

**Application:**

Application round opens on 20.05.2020

**Target group:**

Processing industry companies

**Information days**

Information days for companies interested in the assistance take place as web seminars:

- [03.06.2020 from 13 to 14 \(in Estonian\)](#)
- [03.06.2020 from 15 to 16 \(in Russian\)](#)

**Total budget**

€6,200,000 €

**Purpose**

Accelerate economy, employment and entrepreneurship in Ida-Virumaa through investments.

**Results**

Increase in the number of jobs in the processing industry sector in Ida-Virumaa that has a salary level higher than average.

**Conditions**

- Below is the description of the main conditions for granting the aid. The list is not exclusive and therefore we recommend reading the [Regulation](#) and [Explanatory Memorandum](#) of the aid.
- An applicant may be a company entered into the Estonian Commercial Register by the date of submission of the application (except a government invested company).
- The principal or ancillary activity and the project for which the aid is requested must be in the processing industry sector, EMTAK code C (except sub-sectors of tobacco manufacturing listed in subdivisions C12).
- The location of the investment must be Ida-Virumaa.
- The aid is granted to investments of industrial companies into main assets and network subscriptions as a result of which additional jobs with higher than average salary are created in Ida-Viru County in the processing industry sector.
- The right of ownership of the tangible and intangible fixed assets is transferred to the applicant during the project eligibility period.
- Renting of equipment or machinery is allowed during the project eligibility period in the form of capital lease without residual value.
- The created jobs must be maintained for at least five years after the end of the project.
- The project eligibility period commences on the date when the application is submitted to the final beneficiary and or on a date up to six months later indicated on the application. The latest date of the project eligibility period may be 31.08.2023.
- The aid is granted to an applicant once, considering aid granted on the basis of the Regulation No 37 'Conditions for granting aids in support of industrial investments in Ida-Virumaa' by the Minister of Public Administration dated 5 October 2018 as granting aid.

- An applicant must have a registered immovable to which equipment is supplied or buildings or structures are erected for which the right of ownership or use is applied for and such right of ownership or use is valid for at least five years after the end of the project eligibility period.
- The shareholders of the applicant who are legal entities and whose summarised holding exceeds five percent of the share or stock capital, except publicly quoted enterprises, must be registered either in Estonia, on a territory that is not considered a low tax rate territory within the meaning on the Income Tax Act, in an European Union member state or in a country that has a valid association agreement with the European Union.
- The applicant's tax or payment debt with interest must not exceed 100 euros and it must be postponed. In case of postponement of tax arrears, the taxes must be paid according to the schedule.
- The granted aid is regional assistance foreseen for investments. Aid granted to companies operating in the field of metal production and aid granted for subscription to networks are considered *de minimis aid*. NB! We recommend reading the [state aid conditions](#). If a company operates in the field of metal production or requests the aid for subscription to networks, we recommend checking the remaining amount of the *de minimis* aid first.

## Amount of aid:

- The minimum sum of the aid is 90,000 euros and the maximum amount of the aid is 990,000 euros.
- The limit for the aid for companies operating in the field of metal production (C24) is 200,000 euros (the *de minimis* aid granted to the company together with the aid applied for must not exceed the total of 200,000 euros during the current financial year and two previous financial years).
- The aid is granted in the sum of up to 30,000 euros for creating one job with the salary level that exceeds the average in the processing industry sector or job with the salary level higher than the average of the processing industry area of activity related to the project (equal to full time job) in Ida-Viru county no later than one year after the end of the project. I.e. considering the minimum sum of aid for the project, which is 90,000 euros, the project must result in at least three new jobs in Ida-Virumaa. A precondition for the maximum sum is creating at least 33 jobs that meet the salary requirements.
- The maximum rate of the aid is 25% of the eligible costs of the project for large-scale companies, 35% for medium-size companies and 45% for small companies.

## Supported activities

- Aid is granted to initial investments and for subscription to networks. An initial investment is an investment into tangible and/or intangible assets within the meaning of Article 2(49a) of the [Block Exemption Regulation](#) in relation to:
  - setting up of a new establishment;
  - extension of the capacity of an existing establishment;
  - diversification of the output of an establishment into products not previously produced in the establishment;
  - fundamental change in the overall production process of an existing establishment.
- The following costs are eligible:
  - cost of acquisition of tangible fixed assets needed in the manufacturing process (including erecting buildings and structures), except cost of acquisition of a registered immovable;
  - cost of setting up and configuring the acquired tangible fixed assets;

- cost of transportation of the acquired assets and insurance cost needed for transporting the assets;
- cost of acquisition, development and implementation of intangible fixed assets that are related to the production process or product data analysis, if the intangible fixed assets are included in the fixed assets of the applicant and it will remain connected to the project for which aid is granted, it is used only in the company that receives the aid, it is considered as depreciated asset and it is acquired under market conditions and from a third person not connected to the buyer;
- cost of subscription to networks (connecting a new installation to power, water and sewerage, gas, distance heating, distance cooling or communication network at a supply point or amendment of the subscription conditions), provided that the subscription is an essential part of the investment for commencing or extending production activities.

The value added tax is not an eligible cost.

The aid is not granted to rolling investments of insignificant impact the aim of which is, for example, sanitary repairs of a production facility or modernisation of equipment.

Activities related to the project must not be started or obligations cannot be taken before the submission of the application (for example approval of an order, approval of an offer, conclusion of a contract or agreement, making of advance payment, using of service, signing an instrument of delivery and receipt etc.).

## Application

Applications may be submitted from **20 May 2020**. Acceptance of applications will be suspended if the remaining budget of the application round equals to the volume of processed applications.

### Stage 1

Before applying for the aid, **the applicant must go through preliminary counselling State Shared Services Centre.**

During the preliminary counselling, the final beneficiary will be assessing the compliance of the planned project with the aims of granting the aid and will be assisting the applicant in preparing the application and documents submitted with the application.

- The materials submitted during the course of preliminary counselling must contain the following information:
  - short description of the company and its strategic aim;
  - description of the project, including the applicant's competition and risk analysis, important economic indicators of the applicant and their prognoses;
  - expected result of the project, including the planned number of jobs, salary level of the established jobs and impact of the project on the increase of the additional value of the company;
  - project budget by sources of financing, including cover sources for self-financing;
  - schedule for carrying out the project;
  - individual responsible for the project.
- This information may be submitted on the [project plan form](#) by email to: [siret.soonsein@rtk.ee](mailto:siret.soonsein@rtk.ee). After the receipt of the documents, an appointment for preliminary counselling is agreed on with the applicant.
- NB! The preliminary counselling is a precondition for the application for the support.

## Stage 2

The application may be submitted by an entrepreneur who has passed the preliminary counselling. Applications may be submitted through the [E-support environment](#).

The final beneficiary will suspend acceptance of the applications if the remaining budget of the application round equals to the volume of processed applications for which a decision to approve or reject has not yet been made.

### Documents required for applying for the aid

- Sample application form
- Documents verifying the right of ownership or use of the registered immovable (the documents must verify the right of ownership or use of the object to which value is added during the project eligibility period and during at least five years after the end of the project eligibility period)
- Letter of authorisation if a person representing the company operates on the basis of a letter of authorisation
- In case of construction, construction project corresponding to the preliminary building design
- Balance and income statement of the current financial year of the applicant as of the quarter before the submission of the application
- Copy of the applicant's last annual report (in case of an applicant with auditing obligation, together with the auditor's decision), if the report is not available in the Commercial Register
- Documents used as the basis for preliminary counselling (company's business plan, completed project plan form etc.)
- Price quotations, price lists, budgets with initial tasks related to the project activities or other documents that are the basis for the planned costs (dating back maximum six months)
- [Filled in Annex 1](#) (forecast for the important economic indicators of the company and information on shareholders who are legal entities)
- [Filled in Annex 2](#) (recruitment plan)
- [Scheme of concern members](#) (Not required if the applicant does not belong to a concern or belonging to a concern is identifiable on the basis of the data from the Commercial Register, i.e. control is achieved through majority holding)
- [Declaration of used equipment](#) – upon purchasing used equipment, declaration of used equipment must be submitted either during the course of submitting the application or with the payment application.

## Contact

- Siret Soonsein
  - Telephone: 663 1466
  - [siret.soonsein@rtk.ee](mailto:siret.soonsein@rtk.ee)
- Marina Bulatskaya (information in Russian)
  - Telephone: 663 1903
  - [marina.bulatskaya@rtk.ee](mailto:marina.bulatskaya@rtk.ee)

## Assessment

The applications are assessed by the assessment committee based on the [assessment methodology](#), considering the following conditions:

- Project impact on the achievement of the expected results of the measure (share 50%).
- Ability of the applicant to carry out the project (share 30%).

- Justification and cost-efficiency of the project activities (share 20%).

## **Reporting**

The project applicant must submit the interim and final reports of the project through the E-supports portal according to the procedure established in the decision to approve the application, but not less than once a year.

The follow-up reports are submitted as of one year, three years and five years after the end of the project.

Payment applications are submitted according to the frequency indicated in the decision together with the interim and final report through the E-supports portal.

## **Informing**

The Ida-Virumaa industrial investments aid is co-financed from the European Regional Development Fund. During the period 2014–2020, the logo must be placed in a visible location on all projects financed from the structural assistance. The aid recipient is obliged to notify the public of receiving the structural assistance.

Performance of the informing requirements is checked by the State Shared Services Centre during the course of processing payment applications and reporting.

- Guidelines for logo usage are available [HERE](#).
- [Logo files](#)
- Posters can be created by using the [poster generator](#)
  - It is important to select the correct logo – European Regional Development Fund.