014-2020". | A |
| 1. The project application identifies, describes and evaluates project risks, evaluates their impact and probability of occurrence, as well as defines certain risk mitigation measures. | A |

**UNIFORM SELECTION CRITERIA**

| **Criterion** | **Impact of the criterion on making the decision (A[[6]](#footnote-7); N/A)** |
| --- | --- |
| 1. The project applicant is not a merchant in difficulty, nor does it qualify as a merchant in difficulty according to the Cabinet Regulations **No. 293**. | R |
| 1. Validity, utility and efficiency of project cost and financial calculations (all conditions must be fulfilled): |  |
| 2.1. planned costs are necessary for the implementation of the project (implementation of the activities specified in the project, solution of the defined problem, achievement of the objectives and indicators of the measure); | **A** |
| 2.2. the eligible costs ensure the achievement of the objective and the measurable indicators of the project; | **A** |
| 2.3. planned costs are economically justified in the business plan attached to the project application; | **A** |
| 2.4. The financial calculation of the project is economically justified, i.e. it justifies the assumptions of financial calculations. | **A** |

**SPECIFIC CRITERIA OF CONFORMITY**

| **Criterion** | **Impact of the criterion on making the decision (R; A; N/A)** |
| --- | --- |
| 1. The project applicant has submitted a certificate signed by the project applicant stating that:    1. during the last two years prior to applying for support, it has not carried out a transfer of the economic activities of the project area to a place of business in the European Economic Area where the initial investment, for which assistance is requested, was made and undertakes not to do so two years after the initial investment, for which the support was requested, has been completed;    2. the support received will not be used to use domestic goods instead of imported goods. | A |
| 1. The sector, in which the project will be implemented, is not an unsupported sectoral activity specified in the annex to the Cabinet Regulations No.293. | R |
| 1. The project applicant, together with the project application, has submitted to the liaison body a letter of guarantee issued by a credit institution registered in the European Union or the European Economic Area with a four-per-cent request for payment of the requested public funding, which guarantees the payment in the cases specified in Cabinet Regulations **No. 283**. | R |
| 1. The project complies with the state support requirements contained in Cabinet Regulations **No. 293** (this criterion assesses the relevance of State aid intensity, the relevance of the R & D activity category, and the compliance with accumulation rates). | A |
| 1. The project complies with the State aid requirements contained in the Cabinet Regulations **No. 293** (this criterion assesses the sector's compliance with State aid rules and the compliance of activities with State aid regulations). | R |
| 1. The project application confirms that during the project implementation or during the project monitoring period, the project applicant will create at least one new product and implement it into production. | **A** |
| 1. The investments provided for in the project application correspond to level 8 of technological readiness. | A |
| 1. At least 20% of the eligible costs of the project application are based on research and development (R & D) works. | A |
| 1. The project is planned to be implemented in the areas of RIS3 or in other areas determined by the results of RIS3 monitoring | R |

**QUALITY CRITERIA**

| **Criterion** | | **Evaluation**  **system - scale of points** |
| --- | --- | --- |
| **With the achievement of RIS3 indicators, incl. their reliability and related criteria** | | |
| **1.** | **Project contribution to the achievement of RIS3 indicator "Increase in productivity" - the average monthly work income of the project applicant before project submission[[7]](#footnote-8):** | *At least 1 point must be received* |
|  | 1.1. The average monthly income of the project applicant's employees exceeds 150% of the average level of labour income in the country, | **10** |
|  | 1.2.The average monthly income of the project applicant's employees is 100 to 150% of the average level of labour income in the country, | **8** |
|  | 1.3. The average monthly income of the project applicant's employees is 70 to 100% (excl.) of the average level of labour income in the country, | **5** |
|  | 1.4. The average monthly income of the project applicant's employees is 50 to 70% (excl.) of the average level of labour income in the country, | **1** |
|  | 1.5. The average monthly income of the project applicant's employees are less than 50% of the average level of labour income in the country. | **0** |
| **2.** | **Project contribution to the achievement of RIS3 indicator "Proportion of high and medium-high technology sectors in the export of Latvian goods" (project implementation sector):** | *At least 3 points must be received* |
|  | 2.1. The project is implemented in the high or medium-high technology sector or in the information and communication technology sector indicated by RIS3:  Manufacture of pharmaceutical products, computers, electronics, optical equipment, aircraft and equipment, manufacture of chemicals, electrical equipment, machinery and machines, cars, other vehicles (except vessels, boats) and production of medical instruments, telecommunications (ICT development only in RIS3 areas), computer programming (ICT development only in RIS3 areas) (NACE Rev. 2, 20, 21, 26, 27, 28, 29, 30 (except 30.1), 32.5, 61, 62), | **10** |
|  | 2.2. The project is implemented in another manufacturing industry (NACE Rev. 2, Section C "Manufacturing", except for the sectors mentioned in the 2.1.criteria and excluding the unsupported sectors specified in Cabinet Regulations **No. 293**) or in the health sector (NACE Rev. 2 86- 88), | **3** |
|  | 2.3. The project is implemented in an industry not mentioned in criteria 2.1 or 2.2. | **0** |
| **3.** | **Project contribution to achieving the RIS3 indicator "Investment in R&D":** |  |
|  | **3.1. Planned investment in R&D:** | *At least 5 points must be received* |
|  | 3.1.1. The project application confirms that after project implementation, the **R&D** works will increase by at least 0.72 percentage points of the annual turnover of the merchant, which on the average throughout the whole project monitoring period is directly related to the implementation of the project (resulting from the projects created as a result of the project), | **15** |
|  | 3.1.2. The project application confirms that after project implementation, the **R&D** works will increase by at least 0.36-0.719 percentage points of the annual turnover of the merchant, which on the average throughout the whole project monitoring period is directly related to the implementation of the project (resulting from the projects created as a result of the project), | **5** |
|  | 3.1.3. The project does not comply with any of the regulations set out in 3.1.1 and 3.1.2. | **0** |
|  | **3.2. Experience in performing R&D works:** | *At least 1 point must be received* |
|  | 1.2.3. The project applicant has confirmed that the applicant itself or its related merchant has performed R&D work in one of the last three years before the project submission in the amount of more than 0.54% of the turnover of the respective year and this information is approved by a sworn auditor, | **5** |
|  | 3.2.2. The project applicant has confirmed that the applicant itself or its related merchant has performed R&D work in one of the last three years before the project submission in the amount of more than 0.13-0.54% of the merchant's turnover of the respective year and this information is approved by a sworn auditor, | **3** |
|  | 3.2.3. The project applicant has confirmed that the applicant itself or its related merchant has performed R&D work in one of the last three years before the project submission in the amount of less than 0.13% of the merchant's turnover of the respective year and this information is approved by a sworn auditor. | **1** |
|  | 3.4.2. The project does not comply with any of the regulations set out in 3.2.1, 3.2.2 or 3.2.3. | **0** |
|  | **3.3. R&D workplaces created by the merchant:** | *At least 1 point must be received* |
|  | 3.1.3. The project application confirms that the company will create more than 5 new full-time R&D workplaces with the average salary of the sector at the moment of project submission which will be maintained throughout the project monitoring period, | **5** |
|  | 3.2.3. The project application confirms that the company will create 2-5 new full-time R&D workplaces which will be maintained throughout the project monitoring period, | **3** |
|  | 3.3.3. The project application confirms that the company will create 1 new full-time R&D workplace which will be maintained throughout the project monitoring period, | **1** |
|  | 3.4.3. The project application does not suggest the creation of any new R&D workplaces. | **0** |
|  | **3.4. Experience in the development of new products:** | *The criterion is non-exclusive* |
|  | 3.4.1. The 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, | **5** |
|  | 3.4.2. The project applicant has confirmed that the applicant itself or its related merchant 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** |
|  | 3.4.3. The project does not comply with the regulations set out in 3.1.4 and 3.1.2. | **0** |
| **Criteria related to project sustainability** | | |
| **4.** | **Level of project readiness:** | *At least* ***3 points*** *must be received* |
|  | 4.1. The project has a high level of readiness to get started (all of the following must be fulfilled):   * + - a loan agreement has been concluded with a credit institution registered in the European Union or the European Economic Area regarding the attraction of the financing necessary for the implementation of the project and all the conditions set by the credit institution for obtaining a loan (with the exception of the condition for approval of the CFCA) have been fulfilled or the project applicant has sufficient own resources and no loan is required for the project implementation;     - **the project applicant has the right to the intellectual property necessary for the implementation of the project;**     - **if the project applicant himself manufactures or assembles the experimental technology, a technical design of the experimental equipment (drawings) is prepared.** | **5** |
|  | 4.2. The project has an average level of readiness to get started: (all of the following must be fulfilled):   * + - the applicant has received a decision on the granting of credit for implementation of the project by a board, credit committee or other competent institution or official of a credit institution registered in the European Union or the European Economic Area;     - **the project applicant has indicated the intellectual property necessary for the implementation of the project but has not yet acquired the right to it;**     - **if the project applicant himself manufactures or assembles the experimental technology, a technical design of the experimental equipment (drawings) is partially prepared.** | **3** |
|  | 4.3. According to criteria 4.1 or 4.2, the project is not in an appropriate level of readiness to get started. | **0** |
| **5.** | **Experience of the project applicant:** | *At least 1 point must be received* |
|  | 5.1. The average turnover of the project applicant or the group of applicant's linked persons over the past 3 years is more than 3 times bigger than the project's eligible costs, | **5** |
|  | 5.2. The average turnover of the project applicant or the group of applicant's linked persons over the past 3 years is more than 2,1-3 times bigger than the project's eligible costs, | **3** |
|  | 5.3. The average turnover of the project applicant or the group of applicant's linked persons over the past 3 years is as least as big, but no more than 2 times bigger than the project's eligible costs, | **1** |
|  | 5.4. The average turnover of the project applicant or the group of applicant's linked persons over the past 3 years is smaller than the project's eligible costs. | **0** |
| **6.** | **Intensity of the requested funding:**  By decreasing intensity by:  - 1 percentage point, 1 point is received;  - 2 percentage points, 2 points are received;  - 3 percentage points, 3 points are received;  - 4 percentage points, 4 points are received;  - 5 percentage points, 5 points are received;  - 6 percentage points, 6 points are received;  - 7 percentage points, 7 points are received;  - 8 percentage points, 8 points are received;  - 9 percentage points, 9 points are received;  If the requested funding intensity is reduced by at least 10 percentage points, the criterion receives the maximum assessment.  When calculating the intensity reduction of the funding requested, the maximum funding intensity is taken into account, taking into account the maximum funding intensity for the same eligible costs in case of accumulation of support that is available for the particular project. | *The criterion is non-exclusive*  **10** |
| **7.** | **Own resources of the project applicant for project implementation:** | ***The criterion is non-exclusive*** |
|  | **7.1. Equity of the project applicant or its group of linked persons is not less than 35% of the project's eligible costs;** | **25** |
|  | **7.2. Equity of the project applicant or its group of linked persons is 30% to 34.99 % of the project's eligible costs;** | **20** |
|  | **7.3. Equity of the project applicant or its group of linked persons is 25 % to 29.99 % of the project's eligible costs;** | **15** |
|  | **7.4. Equity of the project applicant or its group of linked persons is 24.99% of the project's eligible costs or less.** | **0** |
| **Complementarity and development of territories outside of Riga** | | |
| **8.** | **Complementarity:** | *The criterion is non-exclusive* |
|  | 8.1. The project applicant has foreseen the complementarity of the project with other state support measures, | **4** |
|  | 8.2. The project applicant has not foreseen the complementarity of the project with other state support measures. | **0** |
| **9.** | **Project implementation place:** | *The criterion is non-exclusive* |
|  | **9.1. The project is implemented outside of the Riga region;** | **15** |
|  | **9.2.** The project is implemented in the **Riga region**, outside of Riga; | **5** |
|  | **9.3.** The project is implemented in Riga city. | **0** |
| **QUALITY CRITERIA OF HORIZONTAL PRIORITIES** | | |
| **10.** | **Sustainable development** |  |
|  | **10.1. Implementation of the project will contribute to the reduction of environmental pollution or the preservation of the existing situation; actions to prevent or reduce the negative impact on the environment have been determined:** | *The criterion is non-exclusive* |
|  | 10.1.1. As a results of the project activities, the reduction of environmental pollution or the preservation of the existing situation will be contributed; actions to prevent or reduce the negative impact on the environment have been determined, | **2** |
|  | Implementation of the project won't contribute to the reduction of environmental pollution or the preservation of the existing situation; actions to prevent or reduce the negative impact on the environment have not been determined. | **0** |
|  | **10.2. Eco-innovations:** | *The criterion is non-exclusive* |
|  | 10.2.1. the project is being implemented in the field of eco-innovations, | **2** |
|  | 10.2.2. the project is not being implemented in the field of eco-innovations. | **0** |
|  | **10.3. Procurement in compliance with green procurement principles:** | *The criterion is non-exclusive* |
|  | 10.3.1. No less than one purchase will be made in compliance with the green procurement principles for a sum of not less than 50% of the total eligible costs of the project, | **2** |
|  | 10.3.2. The project does not comply with the regulation set out in 10.3.1. | **0** |
| **TOTAL (maximum number of points) - 120**  **Minimum number of points in the excluding criteria - 15**  **In the case of evaluation below 15 points, the project application is rejected** | | |

1. In case of criterion non-compliance, the liaison body shall take a decision regarding the rejection of the project application. [↑](#footnote-ref-2)
2. In case of criterion non-compliance, the liaison body shall take a decision regarding the approval of the project application, subject to the conditions specified in the project selection rules of the specific support objective. [↑](#footnote-ref-3)
3. **Cabinet Regulations No. 293 of 10 May 2016 "Regulations on the implementation of the measure 1.2.1.4 "Support for the introduction of new products into production" (hereinafter referred to as the Cabinet Regulations No. 293) 1.2.1. Specific support objective "To increase investment of the private in R & D" Operational Program "Growth and Employment".** [↑](#footnote-ref-4)
4. Within the framework of the criterion, the compliance of the project applicant with the specified range of beneficiaries is checked. [↑](#footnote-ref-5)
5. It is evaluated according to SRS data on day 7 or 25 of the next month after the deadline for submission of project applications [↑](#footnote-ref-6)
6. In case of criterion non-compliance, the responsible body shall take a decision regarding the approval of the project application, subject to the conditions specified in the project selection rules of the specific support objective [↑](#footnote-ref-7)
7. Salary is also a part of productivity (added value), therefore this criterion correlates with the achievement of the RIS3 target "Productivity growth" [↑](#footnote-ref-8)