

**minister of economy and innovation of the republic of lithuania**

**order**

**on the approval of description no 2 of THE** **DESCRIPTION NO 2 OF THE CONDITIONS OF FUNDING OF SMARTINVEST LT+ PROJECTS UNDER MEASURE NO 01.2.1-LVPA-K-823 OF PRIORITY AXIS 1 ‘STRENGTHENING RESEARCH AND DEVELOPMENT AND INNOVATION’ OF THE OPERATIONAL PROGRAMME FOR THE EUROPEAN UNION INVESTMENT IN 2014–2020**

22 September 2021 No 4-1006

Vilnius

In implementation of subparagraph 6.2.7 of the Rules on the Distribution of Responsibilities and Functions among Institutions in Implementation of the Operational Programme for the European Union Structural Funds’ Investments in 2014–2020 and Preparation for Implementation of the Operational Programme for the European Union Funds’ Investments in 2021–2027 approved by Resolution No 528 of the Government of the Republic of Lithuania of 4 June 2014 ‘On the Distribution of Responsibilities and Functions among Institutions in Implementation of the Operational Programme for the European Union Structural Funds’ Investments in 2014–2020 and Preparation for Implementation of the Operational Programme for the European Union Funds’ Investments in 20212027’:

I do hereby approve the Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020 attached hereto (attached hereto).

Minister of Economy and Innovation Aušrinė Armonaitė

Drawn up by

Chief specialist of

the European Union Investment Planning Division of

the European Union Investment Coordination Department of

the Ministry of Economy and Innovation

Agnė Petrauskaitė

APPROVED BY

22 September 2021 Order No 4-1006 of the Minister of Economy and Innovation of the Republic of Lithuania

**description no 2 of THE DESCRIPTION NO 2 OF THE CONDITIONS OF FUNDING OF SMARTINVEST LT+ PROJECTS UNDER MEASURE NO 01.2.1-LVPA-K-823 OF PRIORITY AXIS 1 ‘STRENGTHENING RESEARCH AND DEVELOPMENT AND INNOVATION’ OF THE OPERATIONAL PROGRAMME FOR THE EUROPEAN UNION INVESTMENT IN 2014–2020**

**CHAPTER I**

**GENERAL PROVISIONS**

1. The Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020 (hereinafter referred to as the ‘Description’) shall set forth the requirements which must be followed by Applicants when drawing up and submitting Applications for financing the Projects co-funded from the Structural Funds of the European Union (hereinafter referred to as the ‘Application’) according to the activities funded under Measure No 01.2.1-LVPA-K-823 SmartInvest LT+ (hereinafter referred to as the ‘Measure’) of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020 approved by Commission Decision on 8 September 2014 approving certain elements of the Operational Programme for the European Union Funds’ Investment in 2014–2020 for support from the European Regional Development Fund, the Cohesion Fund, the European Social Fund and specific allocation for the Youth Employment Initiative under the investment for growth and job goals in Lithuania (the European Commission notified of the aforementioned decision by document No C(2014)6397) as last amended by the European Commission Implementing Decision of 12 April 2021 (the European Commission notified of the aforementioned decision by document No C(2021 2603)), promoters of the Projects co-funded from the Structural Funds of the European Union (hereinafter referred to as the ‘Projects’) when implementing the Projects funded according to the Description and institutions carrying out the Application assessment and selection and monitoring of the Project implementation.

2. The Description has been drawn up having regard to the following:

2.1. Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty as last amended by Commission Regulation (EU) No 2021/1237 of 23 July 2021;

2.2. Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de *minimis* aid as last amended by Commission Regulation (EU) No 2020/972 of 2 July 2020;

2.3. The Plan for the Implementation of the Implementing Measures of the Priority Axis under the Operational Programme for the European Union Structural Funds’ Investments in 2014–2020 approved by Order No 4-933 of the Minister of Economy and Innovation of the Republic of Lithuania of 19 December 2014 ‘On the Approval of the Plan for the Implementation of the Implementing Measures of the Priority Axis under the Operational Programme for the European Union Funds’ Investments in 2014–2020 and the Description of Calculation of the National Indicators’ (hereinafter referred to as the ‘Plan for the Implementation of Measures’);

2.4. The Project Administration and Funding Rules approved by Order No 1K-316 of the Minister of Finance of the Republic of Lithuania on 8 October 2014 ‘On the Approval of the Project Administration and Funding Rules’ (hereinafter referred to as the ‘Project Rules’);

2.5. The Strategic Action Plan for the Areas of Management by the Minister of Economy and Innovation of the Republic of Lithuania in 2021–2023 approved by Order No 4-217 of Minister of Economy and Innovation of the Republic of Lithuania of 23 March 2021 ‘On the Approval of the Strategic Action Plan for the Areas of Management by the Minister of Economy and Innovation of the Republic of Lithuania in 2021–2023’ (hereinafter referred to as the ‘Strategic Action Plan for 2021–2023’);

2.6. The Description of Calculation of the National Monitoring Indicators of the Operational Programme for the European Union Funds’ Investments for 2014–2020 approved by Order No 1K-499 of the Minister of Finance of the Republic of Lithuania of 30 December 2014 ‘On the Approval of the Description of Calculation of the National Monitoring Indicators of the Operational Programme for the European Union Funds’ Investments for 2014–2020’ (hereinafter referred to as the ‘Description of Calculation of the National Monitoring Indicators of the Operational Programme’);

2.7. The Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union approved by Minutes No 34 of the Steering Committee for the Operational Programme for Human Resources Development, the Steering Committee for the Economic Development Operational Programme, the Steering Committee for the Cohesion Promotion Operational Programme and the Steering Committee of the Operational Programme for the European Union Funds’ Investments for 2014–2020 of 4 July 2014 and published on the website of the Structural Funds of the European Union at www.esinvesticijos.lt (hereinafter referred to as the ‘Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union’).

3. For the purposes of the Description, the following terms shall apply:

3.1. **Large Enterprise** shall mean a legal person that does not comply with the definition of a micro, small and medium-sized enterprise within the meaning of the Republic of Lithuania Law on Small and Medium-sized Business Development.

3.2. **Experimental Development** shall have the same meaning as experimental development defined in Article 2(86) of Regulation No 651/2014.

3.3. **Life Science Sector** shall mean pharmacy, biotechnologies (for medicine, pharmacy and research in the field of healthcare), pre-clinical and clinical testing, health informatics and bioinformatics, and medicine engineering.

3.4. **Enterprise Group** shall have the same meaning as defined in the Republic of Lithuania Law on Consolidated Financial Reporting of Enterprise Groups.

3.5. **Decisive Influence** shall have the same meaning as defined in the Republic of Lithuania Law on Competition.

3.6. **Higher Education and Research Institution** shall mean a legal person the main activity of which is the carrying out of studies and activities related to studies, and/or research and/or experimental development (hereinafter referred to as ‘R&D’).

3.7. **Research** shall have the same meaning as industrial research defined in Article 2(85) of Regulation No 651/2014.

3.8. **Research and/or Experimental Development and Innovation Infrastructure** (hereinafter referred to as the ‘RD&I Infrastructure’) shall mean the infrastructure necessary for research and/or experimental development including the facilities meeting the requirements of good manufacturing practice as defined in the guidelines on good manufacturing practice of the respective field (provided that such guidelines are publicly available, e.g. on the Internet) and the requirements of good laboratory practice (provided that these requirements are publicly available, e.g. on the Internet) that are necessary for the implementation of the aforementioned activities. If no standing goods manufacturing or laboratory practices exist, the specific nature of the infrastructure of the Project, e.g. high hygiene, vibration or similar requirements for facilities are usually typical of high-technology enterprises, might be taken into consideration.

3.9. **Initial Investment** shall have the same meaning as defined in Article 2(49) (a) of Regulation 651/2014.

3.10. **Independent Enterprise** shall have the same meaning as defined in the Law on Small and Medium-Sized Enterprise Development.

3.11. **Undertaking in Difficulty** shall have the same meaning as defined in Article 2(18) of Regulation 651/2014.

3.12. **Foreign Investor** shall mean a foreign legal entity and/or natural person that invests their own or borrowed assets or assets held and used on a fiduciary basis in accordance with the procedure established by the legislation of the Republic of Lithuania governing investment.

3.13. **State Aid Beneficiary** shall mean an economic entity which has been granted state aid.

3.14. **Effective Collaboration** shall have the same meaning as defined in Article 2(90) of Regulation 651/2014.

4. Other terms used herein shall be defined in the legal acts and documents referred to in paragraph 2 of this Description, the Law on Small and Medium-Sized Business Development, the Rules on the Distribution of Responsibilities and Functions among Institutions in Implementation of the Operational Programme for the European Union Structural Funds’ Investments in 2014–2020 and Preparation for Implementation of the Operational Programme for the European Union Funds’ Investments in 2021–2027 approved by Resolution No 528 of the Government of the Republic of Lithuania of 4 June 2014 ‘On the Distribution of Responsibilities and Functions among Institutions in Implementation of the Operational Programme for the European Union Structural Funds’ Investments in 2014–2020 and Preparation for Implementation of the Operational Programme for the European Union Funds’ Investments in 2021–2027’.

5. The implementation of the Measure shall be administered by the Ministry of Economy and Innovation of the Republic of Lithuania (hereinafter referred to as the ‘Ministry’) and the Public Institution Lithuanian Business Support Agency (hereinafter referred to as the ‘Implementing Authority’).

6. The form of finance provided under the Measure shall be a non-repayable grant*.*

7. The Project selection under the Measure shall be carried out by means of one-stage Project tendering.

8. According to the Description, the estimated amount to be allocated for implementation of the Projects from the EU Structural Funds (Structural Funds of the European Union) shall be up to EUR 20,000,000 (twenty million euro) which may be paid in excess of the funds provided for in the annex to the Operational Programme for the European Union Funds’ Investments in 2014–2020 approved by Resolution No 1326 of the Government of the Republic of Lithuania of 26 November 2014 ‘On the Approval of the Annex to the Operational Programme for the European Union Funds’ Investments in 2014–2020 Operational Programme for the European Union Funds’ Investments in 2014–2020’ (hereinafter referred to as the ‘Resolution No 1326’) in accordance with the table laid down in paragraph 9 of Resolution No 1326. If, following a call for Applications, the amount requested to be financed under the positively evaluated and under evaluation Applications is higher than the amount allocated for the call for Applications, the Implementing Authority shall be entitled to submit a proposal for an increase of the amount of financing indicated in the call for Applications to the Ministry. Subject to the Ministry’s approval, the amount of the funds to be allocated for the call for Applications may be increased within the limits of the total amount of the funds allocated for the Measure provided for in the Plan for the Implementation of Measures and without prejudice to the legitimate expectations of the Applicants.

9. The purpose of the Measure shall be to attract foreign investments into Research and/or Experimental Development and Innovations (hereinafter referred to as ‘RD&I’) in the Republic of Lithuania under the RD&I priority areas provided for in the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities approved by Resolution No 411 of the Government of the Republic of Lithuania on 30 April 2014 ‘On the Approval of Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities’ (hereinafter referred to as the ‘Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities’).

10. The following activities shall be financed hereunder:

10.1. foreign direct investment in R&D activities;

10.2. foreign direct investment developing the RD&I Infrastructure of a new enterprise or expanding the RD&I Infrastructure of the existing enterprise.

11. An Applicant shall be entitled to choose to implement only the activities referred to in subparagraph 10.1 herein or both activities referred to in paragraphs 10 hereof.

12. Publication of the call for Applications for eligible activities hereunder shall be planned in Q3 2021.

13. The financing to be allocated hereunder shall be state aid which shall comply with:

13.1. in case of carrying out of the activities provided for in subparagraph 10.1 hereof, all provisions of Chapter I of Regulation (EU) No 651/2014, Article 25 of Regulation (EU) 651/2014 and, in any costs of patenting the products being developed are expected in implementation of the Project, the provisions of Regulation (EU) No 1407/2013;

13.2. in case of carrying out of the activities provided for in paragraph 10.2 hereof, all conditions provided for in Chapter I of Regulation (EU) No 651/2014 and the provisions of Articles 13 and 14 of Regulation (EU) No 651/2014.

14. The state aid granted hereunder shall be deemed as having an incentive effect if it complies with the provisions of Article 6(2) of Regulation (EU) No 651/2014.

**CHAPTER II**

**REQUIREMENTS FOR APPLICANTS AND PARTNERS**

15. According to the Description, potential Applicants shall be private legal entities incorporated (acquired) by a Foreign Investor (Natural Person or Legal Person) in the Republic of Lithuania which is under decisive influence of the said Foreign Investor (Natural Person or Legal) or a Foreign Investor (Enterprise) or a branch of the Foreign Investor (Enterprise) incorporated in the Republic of Lithuania.

16. The partners for the purpose of the activities provided for in subparagraph 10.1 hereof may be private legal entities and/or Higher Education and Research Institutions. Partners for the activities provided for in subparagraph 10.2 hereof shall not be allowed.

17. The Applicant (Project Promoter) and the partner(s), if the Project is implemented with a partner(s), shall be Independent Enterprises in respect of each other if justification of Effective Collaboration is sought as provided for in paragraph 58 hereof.

18. Financing may be allocated to Applicants and partners, if the Project is implemented with a partner(s), in all areas except for the cases provided for in Article 3(3) of Regulation (EU) No 1301/2013 of the European Parliament and Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 including all amendments and taking into account the restrictions stipulated in Articles 1(2)–1(5), Articles 4 and 13, Article 14 (16) of Regulation (EU) No 651/2014 and the cases set forth in Article 1(1) of Regulation (EU) No 1407/2013 (where the activities provided for in subparagraph 10.1 hereof is carried out and costs of patenting the products being developed are incurred). According to the Description, financing shall not be allocated to the Applicant (partner(s)), if the Project is implemented with a partner(s), classified in the category ‘Undertaking in Difficulty’. Furthermore, no financing shall be allocated if the Applicant (partner), if the Project is implemented with a partner(s), has failed to repay the previously granted state aid which had been acknowledged as illegal and incompatible with internal market by the Decision of the European Commission.

19. According to the Description, no funding shall be allocated to the Applicant (a partner(s) if the Project is implemented with a partner(s)) if international sanctions are imposed on it and/or if any entities on which international sanctions are imposed are engaged in the activities, actions, transactions carried out by it and/or enterprises related to it, where carrying out of the activities, actions and/or transactions of such enterprises is prohibited by or in conflict with the international sanctions implemented in the Republic of Lithuania in accordance with Article 9 of the Republic of Lithuania Law on the Implementation of Economic and Other International Sanctions or any foreigners included in the public list of foreigners banned from entering the Republic of Lithuania published on the website of the Migration Department under the Ministry of the Interior of the Republic of Lithuania [www.migracija.lt](http://www.migracija.lt) are involved in the activities, actions or transactions.

20. Where an Application is submitted together with a partner(s), a copy of the valid joint activity (partnership) agreement or a letter of intent for cooperation shall be attached to the Application. The join activity (partnership) agreement shall be signed by the Applicant and all partners of the Project. If the Application is submitted together with a letter of intent for cooperation, a copy of the signed and valid joint venture (partnership) agreement must be submitted prior to signing the agreement on the Project co-financed from the Structural Funds of the European Union (hereinafter referred to as the ‘Project agreement’).

21. The joint activity (partnership) agreement shall explicitly state the rights and obligations of the parties in respect of the Project (i.e. the financial and operational contribution of each party to the Project, the activities to be carried out by each party, the rights to jointly developed or acquired assets, the deliverables of the Project etc.) and liability of the parties and their commitments to adhere to the rules of good partnership practice:

21.1. all partners must have read the Application and familiarised themselves with the rights and obligations assumed in implementation of the Project;

21.2. in the course of implementation of the Project the Project Promoter shall regularly consult the partners and inform the partners about the progress of implementation of the Project on a regular basis;

21.3. the Project Promoter shall be obliged to forward copies of all reports submitted to the Implementing Authority to all partners;

21.4. all amendments to the Project affecting the rights and obligations of the partner(s) shall be first coordinated with the partner(s) before addressing the Implementing Authority.

22. The Applicant and/or a partner(s), if the Project is implemented with a partner(s), and the enterprises related to the Applicant and/or a partner(s), if the Project is implemented with a partner(s) must have provided their approved sets of annual financial statements for the last three financial years to the Register of Legal Entities in accordance with the procedure established in the legislation. The aforementioned requirement shall not be applicable to foreign legal persons and legal persons of the Republic of Lithuania in the form of the electronic set of annual financial statements of which is approved by the State Enterprise Centre of Registers; in such case, the approved sets of annual financial statements for the last three financial years shall be provided alongside with the Application.

**CHAPTER III**

**REQUIREMENTS FOR THE PROJECTS**

23. The Project must meet the general requirements for the Projects provided for in Section 10 of Chapter III of the Project Rules.

24. The Project must satisfy the following specific Project selection criteria approved by 9 July 2015 Resolution No 44P-6.1 (8) of the Monitoring Committee of the Operational Programme for the European Union Funds’ Investment in 2014–2020, 24 March 2016 Resolution No 44P-13-1(15) and 30 June 2021 Protocol Resolution No 44P-3(64):

24.1. The Project meets the provisions of the Strategic Action Plan for the Areas of Management by the Minister of Economy and Innovation of the Republic of Lithuania in 2021–2023 approved by Order No 4-217 of Minister of Economy and Innovation of the Republic of Lithuania of 23 March 2021 On the Approval of the Strategic Action Plan for the Areas of Management by the Minister of Economy and Innovation of the Republic of Lithuania in 2021–2023 (hereinafter referred to as the ‘Strategic Action Plan for 2021–2023’). It shall be assessed whether the Projects shall contribute to the third objective ‘To attract direct foreign and local investments’ of the first goal ‘To increase the national competitiveness, business productivity and the comparative part of high added value’ of the Strategic Action Plan for 2021–2023. In pursuance of implementation of the first goal of the Strategic Action Plan for 2021–2023, two R&D activities must be carried out by the Project and, in pursuance of implementation of the third objective and in response to the economic needs, investments in the R&D activities must be direct foreign investments.

24.2. The Project meets the provisions of the Programme on the Implementation of Priority Areas of Research and Development and Innovations (Smart Specialisation) and Their Priorities and the topics of implementation of at least one priority. It shall be assessed whether the Project contributes to the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities, and concerns the topics in relation to the implementation of at least one priority area.

24.3. The annual income of the Applicant (including the Enterprise Group of the Applicant) during the last three financial years. It shall be assessed whether the annual income of the Applicant (including the Enterprise Group of the Applicant) is not lower than the requested amount of financing for at least one financial year during the last three financial years before submission of the Application. If the requested amount of financing is higher than EUR 1,000,000 (one million euro), that the annual income of the Applicant (including the income of the Enterprise Group of the Applicant) was higher than EUR 1,000,000 (one million euro) at least for one financial year during the last three financial years before submission of the Application. If the requested amount of financing is lower than EUR 1,000,000 (one million euro), whether the annual income of the Applicant (including the income of the Enterprise Group of the Applicant) was lower than EUR 1,000,000 (one million euro) at least for one financial year during the last three financial years before submission of the Application. The aforementioned criterion shall be applicable only at the time the Application is assessed).

25. The Project shall contribute to implementation of at least one objective stipulated in the European Union Strategy for the Baltic Sea Region approved by the European Commission Communication No COM(2012) 128 of 23 March 2012 (hereinafter referred to as the ‘EUSBSR’), published on the website of the European Commission at http://ec.europa.eu/regional\_policy/lt/policy/cooperation/macro-regional-strategies/baltic-sea/library/#1, in accordance with the policy area ‘Innovation’ under the Action Plan of the EUSBSR approved by the European Commission Decision No SWD(2015)177 final of 10 September 2015 published on the website of the European Commission at http://ec.europa.eu/regional\_policy/lt/policy/cooperation/macro-regional-strategies/baltic-sea/library/#1.

26. The Project selection shall be carried out in accordance with the priority Project selection criteria set out in Annex 2 to the Description. Points shall be awarded to the Projects for their conformity with the aforementioned priority Project selection criteria. The maximum possible number of points under each criterion shall be indicated in Annex 2 to the Description. According to the Description, the minimum mandatory number of points shall be 30. If several Projects receive the same number of points, they shall be ranked in accordance with the procedure prescribed in paragraph 151 of the Project Rules.

27. If fewer than 30 points are awarded to the Project during the evaluation of the benefit and quality of the Project, the Application shall be dismissed.

28. Large-scale Projects co-financed from the EU Structural Funds shall not be financed hereunder.

29. The Projects to be financed hereunder shall comply with Article 8 of the Republic of Lithuania Law on Investment. If, in assessing the Project, the Implementing Authority determines that the Project qualifies for the restrictions stipulated in paragraphs 2 and 3 of Article 8 of the Law on Investment, the Implementing Authority shall address competent authorities and if the latter determine that the Project does not meet the requirements stipulated in Article 8 of the Law on Investment, the Application shall be rejected.

30. The duration of the Project activities put forward hereunder shall not exceed:

30.1. Twelve months from the date of signature of the Project agreement if only the activities provided for in subparagraph 10.1 hereof are to be carried out;

30.2. Eighteen months from the date of signature of the Project agreement if the activities provided for in subparagraph 10.2 hereof are to be carried out under the Project.

31. In certain cases, the period of implementation of the Project activities stipulated in paragraph 30 hereof may be extended because of objective reasons which could not be foreseen by the Project Promoter at the time of submitting the Application and in the course of evaluation hereof under the procedure prescribed in the Project Rules in accordance with the principle of equal treatment in respect of the Project Promoters and without prejudice to the time limits set forth in subparagraphs 213.1 and 213.5 of the Project Rules. If the period of implementation of the Project activities must be extended for a longer period than provided for in paragraph 30 hereof, the amendment to the Project agreement shall be coordinated with the Ministry.

32. The Project may be launched not earlier than on the date of registration of the Application with the Implementing Authority; however, any Project expenditure incurred from the moment of the registration of the Application with the Implementing Authority to the moment of signature of the Project agreement shall be at the Applicant’s and partner(s)’ own risk if the Project is implemented with a partner(s). If implementation of the Project for which financing is sought is launched prior to registration of the Application with the Implementing Authority, the whole Project shall become ineligible and no financing shall be allocated thereto.

33. The Project activities shall be carried out in the Republic of Lithuania.

34. The Applicant shall in its Application specify the RD&I priority areas set out in the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities to which the Project shall be attributed and shall indicate the topics of implementation of the priority to which the Project is related. The final attribution or non-attribution of the Application to the specific priority area or the topics in relation to implementation thereof shall be determined by the Implementing Authority during the evaluation. In the event that the Implementing Authority determines that the Project shall be attributed to the priority area or topic of implementation other than the one indicated by the Applicant in its Application, the Applicant shall be offered the opportunity to clarify the information on the priority area or topics of implementation to which the Project shall be attributed as provided for in the Application on the basis of the evaluation performed by the Implementing Authority. In the event that the Applicant refuses to clarify the information, the Application shall be rejected.

35. The Project shall be aimed at achieving the following indicators of monitoring of the implementation of the Measure:

35.1. the product monitoring indicator: the number of enterprises receiving grants, code P.B. 202;

35.2. the product monitoring indicator: private investments complying with public support to innovations or R&D Projects, code P.B. 227;

35.3. the product monitoring indicator: the number of enterprises that have received investments for the purpose of developing new products within the enterprise, code 229;

35.4. the product monitoring indicator: the number of enterprises that have received investments for the purpose of creating long-term jobs, code P.N. 804;

35.5. the product monitoring indicator: the number of enterprises that have received investments for the purpose of developing products, services or process prototypes (concepts), code P.N. 814;

35.6. the result monitoring indicator: ratio of income earned by the enterprise which has received investment from the products developed and placed on the market to the allocated investment, code R.N. 810;

35.7. the result monitoring indicator: jobs for researchers created in enterprises that have received investments, code R.N. 811.

36. The indicators of monitoring of the implementation of the Measure provided for in subparagraphs 35.1, 35.2 and 35.3 shall be calculated in accordance with the Description of Calculation of the National Monitoring Indicators. The indicators of monitoring of the implementation of the Measure provided for in subparagraphs 35.4, 35.5, 35.6 and 35.7 hereof shall be calculated in accordance with the Description of Calculation of the National Monitoring Indicators approved by Order No 4-933 of the Minister of Economy and Innovation of the Republic of Lithuania of 19 December 2014 ‘On the Approval of the Plan for the Implementation of the Implementing Measures of the Priority Axis under the Operational Programme for the European Union Funds’ Investments in 2014–2020 and the Description of Calculation of the National Monitoring Indicators’. The descriptions of the calculation of all the indicators of monitoring of the implementation of the Measure provided for in paragraph 31 hereof shall be published on the website of the EU Structural Funds at website www.esinvesticijos.lt.

37. The maturity of the Project shall be subject to the following requirement: the Applicant shall also draw up its business plan for obtaining funding under the Project in accordance the recommended form of which and the requirements for the content of which shall be set out in the Description of the Requirements for the Content of the Business Plan for Access to Funding under Measures under Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020 Administered by the Ministry of Economy and Innovation of the Republic of Lithuania published on the website of the Ministry https://eimin.lrv.lt/lt/veiklos-sritys/es-fondu-investicijos/2014-2020-m-programavimo-laikotarpis/smartinvest-lt-1 (hereinafter referred to as the ‘business plan’) and submit it together with the Application to the Implementing Authority before submission of the Application and the respective annexes ‘Financial Plan’, 1A, 1B to the business plan, shall be chosen. The annexes 1A, 1B to the business plan shall be chosen according to the activities provided for in paragraph 10 of the Description to be carried out. If the business plan and annexes thereto are provided in a form other than the recommended form, it shall contain all information indicated in the recommended form (together with the annexes). If the drawn up and completed documents referred to in this paragraph and other annexes set out in paragraph 83 of the Description (if applicable), except for the annexes provided for in subparagraphs 83.2, 83.10, 83.12 and 83.13, are not provided alongside the Application, the Implementing Authority shall dismiss the Application and shall not request additional information and/or documents as provided for in subparagraph 88.1 hereof.

38. No restrictions which would have an adverse effect on implementation of the principles of gender equality and non-discrimination based on gender, race, nationality, language, origin, social standing, faith, beliefs and views, age, disability, sexual orientation, ethnicity or religion can be established.

39. There shall be no Project actions which would adversely affect the implementation of the sustainable development principle.

40. The activities under the Project shall be launched no later than within two months from the date of signature of the Project agreement.

41. The Project and Project activities could not have been funded and cannot be funded from the State and/or municipal budgets of the Republic of Lithuania, other financial resources at the disposal of the State and/or municipalities, the EU Structural Funds or other measures of the EU financial assistance or other international aid if upon giving a grant of the EU Structural Funds, such measures would be recognised as eligible for funding and/or been paid more than once.

**CHAPTER IV**

**REQUIREMENTS FOR ELIGIBLE EXPENSES AND FINANCING OF THE PROJECT**

**SECTION ONE**

**GENERAL REQUIREMENTS**

42. The Project expenses shall meet with the requirements for the Project expenses set forth in Chapter VI of the Project Rules and the Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union.

43. The maximum amount of financing which may be allocated for the Project shall be as follows:

43.1. EUR 3 000 000 (three million euro) for the activity provided for in subparagraph 10.1 hereof;

43.2. EUR 4,500,000 (four million five hundred thousand euro) for the activities provided for in subparagraph 10.2 hereof.

44. The minimum amount which may be allocated for the Project shall be EUR 50,000 (fifty thousand euro).

45. Acquisition or leasing (financial lease) expenses and depreciation expenses of the same assets shall not be eligible, i.e. the same non-current assets shall be either acquired (including the possibility of leasing (financial lease)) as specified in Table 4 hereof by applying Article 14 of Regulation (EU) No 651/2014 or the depreciation expenses of the same non-current assets may be financed as provided for in Table 2 hereof by applying Article 25 of Regulation (EU) No 651/2014.

46. In addition to the requirements provided for in Chapter VI of the Project Rules, the Project expenses shall be subject to the provisions of Articles 13, 14 and 25 of Regulation (EU) No 651/2014 or Regulation (EU) No 1407/2013.

47. The Project budget shall be compiled in accordance with the Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union. The Project budget table laid down in the form of the Application shall be completed in accordance with the Instructions on Completing the Project Budget Form provided for in the Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union.

48. The Project expenses financed at a flat rate indicated in paragraph 7 of Table 2 hereof shall meet paragraph 35 of Chapter VI of the Project Rules.

49. The following expenses shall be regarded as ineligible expenses:

49.1. the expenses provided for in Section 34 of Chapter VI of the Project Rules;

49.2. the expenses not listed in Tables 2 and 4 hereof.

50. At the moment of evaluation of the Application, the Implementing Authority shall verify the right to the Applicant and the Project partner(s), if the Project is implemented with a partner(s), to receive state aid under Regulation (EU) No 651/2014 and if the Ministry adopts a Decision on funding of the Project, the Implementing Authority shall register the amount of the granted state aid in the Register of Granted State and *De Minimis* Aid, the regulations of which shall be approved by Resolution No 35 of the Government of the Republic of Lithuania of 19 January 2005 ‘On the Approval of the Regulations of the Register of Granted State and *De Minimis* Aid’ (hereinafter referred to as the ‘Register’) within five working days.

51. The Ministry shall provide information on the granted state aid exceeding the limits set forth in Article 9(1)(c) of Regulation (EU) No 651/2014 on the state aid transparency public search website of the European Commission <https://webgate.ec.europa.eu/competition/transparency/> not later than within six months from the date of granting the state aid in accordance with the information provided by the Implementing Authority.

52. The state aid, the eligible expenses of which can be determined or which may be subject to exemption under Regulation (EU) No 651/2014, may be cumulated with the following:

52.1. any other state aid provided that the measures are related to different categories of eligible expenses which may be identified;

52.2. any other state aid related to the same eligible expenses which may partially or fully coincide provided that the total amount does not exceed the allowed state aid intensity or the total amount of state aid under Regulation (EU) No 651/2014 is applicable to the same state aid.

53. State aid which is subject to exemption under Article 8(5) of Regulation (EU) No 651/2014 shall not be cumulated with any *de minimis* aid related to the same eligible expenses where such cumulation would result in exceeding the state aid intensity set forth in Resolution No 571 of the Government of the Republic of Lithuania of 25 June 2014 ‘On the Regional Aid Map of the Republic of Lithuania’ (where the state aid is granted on the basis of Article 14 of Regulation (EU) No 651/2014), Article 25 of Regulation (EU) No 651/2014 (where the state aid is granted in accordance with this Article).

54. *De minimis* aid shall not be cumulated with the state aid granted for the same eligible expenses if such cumulation of the aid would result in exceeding the highest state aid intensity set forth in Regulation (EU) No 651/2014 or the decision adopted by the European Commission or the amount of the aid separately set in each case.

55. Following the provisions of Article 3 of Regulation (EU) No 1407/2013, the total amount of *de minimis* aid granted to a single undertaking shall not exceed EUR 200,000 (two hundred thousand euro) over any period of three fiscal years. The total amount of *de minimis* aid granted to a single undertaking of road freight transport for hire or reward shall not exceed EUR 100 000 (one hundred thousand euro) over any period of three fiscal years. The aforementioned ceilings shall apply irrespective of the form of the *de minimis* aid or the objective pursued and regardless of whether the aid granted by the Member State is financed entirely or partly by resources of European Union origin. A single undertaking includes all enterprises as provided for in Article 2(2) of Regulation (EU) No 1407/2013. The Applicant and the partner(s), if the Project is implemented with a partner(s), shall be entitled to verify whether it is linked to other entities by using the questionnaire ‘Is the beneficiary linked to other entities?’ prepared by the Competition Council of the Republic of Lithuania and published on the website of the Competition Council of the Republic of Lithuania at https://kt.gov.lt/uploads/documents/files/veiklos-sritys/valstybes-pagalba/klausimynai/kaip\_KLAUSIMYNAS\_vienas\_ukio\_subjektas.pdf.

56. Where it is planned to carry out the activities provided for in subparagraph 10.1 hereof and incur expenses of patenting the products developed in implementation of the Project, the Implementing Authority shall verify the right of the Applicant and the partners of the Project, if the Project is implemented with a partner(s), to receive the total amount of *de minimis* aid granted to one enterprise during the evaluation. The Implementing Authority shall verify all related enterprises indicated in the submitted Single Undertaking Declaration according to the recommended form prepared by the Ministry and published on the websites http://www.esinvesticijos.lt/lt/dokumentai/vienos-imones-deklaracijos-pagal-komisijos-reglamenta-es-nr-1407-2013 and http://eimin.lrv.lt/lt/ and in the Register, and verify that the provided aid does not exceed the permitted amount of *de minimis* aid as provided for in Article 3 of Regulation (EU) No 1407/2013. If the Ministry decides to finance the Project, the Applicant and the partners, if the Project is implemented with a partner(s), shall be deemed to be granted *de minimis* aid and the Implementing Authority shall register the amount of the granted *de minimis* aid in the Register within five working days.

57. If the Project Promoter fails to reach the values of the indicators of monitoring of the implementation of the Measure, the provisions of paragraph 22 of Chapter IV of the Project Rules shall apply.

**SECTION TWO**

**WHERE STATE AID IS GRANTED TO THE ACTIVITY INDICATED IN SUBPARAGRAPH 10.1 HEREOF ACCORDING TO ARTICLE 25 OF REGULATION (EU) NO 651/2014 AND REGULATION (EU) NO 1407/2013**

58. The financing rate of the Project calculated from the eligible expenses allocated for the activities provided for in subparagraph 10.1 hereof shall be indicated in Table 1 hereof.

Table 1. Financing rate of the Project

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Seq. No* | *R&D activities* |  | *Possible increase of the base financing rate up to a maximum of 80 per cent of total eligible expenses* | | | *Possible maximum financing rate with regard to the status of the beneficiary of state aid* | | |
| *Base financing rate* | *Increase for Medium-Sized Enterprises* | *Increase for Small Enterprises and Micro Enterprises* | *Increase for Effective Collaboration if the conditions stipulated in Article 25(6)(b)(i) of Regulation (EU) No 651/2014 are met* | *Large Enterprise* | *Medium-Sized Enterprise* | *Micro Enterprise and Small Enterprise* |
| *1.* | *Research* | 50 per cent | 10 per cent | 20 per cent | 15 per cent | 65 per cent | 75 per cent | 80 per cent |
| *2.* | *Experimental Development* | 25 per cent | 10 per cent | 20 per cent | 15 per cent | 40 per cent | 50 per cent | 60 per cent |

59. The financing rate of the Project shall be individually determined for each State Aid Beneficiary (including partner(s)).

60. The portion of the eligible expenses of the Project not covered by the allocated financing shall be financed from the funds of the Project Promoter and/or its partner(s), if the Project is implemented with a partner(s).

61. The Applicant and/or the partner(s), if the Project is implemented with a partner(s), shall be entitled, at their own initiative and/or using other sources of funding, to contribute to implementation of the Project with an amount of funds which is higher than required.

62. If the Project is implemented jointly with a partner(s), the Applicant shall incur no less than 50 per cent of the eligible expenses of the activity indicated in subparagraph 10.1 hereof and, if it is subject to an increase of the financing rate of the Project when carrying out the activities provided for in subparagraph 10.1 hereof for Effective Collaboration as indicated in Table 1 hereof, the Project must meet the terms and conditions set forth in Article 25(6)(b)(i) of Regulation (EU) No 651/2014 and the Applicant must incur no more than:

62.1. 70 per cent of the eligible expenses allocated for the activity indicated in subparagraph 10.1 hereof if the partner or one of the partners is a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise;

62.2. 90 per cent of the eligible expenses allocated for the activity indicated in subparagraph 10.1 hereof if the partner or one of the partners is a Higher Education and Research Institution.

63. If the Project is implemented jointly with a partner(s) and it is subject to an increase of the financing rate of the Project for Effective Collaboration as provided for in Table 1 hereof, the partner shall incur no less than:

63.1. 10 per cent of the eligible expenses allocated for the activities specified in subparagraph 10.1 hereof if the partner is a Higher Education and Research Institution. If more than one Higher Education and Research Institution are acting as partners, they shall jointly incur no less than 10 per cent of the eligible expenses allocated for the activity indicated in subparagraph 10.1 hereof;

63.2. 30 per cent of the eligible expenses allocated for the activities specified in subparagraph 10.1 hereof if the partner is a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise. If more than one private legal entity are acting as partners (one of which must be a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise), they shall jointly incur no less than 30 per cent of the eligible expenses allocated for the activity indicated in subparagraph 10.1 hereof.

64. If the Project is implemented with a Higher Education and Research Institution as a partner, the latter’s contribution to the Project may also be in kind, e.g. voluntary work, which shall be calculated in accordance with the procedure prescribed in subparagraph 420.2 of the Project Rules at the flat rates of the Project expense unit (hereinafter referred to as the ‘flat rates’) according to the Summary of the Study on Determination of the Flat Pay Rates in Research Projects published on the website of the EU Structural Funds at https://www.esinvesticijos.lt/lt//dokumentai//darbo-uzmokescio-fiksuotieji-ikainiai-moksliniu-tyrimu-projektuose-deleguotojo-akto-xi-priedas (hereinafter referred to as the ‘Summary of the Study on Determination of the Flat Pay Rates in Research Projects’). Voluntary work shall not be paid for using the Project financing funds but shall be estimated and indicated in the Application for the purpose of evaluating the contribution of the Higher Education and Research Institution to implementation of the Project.

65. The expenses incurred by a partner(s) as a result of implementation of the Project and meeting the requirements set forth in paragraph 42 hereof and the terms and conditions stipulated in Table 2 hereof shall be eligible as expenses but such expenses shall be compensated by the Project Promoter. The financing allocated for implementation of the Project shall be received directly by the Project Promoter which shall settle accounts with its partner(s). The partner(s) shall not directly receive any financing. The financing intensity to a partner(s) shall be subject to monitoring and verification upon receipt of the payment claim. The Project Promoter shall be obliged to transfer the amount of financing allocated to the partners within five working days from the receipt of such amount. The Project Promoter shall not be entitled to use the financing allocated to the partner(s).

66. The categories of eligible or ineligible expenses hereunder are set out in Table 2 herein below.

Table 2. Categories of eligible and ineligible expenses

|  |  |  |
| --- | --- | --- |
| Expense category No | Title of the expense category | Requirements and clarifications |
| 1. | Land | Ineligible expenses |
| 2. | Immovable property | Ineligible expenses |
| 3. | Construction, reconstruction, repairs and other works | Ineligible expenses |
| 4. | Plant, fixtures and other assets | Eligible expenses shall be deemed to be expenses of acquisition of patented know-how and inventions or rights under a licence agreement from external sources under normal market conditions, i.e. where an acquisition is made from external sources at market prices on the basis of a transaction concluded by the parties provided that there are no related elements of a secret arrangement. The aforementioned expenses alongside the expenses provided for in subparagraphs 5.1 and 5.2 of Table 2 hereof shall not account for more than 50 per cent of the eligible expenses allocated for the activity indicated in paragraph 10.1 hereof.  Expenses of acquisition of software licences shall not be deemed be eligible expenses. |
| 5. | Project implementation | The following expenses shall be considered as eligible expenses:  5.1. expenses of acquisition of R&D services from external sources under normal market conditions, i.e. where an acquisition is made from external sources at market prices on the basis of a transaction concluded by the parties provided that there are no related elements of a secret arrangement;  5.2. expenses related to acquisition of consultation or equivalent services provided exclusively for the purposes of carrying out R&D activities and expenses in relation to acquisition of the services required for R&D activities, which are not R&D, and the goals of the Project could not be achieved without them. The aforementioned expenses are eligible where the services are purchased at the market prices on the basis of a transaction concluded by the parties provided that there are no related elements of a secret arrangement;  5.3. expenses of patenting the products to be developed in the course of implementation of the Project (the expenses shall be eligible expenses according to the provisions of Regulation (EU) No 1407/2013);  5.4. expenses related to other operating costs directly related to R&D activity including costs for materials, low-value inventory, stocks and similar products, which should be qualified as current assets;  5.5. expenses of depreciation or amortisation of assets (fixtures, equipment, tools, facilities, machinery and installations, buildings and/or premises) used for R&D activities provided that no public funds (including public funds of other countries) have been used for acquisition of such assets. The aforementioned expenses shall not account for more than 50 per cent of the eligible expenses allocated for the activity indicated in paragraph 10.1 hereof;  5.6. wages of the personnel implementing the Project and expenses for the employer’s obligations related to the employment relationship calculated in accordance with the procedure provided for in the legal acts regulating wages and employment relations. The expenses of wages of the personnel implementing the Project for annual leave and/or compensation for unused annual leave and payments for additional rest days to the executive staff shall be paid at the flat rates for annual leave and payments for additional rest days which shall be determined in accordance with the Study Report on Determination of the Flat Pay Rates for Annual Leave and Payments for Additional Rest Days published on the website of the EU Structural Funds at http://www.esinvesticijos.lt/lt/dokumentai/kasmetiniu-atostogu-ismoku-fiksuotuju-normu-nustatymo-tyrimo-ataskaita (in the case where a partner of the Project is a Higher Education and Research Institution, the flat rates shall be applied according to the Summary of the Study on Determination of the Flat Pay Rates in Research Projects);  5.7. expenses of postings of the personnel implementing the Project calculated in accordance with the procedure prescribed in the legal acts regulating the expenses of postings. The expenses of transport in the Republic of Lithuania necessary for carrying out the Project activities (postings of the personnel carrying out the Project activities) and travelling by land transport from the Republic of Lithuania to another country (and back) shall be paid at the flat rates for fuel and public transport which shall be set in accordance with the Study Report on Determination of the Flat Rates for Fuel and Public Transport published on the website of the EU Structural Funds at https://www.esinvesticijos.lt/lt//dokumentai//kuro-ir-viesojo-transporto-islaidu-fiksuotuju-ikainiu-nustatymo-tyrimo-ataskaita-fi-005-01;  5.8. the overheads directly related to implementation of the Project and proportionately (on a pro ratabasis) distributed by activity, i.e. equipment (except for the equipment purchased from the funds allocated from the EU Structural Funds or other EU financial instruments) rent expenses;  5.9. the overheads directly related to implementation of the Project and proportionately (on a pro ratabasis) distributed by activity, i.e. expenses of rent of the buildings or premises necessary for implementation of the Project.  The expenses referred to in subparagraphs 5.1 and 5.2 of Table 2 hereof together with the expenses referred to in paragraph 4 of Table 2 hereof shall not account for more than 50 per cent of the eligible expenses allocated for the activities provided for in subparagraph 10.1 hereof.  The expenses referred to in subparagraphs 5.8 and 5.9 of Table 2 hereof together with the expenses referred to in paragraph 7 of Table 2 hereof shall not account for more than 10 per cent of the eligible expenses allocated for the activities provided for in subparagraph 10.1 hereof. |
| 6. | Providing information about the Project | Ineligible expenses |
| 7. | Indirect expenses and other expenses at the flat rate of expenses of the Project | The amount of indirect expenses of the Project at the flat rate shall be calculated in accordance with Annex 10 to the Project Rules.  The expenses referred to in paragraph 7 of Table 2 hereof together with the expenses referred to in subparagraphs 5.8 and 5.9 of Table 2 hereof shall not make more than 10 per cent of the eligible expenses allocated for the activities provided for in subparagraph 10.1 hereof. |

67. If the Project is implemented jointly with a Higher Education and Research Institution, the indirect state aid via the Higher Education and Research Institution shall be deemed to be not transferred to other legal entities participating in the Project if one of the following conditions is met:

67.1. the results not covered by intellectual property rights may be made publicly available and all intellectual rights to R&D and innovation results related to the activity of the Higher Education and Research Institution participating in the Project are awarded only to the Higher Education and Research Institution, i.e. the Higher Education and Research Institution enjoys full economic benefit of those rights by retaining full disposal of them, notably the right of ownership and the right to licence; the aforementioned conditions may also be met if the Higher Education and Research Institution decides to continue concluding contracts on the aforementioned rights including giving licences to its partner; these conditions may also be fulfilled if the Higher Education and Research Institution decides to conclude further contracts concerning these rights including licensing them to the collaboration partner;

67.2. the Higher Education and Research Institution receives from the participating legal entity compensation equivalent to the market price for the intellectual property rights which result from the activity of the Higher Education and Research Institution carried out in the Project and which are transferred to the participating legal entities, i.e. compensation for the full economic benefit of those rights; in line with general state aid principles and given the inherent difficulty to establish objectively the market price for intellectual property rights, this condition shall be deemed to be fulfilled if the Higher Education and Research Institution as seller negotiates in order to obtain the maximum benefit at the moment when the contract is concluded. Any contribution of the participating legal entity to the costs of the Higher Education and Research Institution shall be deducted from such compensation.

68. There may also be no state aid where the assessment of the contractual agreement between the partners leads to the conclusion that any intellectual property rights to the R&D results, as well as access rights to the results, are allocated to the different partners of the collaboration and adequately reflect their respective interests, work packages, and financial and other contributions to the Project.

69. If none of the conditions mentioned in paragraph 67 hereof are fulfilled and having fulfilled the assessment of the Project according to paragraph 68 hereof, the Implementing Authority determines that the state aid has been granted, the full value of the contribution of the Higher Education and Research Institution to implementation of the Project (eligible expenses) shall be considered as state aid and the Implementing Authority shall decrease the financing rate by the amount thereof to the Applicant and/or partner depending on which of them has received the state aid (e.g. the enterprise implements a research Project with a partner(s), e.g. a university). The enterprise shall be subject to a 50 per cent financing rate. The enterprise’s eligible expenses shall amount to EUR 600,000 (six hundred thousand euro). If financing amounting to EUR 300 000 (three hundred thousand euro) is allocated to it in the course of implementation of the Project and it becomes evident that at least one of the conditions established in paragraph 67 hereof was not met, for example, the university transferred the intellectual property rights at the price lower than the market price (the market price shall be set in accordance with the procedure prescribed in the internal procedures of the Implementing Authority, i.e. the market price amounting to EUR 35,000 (thirty five thousand euro) and the university transferred the intellectual property rights for the compensation amounting to EUR 15,000 (fifteen thousand euro), the amount of financing granted to the enterprise according to this Description shall be decreased by the amount of EUR 20,000 (twenty thousand euro) (the granted financing cannot exceed EUR 280,000 (two hundred eighty thousand euro).

**SECTION THREE**

**WHERE STATE AID IS GRANTED TO THE ACTIVITY INDICATED IN SUBPARAGRAPH 10.2 HEREOF ACCORDING TO ARTICLE 14 OF REGULATION (EU) NO 651/2014**

70. The financing rate of the Project from the eligible expenses allocated for the activities provided for in subparagraph 10.2 hereof shall be indicated in Table 3 below.

Table 3. Financing rate of the Project

|  |  |  |
| --- | --- | --- |
| *Seq. No* | *Status of the Applicant* | *Maximum financing rate of the Project* |
| 1. | Large Enterprise | 25 per cent |
| 2. | Medium-Sized Enterprise | 35 per cent |
| 3. | Micro Enterprise or Small Enterprise | 45 per cent |

71. The portion of the eligible expenses of the Project not covered by the financing allocated for the Project shall be financed from the funds of the Project Promoter.

72. The Applicant shall be entitled, at its own initiative and/or using other sources of funding, to contribute to the implementation of the Project with an amount of funds that is higher than required.

73. The Applicant shall make a financial contribution which is at least 25 per cent of the eligible funds allocated for the activities provided for in subparagraph 10.2 hereof from its own resources or from external funds provided without any public support as provided for in Article 14(14) of Regulation (EU) No 651/2014.

74. The categories of eligible or ineligible expenses hereunder shall be set out in Table 4 herein below.

Table 4. Categories of eligible and ineligible expenses.

|  |  |  |
| --- | --- | --- |
| Expense category No | Title of the expense category | Requirements and clarifications |
| 1. | Land | Ineligible expenses |
| 2. | Immovable property | Ineligible expenses |
| 3. | Construction, reconstruction, repairs and other works | Ineligible expenses |
| 4. | Plant, fixtures and other assets | Acquisition or leasing (financial leasing) expenses of the non-current assets listed below (the period of leasing (financial lease) may not be longer than the period of implementation of the Project, i.e. tangible assets acquired by means of leasing (financial lease) shall become the property of the Project Promoter before the end of the implementation of the Project). The following expenses shall be considered as eligible expenses:  4.1. The furniture directly necessary for implementation of R&D activities and furnishing newly established workplaces for researchers and auxiliary staff;  4.2. Computer hardware;  4.3. The patents and licences related to the RD&I Infrastructure or use thereof, know-how and other intellectual property (the software licence acquisition expenses shall not be eligible expenses);  4.4. Other plant, fixtures, tools and machinery attributable to the RD&I Infrastructure. |
| 5. | Project implementation | Ineligible expenses |
| 6. | Providing information about the Project | Ineligible expenses |
| 7. | Indirect expenses and other expenses at the flat rate of expenses of the Project | Ineligible expenses |

75. If the state aid is granted for an initial investment related to a fundamental change in the existing production process of an enterprise or diversification of activities thereof, the eligible expenses shall satisfy the provisions of Article 14(7) of Regulation (EU) No 651/2014. Information on whether the state aid is requested for an initial investment related to a fundamental change in the existing production process of an enterprise or diversification of activities thereof shall be specified in the business plan.

76. All non-current tangible assets to be acquired in the Project shall be brand new (not second-hand) and produced not earlier than three years before the date of acquisition.

77. The intangible assets used for calculation of the investment expenses shall satisfy the following conditions:

77.1. The assets must be used only for the activities of the Project Promoter.

77.2. The assets must be amortisable.

77.3. The assets must be purchased under market conditions from third parties unrelated to the buyer.

77.4. The assets must be included in the assets of the Project Promoter and must remain associated with the Project for which the aid is granted for at least five years in the case of Large Enterprises or three years in the case of Micro Enterprises, Small Enterprises and Medium-Sized Enterprises, after the end of financing the Project.

78. If the RD&I Infrastructure developed in the course of implementation of the Project is to be used in production, the portion of expenses of development and installation of such infrastructure which is proportionate to its intended use exclusively for R&D activities may be financed by the funds of the Measure. The proportionality of the developed RD&I Infrastructure to the R&D activities shall be determined by means of assessing the proportion of time when such infrastructure is going to be used exclusively for R&D activities and other activities not related to R&D. For the purposes of establishing whether an activity is an R&D activity, the Description of the Recommended Classification of Research and Experimental Development Stages approved by Resolution No 650 of the Government of the Republic of Lithuania of 6 June 2012 ‘On the Approval of the Description of the Recommended Classification of Research and Experimental Development Stages’ and the Frascati Manual 2015 (Guidelines for Collecting and Reporting Data on Research and Experimental Development, Organisation for Economic Cooperation and Development, 2015) shall be followed. The time of using the infrastructure for R&D activities shall include not only time used directly for R&D activities but also time spent in preparation of the infrastructure for respective R&D activities and downtime in-between relevant R&D activities. In all cases, the time used for the R&D activities shall be economically reasonable.

**SECTION FIVE**

**DRAWING UP OF APPLICATIONS, PROVISION OF INFORMATION TO APPLICANTS, CONSULTATION OF APPLICANTS, SUBMISSION AND EVALUATION OF APPLICATIONS**

79. In order to receive funding, the Applicant shall complete an Application in a partially prefilled form in PDF format which is available at the section ‘Related Documents’ of the Chapter ‘Financing’ on the website of the EU Structural Funds at www.esinvesticijos.lt, under the call for Applications.

80. The Applicant shall complete an Application (the Applicant shall be entitled to submit an Application only in the Lithuanian language or the Lithuanian and English languages if they wish to ensure the appropriate quality of the transaction (a translation shall be deemed to be of appropriate quality if it has been endorsed with the translator’s signature and the stamp of the translation agency (if any) or with a signature and stamp of the supplier or an authorised representative thereof (if any)); the document in the Lithuanian language shall take precedence in evaluation) and shall upload it together with the annexes referred to in paragraph 83 hereof (completed in the Lithuanian language unless subparagraphs of paragraph 83 hereof provides otherwise) by the last day of the deadline set in the notice of the call for Applications through the data exchange website (hereinafter referred to as the ‘DEW’) for Projects co-funded by the European Union Structural Funds.

81. The Applicant shall log in to the DEW site via the State Information Resources Interoperability Platform and register as a DEW user.

82. If the functionalities of the DEW site are temporarily not available and, as a result, the Applicants are not able to upload the Application or annex(s) thereto on the last day of the deadline for submission of Applications, the Implementing Authority shall extend the time limit for submission of Applications for 7 (seven) days and/or provide the possibility to submit the proposal and annexes thereto in another way, announcing it in accordance with the procedure prescribed in paragraph 82 of the Project Rules.

83. The Applicant shall be required to submit the following annexes alongside with the Application (the templates of the annexes stipulated in subparagraphs 83.1 and 83.2 hereof shall be available in the section ‘Documents’ on the website of the EU Structural Funds at www.esinvesticijos.lt, document type: ‘Templates of Annexes to Applications’):

83.1. A completed Questionnaire on the Eligibility of Value Added Tax on Purchase and/or Import for Funding from the EU Structural Funds or the Budget of the Republic of Lithuania if the Applicant requests to recognise the value added tax expenses as eligible expenses, i.e. the Applicant includes the aforementioned expenses in the budget of the Project.

83.2. The Project budget breakdown by the Applicant and partner(s) if the Project is implemented jointly with a partner(s);

83.3. A Declaration on the Status of a Small or Medium-Sized Business Entity filled in by the Applicant and/or the partner(s) if the Project is implemented in cooperation with the partner(s); the form of the declaration was approved by Order No 4-119 of the Minister of Economy of the Republic of Lithuania of 26 March 2008 “On the Approval of the Description of the Procedure for the Declaration on the Status of a Small and Medium-Sized Business Entity and the Form of the Declaration of the Status of Small and Medium-Sized Business Entity’ (the Applicant and a partner(s), if the Project is implemented with a partner(s), shall be entitled to submit a free format declaration if they are classified as Large Enterprises);

83.4.information about the received state aid, other sources of financing and the data required to assess the compliance of the Project with the conditions of financing according to the provisions of the Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020 and the Project selection criteria (Annex 5 to the Description);

83.5. Documents substantiating the reasonableness of the budget of the Project (commercial proposals, references to market prices, etc.). Information may be provided in the Lithuanian and/or English languages.

83.6. A business plan and annexes to the business plan ‘Financial Plan (1A, 1B)’. The annexes to the business plan 1A, 1B shall be chosen according to the activities to be carried out as specified in paragraph 10 hereof (if a business plan including the annexes thereto are submitted in a form other than the recommended one, it shall nevertheless contain all the information indicated in the recommended form). The Applicant may submit a business plan and the annexes to the business plan only in the Lithuanian language or in the Lithuanian and English languages. The translation of the business plan and annexes thereto shall be of appropriate quality. If any information in the submitted business plan and annexes thereto in the Lithuanian and English languages is different, when evaluating the Application, the information provided in the business plan and annexes thereto in the Lithuanian language shall prevail;

83.7. preliminary sources of funding (Applicant’s contribution and compensation of the ineligible expenses);

83.8. a copy of the joint activity (partnership) agreement or letter of intent for cooperation if the Project is implemented jointly with a partner(s). If a letter of intent for cooperation is provided with the Application, a copy of the signed valid joint activity (partnership) agreement shall be provided till the date of signature of the Project agreement as provided for in paragraph 20 of the Description;

83.9. a declaration(s) signed by partner(s) if the Project is intended to be implemented jointly with a partner(s) (the form of the partner’s declaration shall be an integral part of the completed form of the Application);

83.10. a declaration of free form certifying that the Applicant has fulfilled all tax obligations and paid state social insurance contributions (applicable only in cases when the Applicant is a Foreign Investor (Legal Entity));

83.11. certified sets of financial statements for the past three financial years of the Applicant and/or partner(s) if the Project is to be implemented jointly with a partner(s) and the enterprises related to the Applicant and/or a partner(s) (applicable to foreign legal entities and the legal entities of the Republic of Lithuania the form of the electronic set of annual financial statements of which have not been approved by the State Enterprise Centre of Registers). The information may be provided in the Lithuanian and/or English languages;

83.12. documents certifying that the Applicant and/or partner(s) can legally engage in the activity (perform functions) the launch and/or performance and/or development of which the Project is intended for, of the Project is implemented jointly with partner(s) (applicable only if the laws of the Republic of Lithuania require so);

83.13. a summary of the Project and the business plan in the English language;

83.14. a declaration of free form where the Applicant confirms to be following the requirements set forth in Article 14(16) of Regulation (EU) No 651/2014;

83.15. if the Applicant is planning to incur expenses of patenting the products developed in the course of implementation of the Project, it shall provide information on the relationship between the enterprises set forth in Article 2(2) of Regulation (EU) No 1407/2013 necessary for determining the scope of a single undertaking as provided for in Regulation (EU) No 1407/2013 (the Single Undertaking Declaration shall be completed in accordance with the recommended form drawn up by the Ministry and published on the websites http://www.esinvesticijos.lt/lt/dokumentai/vienos-imones-deklaracijos-pagal-komisijos-reglamenta-es-nr-1407-2013 and https://eimin.lrv.lt/lt/veiklos-sritys/es-fondu-investicijos/2014-2020-m-programavimo-laikotarpis/smartinvest-lt-1);

83.16. if an investment in an authorised capital is made, a draft letter of agreement specifying the procedure for assignment of the rights to the Project and increase in the authorised capital shall be provided. The approved letter of agreement shall be provided before signature of the Project agreement.

84. In addition to the documents listed in paragraph 83 hereof, the Applicant may also submit an expert opinion on the conformity of the Project activities with the R&D and contribution by the Project to the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and the topics in relation to implementation of at least one priority area drawn up by the Agency for Science, Innovation and Technology of Lithuania (ASITL) or the Research Council of Lithuania (the experts who have evaluated the Application shall not be related to either the Applicant or the partner(s) (if the Project is implemented jointly with a partner(s)), i.e. having no employment relationship either with the Applicant or the partner(s) for at least 5 years; the expert and the Applicant or partner(s) shall have no personal property or non-property interests, shall not be closely related with the Applicant or partner(s) either by blood or marriage). The contact information and documentation required for obtaining an expert opinion shall be available on the websites https://mita.lrv.lt/ and www.lmt.lt. If such opinion is not provided, conformity of the Project activities with the R&D and contribution by the Project to the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and the topics in relation to implementation of at least one priority area shall be assessed by the Implementing Authority.

85. If an environmental impact assessment must be carried out in accordance with the procedure prescribed in the legislation regulating environmental impact assessment of the proposed economic activity, the Applicant must have prepared a report on the environmental impact assessment before signature of the Project agreement and shall have a decision or conclusion on the selection (a copy thereof) issued by the competent authority. If environmental impact assessment is not mandatory, the Applicant shall furnish the Implementing Authority with a letter of free format specifying the information on the basis of which it has been determined that the Project is not subject to the environmental impact assessment requirement substantiating it with the relevant provisions of the Republic of Lithuania Law on Environmental Impact Assessment of the Proposed Economic Activity. In the event that the Implementing Authority extends the time limit for signing the Project agreement in the cases stipulated in paragraph 102 hereof, the deadline for submission of the documents listed herein shall be extended accordingly.

86. If the Applicant’s contribution or a part of the contribution is a credit, the Applicant must have concluded a credit contract not later than before signature of the Project agreement. The Applicant shall furnish the Implementing Authority with a share subscription agreement and the documents evidencing payment for the shares (1/4 stake) before signature of the Project agreement if the Applicant’s contribution or a part of the contribution is an increase of the share capital. In the event of a failure by the Applicant to comply with the aforementioned requirement within the time limit for signature of the Project agreement set by the Implementing Authority, the invitation to sign the Project agreement shall become null and void and the Project shall not be funded. If the Implementing Authority extends the time limit for signing the Project agreement, the time limit for signature of the credit contract, the share subscription agreement and documents certifying the subscription of shares (1/4 stake) and other sources of funding indicated in Article 102 hereof shall be extended accordingly.

87. The last day of the time limit for submission of Applications shall be set in the call for Applications which shall be published on the website of the EU Structural Funds at www.esinvesticijos.lt.

88. Following the provisions of paragraph 118 of the Project Rules, the Application shall be dismissed without requesting the Applicant to provide additional documents or data, supplement or specify the information provided in the Application in the following cases:

88.1. if at least one of the annexes referred to in subparagraphs of paragraph 83 of the Description is not provided alongside the Application and/or at least one of the annexes referred to in subparagraphs of paragraph 83 of the Description is not completed (if applicable), except for the annexes set out in subparagraphs 83.2, 83.10, 83.12 and 83.13 hereof;

88.2. if the Application is submitted before the time limit set forth in the notice of the call for proposals from which the Applications may be submitted.

89. The Applicants shall be informed and consulted in accordance with the procedure set forth in Section 5 of Chapter II of the Project Rules. The information about the persons providing consultations of the Implementing Authority and the contact details thereof shall be indicated in the notice on the call for Applications published hereunder on the website of the EU Structural Funds at www.esinvesticijos.lt.

90. The Implementing Authority shall carry out the evaluation of eligibility of the Project for funding in the manner specified in Section 14 and Section 15 of Chapter III of the Project Rules, and according to the requirements set forth in Annex 1 hereto and the evaluation of the benefit and quality of the Project in accordance with the procedure prescribed in Section 14 and Section 16 of Chapter III of the Project Rules according to the requirements set forth in Annex 2 hereto.

91. The Implementing Authority shall address the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter referred to as the ‘STI’) for the following information not later than within ten working days from the last day for submission of Applications set in the call for proposals:

91.1. the date of registration of the Applicant in the Register of Legal Entities, information on the Applicant’s shareholders, the legal form, registration number and name of the Applicant in order to determine the funded part of the Project defined in paragraphs 58 and 70 of the Description;

91.2. the legal status, registration number and the legal status, name of the Applicant in order to assess the general requirement provided for in subparagraph 5.4.1 of Annex 1 to the Description;

91.3. the number of employees, annual income, income from sales, the value of the assets indicated in the balance sheet of the Applicant in 2019 and 2020, current assets, current liabilities, net profit and profit of typical activities from the approved sets of financial statements for the years 2019 and 2020 provided to the Register of Legal Entities in order to assess the general requirement provided for in subparagraph 6.1 of Annex 1 to the Description.

92. In the course of evaluation of the Application, the Implementing Authority shall be entitled to request the Applicant to provide missing information and/or documents (including documents and/or information in the English language) in accordance with the procedure prescribed in paragraph 118 of the Project Rules. The Applicant shall provide the aforementioned information and/or documents within the time limit set by the Implementing Authority. If the Applicant fails to provide missing information within the set time limit for specification of the Application or the information provided by the Applicant is insufficient, the Applications shall be carried out in accordance with the available information and information received with the specified Application (specification of information or provision of documents shall not be repeatedly requested). If necessary, the Implementing Authority shall be entitled to arrange a discussion of the Project in a meeting via a conference call or by other means of communication in the presence of experts of the Implementing Authority and the Applicant, and a representative of the Public Institution Invest Lithuania.

93. During evaluation of the Applications, in establishing conformity of the Projects with the general requirements provided for in subparagraphs 1.1 and 1.2 and the specific Project selection criterion provided for in subparagraph 24.2 of Annex 1 hereto, the Implementing Authority shall be guided by the expert conclusion provided for in paragraph 84 hereof (if any) and, if the conclusion is insufficient for assessment of the aforementioned general requirements and criteria, an opinion of an expert of its choice. If the expert opinions do not match or a third expert is involved or an expert group discussion is arranged (the discussion may take place interactively), additional experts shall be involved in the discussion if no common opinion is reached.

94. The Applications shall be evaluated during a period of no longer than 90 days from the last day for submission of Applications indicated in the call for Applications.

95. In case of a failure to evaluate the Applications within the time limit set forth in paragraph 94 hereof (in case the evaluation of the Applications requires applying to other institutions or an on-the-spot check at the Project implementation and/or the administration site is carried out and in case of receipt of Applications the amount of which is higher than the amount of funds allocated for the call for proposals), the time limit for evaluation may be extended by a decision of the Implementing Authority. The Implementing Authority shall notify the Applicants of the new deadline for evaluation of the Applications in the manner set forth in paragraph 127 of the Project Regulations via the DEW, and in the case where the functionalities of the DEW are not available, the respective information shall be provided in writing; furthermore, such information shall be provided to the Ministry in writing in accordance with paragraph 9 of the Project Rules (if the functionality is available, through subsystem SFMIS2014 of the 2014–2020 European Union Structural Funds), and shall indicate the reasons for extension of the time limit.

96. The Application shall be rejected for reasons specified in the Description in accordance with the procedure set forth in paragraph 93 of the Project Rules and Section 14, Section 15 and Section 16 of Chapter III of the Project Rules. The Applicant shall be notified of rejection of its Application in writing (via DEW provided that it is fully operational) within three working days from the date of the decision to reject the Application.

97. The Applicant shall have the right to appeal against the decision on rejection of the Application in accordance with the procedure set forth in Section 43 of Chapter VII of the Project Rules no later than within 14 days from the day on which the Applicant learned or should have learned about the actions or omission of action of the Implementing Authority appealed against.

98. The final discussion of Applications shall be organised and the composition of the group on discussion of the Application evaluation results shall be approved by the Ministry in accordance with the procedure prescribed in paragraph 146 of the Project Rules. The principles of operation of the group on discussion of the Application evaluation results shall be established by the order of the Minister of Economy and Innovation of the Republic of Lithuania and/or the rules of procedure of the aforementioned group.

99. The decision on financing or the refusal to finance the Project shall be taken by the Ministry in accordance with the procedure set forth in Section 17 of Chapter III of the Project Rules.

100. After the Ministry passes the decision to finance the Project, the Implementing Authority shall notify the Applicants of such decision within three working days from receipt of the decision via DEW and if the document management system functionalities are not installed, by e-mail.

101. For the purpose of implementing the Projects financed hereunder, bilateral Project agreements shall be concluded between the Applicants and the Implementing Authority. The Project agreements may be concluded up to 31 December 2021 unless the aforementioned term is extended under the procedure prescribed in paragraph 164 of the Project Rules. The Project agreements shall be drawn up only in the Lithuanian language or in the Lithuanian and English languages (bilingual) ensuring appropriate quality of the translation services and on the understanding that the Lithuanian version shall prevail. The Project agreements shall be amended or terminated in accordance with the procedure set forth in Section 19 of Chapter IV of the Project Rules.

102. After the Ministry passes the decision on financing of the Project, the Implementing Authority shall draw up a draft agreement and submit it to the Applicant in accordance with the procedure prescribed in Section 18 of Chapter IV of the Project Rules and using the form provided in Annex 4 to the Project Rules, and indicate the deadline for signing the draft agreement in the manner set forth in paragraph 166 of the Project Rules. In the event of a failure by the Applicant to sign the Project agreement within the validity period of the proposal set by the Implementing Authority, the proposal for signing the Project agreement shall be considered as expired. The Applicant shall have the right to apply to the Implementing Authority with the request to change the time limit for signing the agreement due to objective reasons beyond the Applicant’s control. In the event that the Applicant refuses to sign the agreement or fails to sign the agreement within the set time limit, the Implementing Authority shall notify the Ministry and the Applicant in the manner set forth in paragraph 168 of the Project Rules.

103. Before the award of financing (before the conclusion of the agreement), for the purpose of verifying that at the time of award of financing (the moment of signing the Project agreement) neither the Applicant nor the partner(s) (if the Project is to be implemented jointly with the partner(s)) is not an Undertaking in Difficulty, the Implementing Authority may request the Applicant and/or partner(s) (if the Project is to be implemented jointly with partner(s)) to submit the sets of annual financial statements for the past financial year (the aforementioned requirement shall not apply to the Applicant and/or the partner(s) who is a legal entity of the Republic of Lithuania and the form of electronic set of annual financial statements of which has been approved by the State Enterprise Centre of Registers; in such case, the Applicant and/or the partner(s) must have provided the sets of annual financial statements for the last financial year to the Register of Legal Entities in accordance with the procedure prescribed in the legislation). Should it transpire that at the time of award of financing (the moment of signing the Project agreement) the Applicant is an Undertaking in Difficulty, the financing shall not be granted (no Project agreement shall be concluded) (should it transpire that a partner(s) is an Undertaking in Difficulty (if the Project is to be implemented jointly with partner(s)), the Project may be submitted for re-evaluation without the involvement of this partner in the Project).

104. The Applicant’s rights in rem to immovable property which shall be directly used in implementation of the Project for the activity described in subparagraph 10.2 hereof and/or the legal facts stipulated in Article 4.254 of the Civil Code of the Republic of Lithuania shall be registered in the Real Property Register prior to the conclusion of the Project agreement. The Applicant’s rights in rem to property shall be verified by the Implementing Authority against the Real Property Register. If the Implementing Authority decides to extend the time limit for signing the Project agreement in the cases referred to in paragraph 102 hereof, the deadline for registration of the Applicant’s rights in rem to the immovable property which will be directly used in implementation of the Project and/or the legal facts stipulated in Article 4.254 of the Civil Code shall be extended accordingly.

105. The original of the Project agreement may be drawn up and submitted as:

105.1. a printed and signed document;

105.2. a document signed by a qualified electronic signature (only in an electronic data carrier).

**CHAPTER VI**

**REQUIREMENTS FOR IMPLEMENTATION OF PROJECTS**

106. The Project shall be implemented according to the requirements provided for in the Project agreement, the Description and the Project Rules.

107. A Project Steering Committee which shall monitor the progress of implementation of the Project and put forward recommendations on implementation of the Project to the entities implementing the Project shall be set up for carrying out the supervision of implementation of the Project. The Project Steering Committee shall be composed of the representatives of the Implementing Authority and the Ministry; representatives of other institutions, enterprises or organisations may also be invited to be members of the Project Steering Committee. The composition of the Project Steering Committee shall be approved by an order of the Minister of Economy and Innovation of the Republic of Lithuania and its operational principles shall be set forth in the Rules of Procedure of the Project Steering Committee.

108. If the Applicant is a Foreign Investor (Legal Entity), the Applicant shall register a private legal entity whereupon it shall exercise a decisive influence in the Register for Legal Entities of the Republic of Lithuania no later than before signing the Project agreement in accordance with the procedure prescribed in the legal acts regulating establishment of legal entities or a branch or the shares of the acquired legal entity to which it has a decisive influence and notify the Implementing Authority.

109. Following the termination of financing the Project, the continuity of the investments shall be ensured for five years in the case of Large Enterprises or 3 years in the case of Micro Enterprises, Small and Medium-Sized Enterprises in accordance with the procedure set forth in Section 27 of Chapter IV of the Project Rules.

110. The Project Promoter shall take out an all-risk insurance for the maximum replacement value in respect of the non-current tangible assets for the acquisition or creation of which the financing was used in implementation of the Project. The insurance coverage of the assets shall last throughout the entire period of implementation of the Project from the moment of its development or acquisition and at least for five years in the case of Large Enterprises and three years in the case of Micro Enterprises, Small or Medium-Sized Enterprises from termination of financing of the Project in accordance with the procedure set forth in the legal acts regulating insurance matters. In the case of an insured event, the Project Promoter shall restore the lost asset as well as ensure that such obligations are also complied with by its partner(s).

111. The joint activity (partnership) agreement may be amended after the Project agreement comes into force. The amendments to the joint activity (partnership) agreement shall be possible if they did not have a material impact on the decision on granting financing to the Project. The amendments to the joint activity (partnership) agreement shall be coordinated with the Implementing Authority. The amendments to the joint activity (partnership) agreement shall be executed by means of amending or supplementing the joint activity (partnership) agreement.

112. The Project Promoter intending to carry out the activity for which financing has been granted and which is subject to authorisation, licence or operating certificate during implementation of the Project must furnish the Implementing Authority with a copy of such authorisation, licence or operating certificate within the time limit set in the Project agreement during the period of implementation of the Project or upon completion of the Project. In the event of a failure to submit a copy of such authorisation, licence or operating certificate, the Ministry shall be entitled to request the Project Promoter to repay the financing granted for the Project.

113. Having agreed with the Ministry, the Implementing Authority shall be entitled to unilaterally terminate the Project agreement in accordance with the procedure set forth in paragraph 192 of the Project Rules if the Project activities are not launched within two months from the date of signature of the Project agreement. If the Implementing Authority does not terminate the Project agreement, it shall set the time limit for provision on information on postponement of the start of implementation of the Project activities by the Applicant which shall be no longer than one month and, having evaluated the reasons, following the principle of equal treatment in respect of the Project Promoters take a decision on extension (non-extension) of the Project agreement.

114. The Project Promoter shall be obliged to notify of implementation of the Project or the implemented Project in accordance with the procedure prescribed in Section 37 of Chapter VII of the Project Rules.

115. The intellectual property developed in the course of implementation of the Project cannot be transferred to other legal and/or natural persons for three years (where the Project Promoter has the status of a Micro Enterprise, Small Enterprise or Medium-sized Enterprise) or for five years (where the Project Promoter has the status of a Large Enterprise) at the market price after financing the Project.

116. The prototype(s) or products of the pilot batch developed in the course of implementation of the Project can be used only for further R&D activities or demonstration for three years (where the Project Promoter has the status of a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise) or for five years (where the Project Promoter has the status of a Large Enterprise).

117. The Project Promoter and its partner(s), if the Project is implemented with a partner(s), shall record the expenses of R&D activities in their annual income tax return submitted to the State Tax Inspectorate under the established procedure.

118. When providing information to authorities and institutions processing statistics under the procedure established by them, the Project Promoter and its partner(s), if the Project is implemented with a partner(s), shall be obliged to provide information on R&D expenses.

119. The Project Promoter shall be obliged to submit all the information required for proper supervision and evaluation of the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities, RD&I priority areas and RD&I action plans to the authority(ies) carrying out such supervision and indicated in the Description of the Procedure for Supervision and Assessment of the Impact of Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and Promotion of Cooperation among Business Entities and Higher Education and Research Institutions approved by Order No V-1218/4-911 of the Minister of Economy of the Republic of Lithuania of 15 December 2014 ‘On the Approval of the Description of the Procedure for Supervision and Assessment of the Impact of Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and Promotion of Cooperation among Business Entities and Higher Education and Research Institutions’.

120. The requirements for completion of the Project shall be set out in Section 27 of Chapter IV of the Project Rules.

121. All documents related to implementation of the Project shall be kept on file in accordance with the procedure and within the time limits provided for in Section 42 of Chapter VII of the Project Rules as well as for the period stipulated in Article 12 of Regulation (EU) No 651/2014 and the period provided for in Article 6 of Regulation (EU) No 1407/2013.

**CHAPTER VII**

**FINAL PROVISIONS**

122. The procedure for amending the Description shall be established in Section 11 of Chapter III of the Project Rules.

123. If the Description is amended after the Projects have been already selected without prejudice to the principle of equality, such amendments of the Description shall also apply to Projects under implementation in the cases specified in paragraph 91 of the Project Rules.

124. The personal data provided by the Applicants and the personal data provided in the Application shall be processed in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), the Republic of Lithuania Law on Legal Protection of Personal Data and other legal acts regulating personal data processing. The purpose of processing of personal data shall carrying out of evaluation, selection of Applications and supervision of implementation of the Projects. The rights of the data subjects shall be exercised in accordance with the procedure established by the data controller addressed for exercise of the rights of the data subject.

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Annex 1 to

Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No . 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020

(**Form of the Table on Assessment of Eligibility of the Project for Funding**)

**TABLE ON** **ASSESSMENT OF ELIGIBILITY OF THE PROJECT FOR FUNDING**

|  |  |
| --- | --- |
| **Application code** |  |
| **Name of the Applicant** |  |
| **Title of the Project** |  |
| **The Project is to be implemented:**  □ **with a partner(s)** □ **without a partner(s)** | |
| □ **INITIAL** □ **REVISED**  *(‘Revised’ shall be marked in cases where this table is revised after returning the Application for repeated assessment.)* | |

|  |  |  |  |
| --- | --- | --- | --- |
| **General requirement/specific Project selection criterion (hereinafter referred to as the ‘specific criterion’), the aspects of its evaluation and explanations** | **Specification of the general requirement/specific criterion** | **Assessment of the general requirement/specific criterion** | |
| **Yes/No/Not applicable/Yes with reservations** | **Comments** |
| **1. The Project to be financed shall contribute to implementation of at least one specific priority task, achievement of the result specified in the Operational Programme for the European Union Funds’ Investments in 2014–2020 (hereinafter referred to as the ‘Operational Programme’) and at least one activity eligible for funding in accordance with the description of the conditions for Project funding.** | | | |
| The goals and objectives of the Project shall comply with at least one specific task and targeted outcome of the Priority Axis of the Operational Programme. | The goals and objectives of the Project shall meet specific objective 1.2.1 ‘Increasing the intensiveness of research, development and innovation activities in the private sector’ of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme and the targeted outcome.  Source of information: the Application for financing the Project co-financed from the European Union Structural Funds (hereinafter referred to as the ‘Application’). |  |  |
| 1.2. The goals, objectives and activities of the Project shall meet at least one of the activities provided for in the description of the conditions of funding of Projects. | The goals and objectives of the Project shall meet the activities provided for in paragraph 10 of Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020 (hereinafter referred to as the ‘Description’) and paragraph 11 hereof.  Source of information: the Application. |  |  |
| 1.3. The Project shall meet other requirements relating to the Project activities referred to in the Description of the Conditions of Funding of Projects. | The Project shall meet the requirements set forth in paragraphs 19, 22, subparagraphs 24.2 and 24.3, and paragraphs 28, 29 and 32 of the Description.  Source of information: the Application, data available in the Register of Legal Entities, the documents specified in subparagraph 83.11 of the Description, Annex 5 to the Description. |  |  |
| **2. The Project shall comply with the provisions of the strategic planning documents.** | | | |
| 2.1. At the time the Application is evaluated, the Project shall comply with the provisions of the strategic planning documents. | The Project shall comply with the national strategic planning document specified in subparagraph 24.1 of the Description.  Source of information: the Application. |  |  |
| 2.2. The Project shall contribute to the implementation of at least one objective of the European Union Strategy for the Baltic Sea Region approved by Conclusions of the European Council No 15265/09 of 30 October 2009 and revised by European Commission Communication No COM(2012) 128 of 23 March 2012 at least under one policy area, horizontal action or implementation example referred to in the operational plan of the European Union Strategy for the Baltic Sea Region approved by the European Commission Decision No SWD (2017) 118 of 20 March 2017. | The Project must contribute to the implementation of the objective of the European Union Strategy for the Baltic Sea Region as provided for in paragraph 25 of the Description.  Source of information: the Application. |  |  |
| **3. The Project shall be aimed at achieving clear and real quantitative goals.** | | | |
| 3.1. The Project shall contribute to the achievement of at least one national product and/or result monitoring indicator established in the Description of the Conditions of Funding of Projects and described in the Operational Programme and the Plan for the Implementation of Measures of the Ministry. | The Project shall be aimed at achieving the monitoring indicators set out in paragraph 35 of the Description.  Source of information: the Application. |  |  |
| 3.2. The consistent inherent logic of the Project shall be retained, i.e. the results of the Project shall be the outcome of the Project activities, the Project activities shall create preconditions for implementation of the objectives of the Project and the latter shall create preconditions for achievement of the goal of the Project. | Source of information: the Application. |  |  |
| 3.3. The objectives of the Project shall be specific (i.e. reflect the essence and characteristics of the Project), measurable (they are quantifiable and measurable) and implementable, and the start and the end of the activity shall be clear. | Source of information: the Application. |  |  |
| **4. The Project shall comply with the horizontal (sustainable development and gender equality and non-discrimination) principles; implementation of the Project is compatible with the provisions of the European Union (hereinafter referred to as the ‘EU’) Competition Policy.** | | | |
| 4.1. There shall be no Project actions that could adversely affect the implementation of the principle of sustainable development in the following areas: |  |  |  |
| 4.1.1. Environmental protection (quality of the environment and natural resources, landscape and biological diversity preservation, climate change, environmental protection etc.); | Source of information: the Application |  |  |
| 4.1.2. Social domain (employment, poverty, social exclusion, public health, education and science, preserving cultural identity, sustainable consumption); | Source of information: the Application |  |  |
| 4.1.3. Economics (sustainable development of the main industries and regions); | Source of information: the Application |  |  |
| 4.1.4. Territorial development (reducing environmental, social and economic disparities); | Source of information: the Application |  |  |
| 4.1.5. Information and knowledge society. | Not applicable |  |  |
| 4.2. Specific actions (demonstrated proactive approach) demonstrating that the Project promotes implementation of the principle of sustainable development shall be proposed. | Not applicable |  |  |
| 4.3. The Project shall not impose any restrictions which could have an adverse effect on implementation of the principles of gender equality, non-discrimination based on gender, race, nationality, language, origin, social standing, faith, beliefs and views, age disability, sexual orientation, ethnicity or religion. | Source of information: the Application |  |  |
| 4.4. The proposed specific actions shall demonstrate that the Project contributes to implementation of the principle of gender equality and/or promotes non-discrimination based on gender, race, nationality, language, origin, social standing, faith, beliefs and views, age disability, sexual orientation, ethnicity or religion. | Not applicable |  |  |
| 4.5. The Project shall be compatible with the provisions of the EU Competition Policy: |  |  |  |
| 4.5.1. The funding provided shall not exceed the *de minimis* aid ceilings and shall meet the requirements applicable for *de minimis* aid; | The funding provided for the Project shall not exceed the set *de minimis* aid ceilings and meet the requirements applicable for *de minimis* aid which are set out in subparagraph 13.1, paragraphs 18, 54, 55 and 56 of the Description.  (Applicable only for the activities provided for in subparagraph 10.1 of the Description).  For the purposes of assessment of conformity with the aforementioned aspect of evaluation, Annex 4 to the Description shall be completed.  Sources of information: the Application, the Register of Granted State and *De Minimis* Aid, the regulations of which are approved by Resolution No 35 of the Government of the Republic of Lithuania of 19 January 2005 ‘On the Approval of the Regulations of the Register of Granted State and *De Minimis* Aid’ (hereinafter referred to as the ‘Register’), the documents listed in subparagraph 83.15 of the Description. |  |  |
| 4.5.2. The Project shall be financed in accordance with the harmonised state aid scheme or the decision of the European Commission or Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in Application of Articles 107 and 108 of the Treaty as last amended by Commission Regulation (EU) No 2021/1237 of 23 July 2021 provided that the requirements laid down in it are complied with. | The Project shall meet the general requirement if it meets the requirements set forth in Regulation (EU) No 651/2014 and the Description.  Annex 3 of the Description shall be completed in assessment of conformity with the aforementioned aspect of assessment.  Sources of information: the Application, the Register |  |  |
| 4.5.3. Financing of the Project shall not constitute unlawful state or *de minimis* aid. | Not applicable |  |  |
| **5. In organisational terms, the Applicant and the partner(s) shall be capable of implementing the submitted Project in a proper and timely manner and meet the requirements imposed on them.** | | | |
| 5.1. The Applicant and partner(s) shall be legal entities, branches, representative offices of a legal person (hereinafter referred to as the ‘Legal Person’) or natural persons as provided for in the Description of the Conditions of Funding of Projects. |  |  |  |
| 5.2. The Applicant and partner(s) shall be included in the list of eligible Applicants laid down in the Description of the Conditions of Funding of Projects. | The list of eligible Applicants (partners) shall be provided in paragraph 15, 16 and 17 of the Description.  Sources of information: the Application, the documents set out in subparagraph 83.3 hereof. |  |  |
| 5.3. The Applicant and partner(s) shall have a legal basis for engaging in the activities (fulfilment of functions) for launching and/or performance and/or development for which the Project is intended. | Sources of information: the Application, the documents set out in subparagraph 83.12 of the Description. |  |  |
| 5.4. The Applicant and partner(s) shall not be subject to restrictions of eligibility for financing:  5.4.1. No bankruptcy or restructuring proceedings have been instituted against the Applicant and the partner(s) which are legal persons, no pre-trial investigation into economic and/or commercial activities has been initiated against the Applicant and the partner(s) which are legal persons and the Applicant and the partner(s) are not in liquidation, no decision on enforcing bankruptcy procedures under out-of-court procedure against the Applicant and the partner(s) which are legal persons has been taken at the meeting of creditors *(the aforementioned provision shall not be applicable to budgetary institutions)* and no bankruptcy proceedings have been instituted, no pre-trial investigation into economic and/or commercial activities has been initiated against the Applicant and partner(s) who are natural persons.  5.4.2. On the date of submission of the Application the Applicant and partner(s) are not declared as the entity not performing its obligations related to payment of taxes and social insurance contributions according to the relevant legislation of the Republic of Lithuania, and, in case the Applicant and the partner(s) is/are a legal person(s) registered abroad or a natural person(s) residing abroad by a final court judgement or a final administrative decision *(the aforementioned provision shall not apply to the institutions the activities of which are funded from the budgets of the Republic of Lithuania and/or municipalities and/or the State monetary funds, and to the Applicants with respect to which the terms for the payment of taxes or social insurance contributions may be deferred in the manner specified in the legal acts of the Republic of Lithuania).*  5.4.3. At the moment of evaluation of the Application the Applicant and partner(s) who are natural persons or the manager, main shareholder (holding more than 50 per cent of the shares) or owner of the Applicant and partner(s) who are legal persons, a general member(s) of the partnership, or a representative of a small partnership authorised to conclude contracts on behalf of the legal person or the accountant(s) or another person(s) authorised to draw up and sign the Applicant’s accounting documents do/does not have an unspent or unexpunged conviction and no judgement of conviction was passed and became effective against the Applicant and partner(s) within the past five years for participation in a group of accomplices, an organised group, a criminal organisation, its formation or being in charge thereof, terrorist offences and offences related to terrorist activities or terrorist financing, child labour or other offences concerning trafficking in human beings, bribery, trading in influence or grafting, abuse of office, failure to fulfil official duties, fraud, misappropriation of property, squandering of property, causing of property damage by deception, destruction of property or damage to property, unjust enrichment, smuggling, customs fraud, unlawful disposal of excise goods, unlawful export of goods or products from the Republic of Lithuania, unlawful engagement in economic, commercial financial or professional activities, unlawful activities of the legal person, use of another’s trade mark, fraudulent statement concerning activities of the legal person, failure to pay taxes, use of a credit, loan or targeted support not in accordance with its purpose or the established procedure, credit fraud, bad faith of a debtor, criminal bankruptcy, production of a counterfeit electronic means of payment, forgery or unlawful possession of a genuine electronic means of payment or data thereof, unlawful use of an electronic means of payment or data thereof, provision of inaccurate data on income, profit or assets, failure to file a tax return or to submit a report or another document, fraudulent or negligent management of accounts, purchase or sale of crime-related property, laundering of crime-related money or property, production, storage or handling of counterfeit currency or securities, forgery of a document or possession of a forged document, forgery of a seal, stamp or form, involvement in any other unlawful activities detrimental to the financial instruments of the Republic of Lithuania and/or the EU *(the above restriction shall not be applicable if the activities of the Applicant are funded from the State budget of the Republic of Lithuania and/or budgets of municipalities, and/or the State monetary funds and to the European Investment Fund and the European Investment Bank).*  5.4.4. At the moment of evaluation of the Application the Applicant and partner(s) which have relocated their production operations within the Member State or another Member State are not or have not been subject to any recovery procedure *(the aforementioned provision shall not be applicable to public legal persons).*  5.4.5. At the moment of evaluation of the Application the Applicant and partner(s) are not subject to any restrictions (up to five years) regarding the allocation of the EU financial assistance because of the illegal employment of third-country nationals *(the aforementioned provision shall not be applicable to public legal persons).*  5.4.6. At the moment of evaluation of the Application the Applicant and the partner(s) are subject to any restrictions to receive funding because the funds were not refunded within the term specified in the decision, or only part of the funds has been repaid (*the aforementioned restriction shall not apply to the institutions whose activities are funded from the budgets of the Republic of Lithuania and/or municipalities, and/or public monetary funds, and the institutions whose activities are funded from the structural funds of the EU for 2007–2013, or the technical assistance of the EU Structural Funds for 2014–2020, the European Investment Fund and the European Investment Bank*).  5.4.7. At the moment of evaluation of the Application the Applicant and partner(s) have submitted their set of annual financial statements to the Register of Legal Entities, also the sets of the consolidated financial statements, as required according to the Regulations of the Register of Legal Entities approved by Resolution No. 1407 of 12 November 2003 of the Government of the Republic of Lithuania ‘On the Approval of the Regulations of the Register of Legal Entities’ (*the aforementioned provision shall apply in the cases when the financial statements are required to be drawn up according to the laws applicable to the legal person, a foreign legal person or another organisation or its branch*). | Sources of information: the Application, the data available to the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania and the State Social Insurance Fund Board under the Ministry of Social Security and Labour, the Authority of Audit, Accounting, Property Valuation and Insolvency Management under the Ministry of Finance of the Republic of Lithuania, the Register of Legal Entities and other information available to the Public Institution Lithuanian Business Support Agency (hereinafter referred to as the ‘Implementing Authority’).  Conformity with the aforementioned evaluation aspect shall be assessed in accordance with the Declaration, documents provided for in subparagraph 83.10 of the Description submitted by the Applicant (partner).  The accuracy of the statements concerning conformity with the aforementioned evaluation aspect made in the Declaration, documents of the Applicant (partner) referred to in paragraph 83.10 of the Description shall be verified on a selective basis in accordance with the procedure prescribed in the description of internal procedures). |  |  |
| 5.5. The Applicant and partner(s) shall have (shall be able to ensure) sufficient administrative capacity necessary for implementation of the Project. | Source of information: the Application |  |  |
| 5.6. The maturity of the Project shall comply with the requirements set out in the Description of the Conditions of Funding of Projects. | The maturity of the Project shall comply with the requirements set forth in paragraph 37 of the Description.  The source of information is the Application. |  |  |
| 5.7. The partnership in implementation of the Project shall be substantiated and beneficial. (*The aforementioned assessment aspect shall be taken into consideration only when the Applicant is planning to implement the Project with a partner or partners*). | Sources of information: the Application, the documents set out in subparagraph 83.8 of the Description. |  |  |
| **6. The sources of financing the expenses of the Project shall be clearly identified and ensured.** | | | |
| 6.1. The contribution of the Applicant and partner(s) shall comply with the requirements set forth in the Description of the Conditions of Funding of Projects and the financing of the contribution shall be ensured. | The Applicant and/or partner(s) shall contribute to implementation of the Project by the part of the funds referred to in paragraphs 60, 61, 62, 63, 64, 71, 72 and 73 of the Description.  Sources of information: the data shall be verified according to the data available in the Register of Legal Entities, the list of creditors and debtors of the Applicant and partner(s) (the credit and debit debts and the list drawn up no later than 30 days before the date of submission of the Application to the Implementing Authority shall be provided), cash flow forecasting (in months) for the Project implementation period,  which shall specify and identify the sources of financing according to the schedule of the Project, the estimated expenses (in accordance with the payment conditions), the estimated amounts of financial assistance etc. demonstrating that the Applicant and partner(s) shall have sufficient sources of financing for funding their own contribution and ensuring smooth financing of the Project activity and based on the documents of planned sales (contracts, commercial proposals, orders etc.), estimated sources of financing (own funds, loans granted by banks or other credit institutions, legal persons and other sources); other documents evidencing the capacity of the Applicant and/or partner(s) to ensure the continuity of their activity during the period of implementation of the Project and contribute to financing the Project. |  |  |
| 6.2. Coverage of ineligible Project-related expenditure shall be ensured. | Sources of information: sources of information specified in subparagraph 6.1 of Annex 1 to the Description. |  |  |
| 6.3. Financial continuity of the results of the Project (activity) results shall be ensured. | Source of information: the Application |  |  |
| 6.4. The Project shall meet the conditions of eligibility of expenses for funding established by the European Investment Bank. | Source of information: the Application |  |  |
| **7. Efficient use of funds necessary for implementation of the Project shall be ensured.** | | | |
| 7.1. The choice of the alternative for implementation of the Project shall be based upon the results of a cost–benefit analysis: | Not applicable |  |  |
| 7.1.1. the assumptions regarding income, expenses, sources of financing, benefit creation and other matters employed in order to assess the Project implementation alternative(s) shall be justifiable; |  |  |  |
| 7.1.2. a reasonable period of time of the same length shall be used for assessment of the Project implementation alternative(s); |  |  |  |
| 7.1.3. similar and reasonable discount rates shall be employed for assessment of the Project implementation alternative(s); |  |  |  |
| 7.1.4. the optimal Project implementation alternative shall be selected with regard to the values of the financial and/or economic indicators (net present value, internal rate of return, cost–benefit ratio) of the Project implementation alternatives; |  |  |  |
| 7.1.5. there shall be no known legal, technical and social restrictions on realisation of the selected Project implementation alternative. |  |  |  |
| 7.2. Selection of the Project implementation alternative shall be based upon the cost efficiency indicator. | Not applicable |  |  |
| 7.3. The main risks of the Project shall be assessed and the risk management measures and the resources necessary for implementation thereof shall be envisaged. | Source of information: the Application |  |  |
| 7.4. The envisaged Project activity shall be eligible for funding and meet the requirements set for the scope of the activities. The expenses shall meet the established requirements and be necessary for implementation of the Project. The activities and expenses shall be planned in an efficient and justifiable manner with regard to public procurement procedures initiated or completed before submission of the Application and no refinancing shall be allocated for Projects concerning the same activities that the Applicant and partner(s) implemented and/or are implementing and the same expenses. | Source of information: the Application |  |  |
| 7.5. The Applicant shall be entitled to implement the goals, activities, objectives of the Project and achieve its results during the Project implementation period; the Project implementation period shall meet the requirements set out in the Description of the Conditions of Funding of Projects. | The duration/term of implementation of the Project shall meet the requirement set forth in paragraph 30 of the Description.  Source of information: the Application |  |  |
| 7.6. The Project shall meet the requirements for cross-financing. | Not applicable |  |  |
| 7.7. The flat rate of the Project expenses, the fixed unit cost of the Project expenses, fixed amounts of the Project expenses and/or awards shall be properly applied. | The flat rate of the Project expenses applicable for the Project shall meet the requirements established in paragraph 48 of the Description and paragraph 7 of Table 2 of the Description.  Source of information: the Application |  |  |
| 7.8. The Application shall properly specify the category of the Project, the revenue which is expected to be received from the Project (including net revenue), correctly calculate and adequately determine the level of financing necessary for the Project with regard to whether:  – no revenue is generated;  – revenue is generated and it is estimated beforehand;  – revenue is generated but it is impossible to estimate it beforehand. | Not applicable |  |  |
| **8. The Project activities shall be carried out in the territory of implementation of the Operational Programme.** | | | |
| 8.1. The Project activities shall be carried out in the Republic of Lithuania or outside the Republic of Lithuania but the products created, results achieved and benefits obtained in the course of such activities (or a part thereof proportionate to the financial contribution of the Republic of Lithuania) shall be granted to the Republic of Lithuania (or the EU where the Project activities are carried out according to Article 9(1)(1) of Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 including all amendments thereto) and the Project shall comply with at least one of the following conditions:  8.1.1. The expenses of the Project co-financed with the European Regional Development Fund and the Cohesion Fund and carried out outside the Republic of Lithuania but in the territory of the EU shall not exceed the percentage specified in the Description of the Conditions of Funding of Projects; the same applies to activities aimed at representation, information, communication and increasing the visibility of the EU Structural Funds and conducted in accordance with the Description of the Conditions for Funding of Projects.  8.1.2. The Project activity co-financed from the European Social Fund shall be carried out:  – in the EU territory;  – outside the EU territory but the expenses of such activities shall not exceed the percentage specified in the Description of the Conditions for Funding of Projects.  8.1.3. The Project activities related to technical assistance shall be carried out. | The territory of performance of the Project activities shall meet the requirements established in paragraph 33 of the Description.  Source of information: the Application |  |  |

**FINAL CONCLUSION ON ASSESSMENT OF COMPLIANCE OF THE PROJECT WITH THE GENERAL REQUIREMENTS**

**1) The Application is positively assessed according to all general requirements and specific criteria:**

□ Yes □ No □ Yes with reservations

Comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**2) The Applicant made no attempts to obtain any confidential information or exercise undue influence on the institution performing the impact assessment in the course of the current evaluation of the Applications or during the selection process:**

□ No attempts were made

□ Attempts were made

Comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(It is obligatory to fill in this field only if the answer is ‘Attempts were made’, i.e. the facts shall be indicated.)*

**3) Expenses of the Project to be determined as eligible for funding and declaration to the European Commission (hereinafter referred to as the ‘EC’) in the course of evaluation of eligibility of the Project for funding**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Total value of the Project (including eligible and ineligible expenses), EUR** | **Maximum possible amount of eligible expenses of the Project** | | | | | **Income decreasing the amount of expenses eligible for declaration to the EC, EUR** | **Expenses eligible for declaration to the EC** | |
| **Total, EUR** | **Including** | | | | **Maximum amount of expenses eligible for declaration to the EC, EUR** | **Part of eligible expenses, per cent** |
| **Maximum funding requested, EUR** | **Part of eligible expenses, per cent** | **Own funds of the Applicant and partner(s), EUR** | **Part of eligible expenses, per cent** |
| 1 | 2 | 3 | 4=(3/2)\*100 | 5 | 6=(5/2)\*100 | 7 | 8 | 9=(8/2)\*100 |
|  |  |  |  |  |  |  |  |  |

**Comments**

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| --- |
| *Additional conditions which the Implementing Authority recommends including in the Project agreement taking into consideration the risks involved in the Project may be indicated in this field, as appropriate.* |

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(Title of the position of the responsible person of

the institution evaluating the Application (date) (name, surname and signature if the document is completed in paper form)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Annex 2 to

Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **(Form of the Table on Evaluation of the Benefits and Quality of the Project)**  **TABLE ON EVALUATION OF THE BENEFITS AND QUALITY OF THE PROJECT**   |  |  | | --- | --- | | **Application code** |  | | **Name of the Applicant** |  | | **Title of the Project** |  | | **The Project is to be implemented:** *Marked at the time of evaluation of the benefits and quality of the Project.*  ** with a partner(s)  without a partner(s))** | | | ** INITIAL REVISED**  *(‘Revised’ shall be marked in cases where this table is revised after returning the Application for repeated assessment.)* | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Priority title of the Project selection criterion (hereinafter referred to as the ‘criterion’)** | **Aspects of evaluation of the criterion and clarifications** | **Maximum possible criterion point** | **Evaluation of the criterion (if weights are applicable)** | | **Number of points awarded during the evaluation** | **Comments** | | Evaluation of the criterion | Weighting factor | | **1. Ratio of income received by the enterprise from implementation of the Project and the products directly developed and placed on the market in implementation of the Project during the Project implementation period and for three years from the end of implementation of the Project activities to the eligible expenses of the Project**. | The Project is aimed at promoting development of commercially viable products, thus a higher assessment is awarded to the Projects during the implementation and for three years from the end of implementation of the Project activities, where the ratio of income received by the enterprise from implementation of the Project and the products directly developed and placed on the market (in implementation of the Project during the Project implementation period and three years from the end of implementation of the Project activities), compared to the eligible expenses of the Project, is higher.  The evaluation shall be carried out according to the following formula:  X P / I, where:  P = income received from implementation of the Project and the products directly developed and placed on the market in implementation of the Project during the Project implementation period and for three years from the end of implementation of the Project activities;  I = eligible expenses of the Project.  If the number is not a whole number, it shall be rounded to the whole number with one decimal place according to the usual arithmetic rules.  Five points shall be awarded to the first 20 per cent of the projects with the highest value of the ratio of income to eligible expenses (if the number is not a whole number, it shall be rounded to a whole number according to the usual arithmetic rules; the aforementioned rule shall be further applicable); 4 points shall be awarded to the next 20 per cent of the projects and so on, such that 1 point shall be awarded to the last 20 per cent of the projects.  If the first projects where the same ratio of income to eligible expenses are expected make more than 20 per cent of the projects, 5 points shall be awarded to all such projects. In such case, 4 points shall be award to 20 per cent of the remaining projects, 3 points shall be given to the next 20 per cent of the projects, and so on. The same logical sequence shall be applicable if there are more than 20 per cent of the projects evaluated at 4 points which receive the same number of points. In such case, 4 points shall be always given to them, and lower evaluations shall be awarded to the remaining projects on the basis of the same principle. | **30** | *(The section shall be completed at the time the application is evaluated, and completed only if any weights are set for the criteria. Configuration of numbers: maximum two figures before the decimal separator and one figure after it.)* | **6** | *(The section shall be completed at the time the application is evaluated.*  *The number of points awarded under the criterion shall be indicated.*  *If any weights are set for the criteria, the evaluation awarded under the criterion multiplied by the weighting factor shall be indicated.* *Configuration of numbers: maximum three figures before the decimal separator and one figure after it.)* |  | | **2. Level of novelty of the Project developed in implementation of the Project (developed innovation).** | In pursuance of promoting the development of new globally relevant products, it is necessary to evaluate the level of novelty of the product(s) developed in implementation or after implementation of the Project.  The novelty shall be classified into three groups (in ascending order of relevance): the product is new at the enterprise level, the product is new at the market level, the product is new at the international level as provided for in the Oslo Manual2018Guidelines for Collecting and Interpreting Innovation Data, 4th Edition, The Measurement of Scientific, Technological and Innovation Activities OECD, Eurostat, 2018. Higher evaluation shall be awarded to the projects where the relevance of the products developed in implementation or after implementation of the projects is higher. The relevance is evaluated taking into account the level of novelty of the developed product(s) and the number of products.  If two or more products which are new at the international level are developed in the course of implementation of the Project or within three years from the implementation of the Project, 5 points shall be awarded to the Project.  If one product which is new at the international level is developed in the course of implementation of the Project or within three years from the implementation of the Project, 4 points shall be awarded to the Project.  If one or more products which are new at the market level are developed in the course of implementation of the Project or within three years from the implementation of the Project, 0.6 point shall be awarded for each product which is new at the market level, but not more than 3 points for all products which are new at the market level shall be awarded to the Project.  If one or more products which are new at the enterprise level are developed in the course of implementation of the Project or within three years from the implementation of the Project, 0.2 point shall be awarded for each product which is new at the enterprise level, but not more than 2 points for all products which are new at the enterprise level shall be awarded to the Project.  If one product which is new at the international level and new products at the market and/or enterprise level are developed in the course of implementation of the Project or within three years from the implementation of the Project, the evaluation shall be carried out according to the formula below; however, the value of X cannot be higher than 4.8 points (if the value of X is higher than 4.8 points, 4.8 points shall be awarded to the Project):  X 4 + 0.6 \* R + 0.2 \* Į, where  R = the number of products to be developed in the course of implementation of the Project or within three years from the implementation of the Project which are new at the market level.  Į = the number of products to be developed in the course of implementation of the Project or within three years from the implementation of the Project which are new at the enterprise level.  If products which are new at the market and enterprise level are developed in the course of implementation of the Project or within three years from the implementation of the Project, the evaluation shall be carried out according to the formula below; however, the value of X cannot be higher than 3.2 points (if the value of X is higher than 3.2 points, 3.2 points shall be awarded to the Project). This is in accordance with the aforementioned terms and conditions concerning the maximum number of points awarded to the products which are new at the market level and the enterprise level irrespective of the number of the products (i.e. the maximum possible sum of the points awarded to the products developed at the market level shall be 3 points and 2 points to the products developed at the enterprise level):  X 0.6 \* R + 0.2 \* Į, where  R = the number of products to be developed in the course of implementation of the Project or within three years from the implementation of the Project which are new at the market level.  Į – the number of products to be developed in the course of implementation of the Project or within three years from the implementation of the Project which are new at the enterprise level.  For the purposes of evaluation of the level of novelty of the products, one product shall be allocated only one new group (i.e. if the product is new at the international level, no additional points for the novelty at the market and/or enterprise level shall be awarded; if the product is new at the market level, no additional points for the novelty at the enterprise level shall be awarded).  Sources of information: application, documents referred to in subparagraph 83.6 of Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020. | **25** | *(The section shall be completed at the time the application is evaluated, and completed only if any weights are set for the criteria. Configuration of numbers: maximum two figures before the decimal separator and one figure after it.)* | **5** | *(The section shall be completed at the time the application is evaluated.*  *The number of points awarded under the criterion shall be indicated.*  *If any weights are set for the criteria, the evaluation awarded under the criterion multiplied by the weighting factor shall be indicated. Configuration of numbers: maximum three figures before the decimal separator and one figure after it.)* |  | | **3. Commercial potential of the products developed in implementation of the projects.** | The Project is aimed at promoting development of the products which are more attractive to the market; therefore, higher evaluation shall be awarded to the projects where the commercial potential of the products developed in implementation or after implementation of the projects is higher. The commercial potential shall be evaluated taking into account the level of technological readiness of the new product: higher evaluation shall be awarded to the projects where the level of technological readiness of the products development in implementation of the projects is higher at the beginning and at the end of the Project.  Up to 5 points may be awarded depending on the level of the technological readiness of the new product; the technological readiness of the product to be developed (being developed) shall be evaluated on the basis of the following two aspects:  – The status quo, i.e. the level of technological readiness before starting the Project activities (up to 2.5 points may be awarded). Evaluation scale: up to the third level (inclusive) – no points shall be awarded; the fourth level – 0.5 point shall be awarded; the fifth level and the sixth level – 1.5 points shall be awarded; the seventh level and the eight level – 2.5 points shall be awarded.  – The technological readiness level to be achieved after implementation of the Project (up to 2.5 points may be awarded). Evaluation scale: the sixth level and the seventh level: up to 1.5 points shall be awarded; the eighth level – up to 2.5 points shall be awarded.  The technological readiness levels shall be perceived as the stages of research and development set out in the Description of the Description of the Recommended Classification of Research and Experimental Development Stages approved by Resolution No 650 of the Government of the Republic of Lithuania of 6 June 2012 ‘On the Approval of the Description of the Recommended Classification of Research and Experimental Development Stages’.  If in the course of implementation or after implementation of the Project more than one product is developed, each product shall be evaluated and the average of the awarded point shall be calculated. If the number if not a whole number, it shall be rounded to the whole number and one decimal place according to usual arithmetic rules. | **25** | *(The section shall be completed at the time the application is evaluated, and completed only if any weights are set for the criteria. Configuration of numbers: maximum two figures before the decimal separator and one figure after it.)* | **5** | *(The section shall be completed at the time the application is evaluated.*  *The number of points awarded under the criterion shall be indicated.*  *If any weights are set for the criteria, the evaluation awarded under the criterion multiplied by the weighting factor shall be indicated. Configuration of numbers: maximum three figures before the decimal separator and one figure after it.)* |  | | **4. Research jobs created in the enterprises receiving investments in the course of implementation of the Project or within three years from implementation of the Project activities.** | The Project is aimed at promoting direct foreign investments in R&D and, thus, creation of new research jobs (which must be retained at least for five years and, in the case of micro enterprises, small enterprises and medium-sized enterprises, at least three years from the first day of admission to the job). New research jobs must be created in the course of implementation of the Project and within three years from the end of implementation of the Project activities and calculated in full-time employment equivalents. Higher evaluation shall be awarded to the projects which create more research jobs.  The first 20 per cent of the projects which are planning to create the largest number of research jobs (if the number is not a whole number, it shall be rounded to the whole number according to usual arithmetic rules; the aforementioned rule shall be further applied accordingly) shall be awarded 5 points; 4 points shall be given to the next 20 per cent of the projects, and so on, such that 1 point shall be given to the last 20 per cent of the projects. If the first projects under which the same number of research jobs are to be created make more than 20 per cent of the projects, 5 points shall be given to all such projects. In such case, 4 points shall be awarded to the first 20 per cent of the remaining projects, 3 points shall be given to other 20 per cent of the projects and so on. Thus, the same logical sequence shall be applicable if there are more than 20 per cent of the projects evaluated at 4 points which receive the same number of points. In such case, 4 points shall be always given to them, and lower evaluations shall be awarded to the remaining projects on the basis of the same principle. | **10** | *(The section shall be completed at the time the application is evaluated, and completed only if any weights are set for the criteria. Configuration of numbers: maximum two figures before the decimal separator and one figure after it.)* | **2** | *(The section shall be completed at the time the application is evaluated.*  *The number of points awarded under the criterion shall be indicated.*  *If any weights are set for the criteria, the evaluation awarded under the criterion multiplied by the weighting factor shall be indicated. Configuration of numbers: maximum three figures before the decimal separator and one figure after it.)* |  | | **5. R&D activities attributed to the life science sector to be carried out in the course of implementation of the Project.** | It shall be evaluated whether the R&D activities to be carried out in the course of implementation of the Project are attributed to the life science sector.  If the R&D activities to be carried out in the course of implementation of the Project are attributed to the life science sector, 5 points shall be awarded to the Project; if the R&D activities to be carried out in the course of implementation of the Project are not attributed to the life science sector, 0 points shall be awarded. | **10** | *(The section shall be completed at the time the application is evaluated, and completed only in case any weights are set for the criteria. Configuration of numbers: maximum two figures before the decimal separator and one figure after it.)* | **2** | *(The section shall be completed at the time the application is evaluated.*  *The number of points awarded under the criterion shall be indicated.*  *If any weights are set for the criteria, the evaluation awarded under the criterion multiplied by the weighting factor shall be indicated. Configuration of numbers: maximum three figures before the decimal separator and one figure after it.)* |  | | **Sum:** | | **100** |  |  | *(The points entered in the section which cannot exceed 100 shall be summed up. Configuration of numbers: maximum three figures before the decimal separator and one figure after it.)* |  | | **Minimum point threshold:** | | **30** |  |  |  |  | |

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(Title of the position of the responsible person who has

carried out the evaluation of the application) (Date) (Name and surname, signature, if paper version is completed)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Annex 3 to

Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020

**(Form of the Sheet for Verification of Compliance of the Projects with the State Aid Rules)**

**sheet for VERIFICATION OF COMPLIANCE OF THE PROJECTS WITH THE STATE AID RULES**

|  |
| --- |
| **1. Legal basis of the measure** |
| Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty as last amended by Commission Regulation (EU) No 2021/1237 of 23 July 2021 |

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| **2. Data relating to the Application/Project** | |
| **Application/Project number** |  |
| **Name of the Applicant/Project Promoter** |  |
| **Title of the Project** |  |

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| **3. Verification of compliance of the Application/Project with the Regulation (EU) No 651/2014** | | | | | | | | |
| **Seq. No** | **Questions** | | **Result** | | | | **Comments** | |
| 3.1. | To what category does the Applicant belong? (Please choose only one option) | | □ Yes | | □ No | |  | |
| - Micro Enterprise | |  | |  | |  | |
| - Small Enterprise | |  | |  | |  | |
| - Medium-sized Enterprise | |  | |  | |  | |
| - Large Enterprise | |  | |  | |  | |
| 3.2. | To what category does the partner belong? (Please choose only one option, if applicable) | | □ Yes | | □ No | |  | |
| - Micro Enterprise | |  | |  | |  | |
| - Small Enterprise | |  | |  | |  | |
| - Medium-Sized Enterprise | |  | |  | |  | |
| - Large Enterprise | |  | |  | |  | |
| 3.3. | Does the granted state aid comply with the provisions set forth in Article 1(2) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.4. | Does the granted state aid comply with the provisions set forth in Article 1(3) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.5. | Does the granted state aid comply with the provisions set forth in Article 1(4) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.6. | Does the granted state aid comply with the provisions set forth in Article 1(5) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.7. | Does the granted state aid comply with the provisions set forth in Article 4(1) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.8. | Does the granted state aid comply with the provisions set forth in Article 4(2) of the Regulation? | | □ Yes | | □ No | |  | |
| 3.9. | Is the incentive effect of the state aid reasonable according to Article 6(2) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.10. | Are the state aid cumulation requirements provided for in Article 8 of Regulation (EU) No 651/2014 complied with? | | □ Yes | | □ No | |  | |
| *Applicable if the state aid is granted according to Article 14 of Regulation (EU) No 651/2014:* | | | | | | | | |
| 3.11. | Is the state aid granted for initial investment (as defined in Article 2(49)(a) of Regulation (EU) No 651/2014) as indicated in Article 14(3) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.12. | Is the state aid requested for financing eligible investment expenses for tangible and intangible assets set forth in Article 14(4)(a) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.13. | Are the provisions set forth in Article 14(5) of Regulation (EU) No 651/2014 complied with, i.e. is it envisaged that after the investment is ended, investment in the area that receives the state aid shall be retained at least for five years in cases of Large Enterprises or at least for three years in cases of Micro Enterprises, Small and Medium-sized Enterprises? | | □ Yes | | □ No | |  | |
| 3.14. | Does the state aid intensity comply with the provisions of Article 14(12) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.15. | Does the granted state aid comply with the provisions of Article 13 of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.16. | Do the acquired assets meet the provisions of Article 14(6) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.17. | Do the provisions of Article 14(7) of Regulation (EU) No 651/2014 comply with the calculation of eligible expenses (if applicable)? | | □ Yes | | □ No | |  | |
| 3.18. | Are the provisions concerning intangible assets set forth in Article 14(8) of Regulation (EU) No 651/2014 complied with? | | □ Yes | | □ No | |  | |
| 3.19. | Does the state aid granted comply with the provisions set forth in Article 14(13) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.20. | Are the provisions regarding the amount of the State Aid Beneficiary’s financial contribution set forth in Article 14(14) of Regulation (EU) No 651/2014 complied with? | | □ Yes | | □ No | |  | |
| 3.21. | Are the provisions of Article 14(16) of Regulation (EU) No 651/2014 complied with? | | □ Yes | | □ No | |  | |
| *Applicable if the state aid is granted according to Article 25 of the Regulation (EU) No. 651/2014:* | | | | | | | | |
| 3.22. | Does the granted state aid comply with the provisions set forth in Article 25(2)(b) and/or Article 25(2)(c) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.23. | Does the granted state aid comply with the provisions set forth in Article 25(3) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.24. | Does the state aid intensity comply with the provisions set forth in Article 25(5) of Regulation (EU) No 651/2014? | | □ Yes | | □ No | |  | |
| 3.25. | Does the state aid intensity comply with the provisions set forth in Article 25(6) of Regulation (EU) No 651/2014 (if applicable)? | | □ Yes | | □ No | |  | |
|  | | | | | | | | |
| **4. Assessment of the compliance of the state aid** | | | | | | | | |
| Does the granted state aid comply with the provisions of Regulation (EU) No 651/2014? | | | | □ Yes | | □ No |  | |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (Assessor) | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_  Signature) | | | | | \_\_\_\_\_\_\_\_\_\_\_\_\_  (Date) | |
| **Revision of the assessment:**  □ To approve the assessor’s conclusion  □ Not to approve the assessor’s conclusion  *Notes:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* | | | | | | | | | |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (Head of the division) | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_  (Signature) | | | | | | \_\_\_\_\_\_\_\_\_\_\_\_  (Date) | |

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Annex 4 to

Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020

**(Form of the Sheet for Verification of Compliance of the Projects with the *De Minimis* Aid Rules)**

**SHEET FOR VERIFICATION OF COMPLIANCE OF THE PROJECTS WITH THE *de minimis* AID RULES**

|  |
| --- |
| **1. Legal basis of financing** |
| Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid as last amended by Commission Regulation (EU) No 2020/972 of 2 July 2020 |

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| **2. Data relating to the Application/Project** | |
| **Application/Project number** |  |
| **Name of the Applicant/Project Promoter** |  |
| **Title of the Project** |  |
| **Name(s) of the Project partner(s)** |  |

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| --- | --- | --- | --- | --- | --- |
| **3. Verification of compliance of the Application/Project activities with Regulation (EU) No 1407/2013** | | | | | |
| **Seq.**  **No** | **Questions** | **Result** | | | **Comments** |
| **Yes** | **No** | **Not applicable** |
| 3.1. | Is the Applicant (Project Promoter)/partner engaged in activities in the fisheries and aquaculture sector regulated by Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 including all amendments? | □ | □ | □ |  |
| 3.2. | Is the Applicant (Project Promoter)/partner engaged in the primary production of agricultural products? | □ | □ | □ |  |
| 3.3. | Is the Applicant (Project Promoter)/partner operating in the sector of processing and sale of agricultural products in cases where the amount of the state aid is determined on the basis of the price or quantity of the products acquired by producers of primary agricultural products or supplied by the respective companies to the market? | □ | □ | □ |  |
| 3.4. | Is the Applicant (Project Promoter)/partner operating in the sector of processing and sale of agricultural products in cases where the amount of the state aid is dependent on whether the whole aid or its part is to be transferred to the producers of primary agricultural products? | □ | □ | □ |  |
| 3.5. | Is the Applicant (Project Promoter)/partner engaged in export-related activities in third countries or Member States of the European Union (i.e. the activities are directly related to the exported quantities, development of the distribution network and other export-related current expenses)? | □ | □ | □ |  |
| 3.6. | Is the state aid granted to the Applicant (Project Promoter)/partner dependent on whether the quantity of consumed local goods is higher than the quantity of imported goods? | □ | □ | □ |  |
| 3.7. | Is the Applicant (Project Promoter)/partner engaged in activities in the sectors specified in subparagraphs 3.1–3.4 hereof including at least one sector regulated by Regulation (EU) No 1407/2013 and the state aid is granted to the latter sector or it is ensured that no *de minimis* aid is provided to the sectors not regulated by Regulation (EU) No 1407/2013 by employing the respective measures such as separating activities or expenditure (*if applicable*)? | □ | □ | □ |  |
| 3.8. | Is the *de minimis* aid to be used to acquire road transport vehicles for cargo transportation where the enterprise (the Applicant and/or the Project Promoter/partner) is performing road freight transport for hire or reward? | □ | □ | □ |  |
| 3.9. | Does the total amount of the *de minimis* aid granted to a single enterprise in the Republic of Lithuania as defined in Regulation (EU) No 1407/2013 not exceed EUR 200 000 (two hundred thousand euro) during any financial period of three years (or, in a specific case, will exceed the said amount upon granting the *de minimis* aid)? | □ | □ | □ |  |
| 3.10. | If the company (the Applicant, the Project Promoter) is engaged in road freight transport for hire or reward or is engaged in any other activities to which the ceiling of EUR 200 000 (two hundred thousand euro) applies, is it ensured that the *de minimis* aid for the road freight transport activity does not exceed EUR 100 000 (one hundred thousand euro) and that no *de minimis aid* is used for the acquisition of road freight transport vehicles (*if applicable*)? | □ | □ | □ |  |
| 3.11. | Is all prior *de minimis* aid granted to any of the merging undertakings taken into account in determining whether any new *de minimis* aid to the new or the acquiring undertaking exceeds the relevant ceiling of the *de minimis* aid set in Regulation (EU) No 1407/2013 (*if applicable*)? | □ | □ | □ |  |
| 3.12. | If one undertaking splits into two or more separate undertakings, is *de minimis* aid granted prior to the split allocated to the undertaking that benefited from it? If such an allocation is not possible, is the *de minimis* aid allocated proportionately on the basis of the book value of the equity capital of the new undertakings at the effective date of the split? | □ | □ | □ |  |
| 3.13. | Is the gross grant equivalent of the aid provision calculated properly and is the provided *de minimis* aid considered as transparent aid? (Article 4 of Regulation (EU) No 1407/2013) | □ | □ | □ | *(Please indicate the paragraph of Article 4 of Regulation (EU) No 1407/2013 regulating the transparent provision of the de minimis aid)* |
| 3.14. | Is the *de minimis* aid cumulated according to the requirements of Article 5 of Regulation (EU) No 1407/2013? | □ | □ | □ |  |
| 3.15. | Does the provided *de minimis* aid fall within the validity period of Regulation (EU) No 1407/2013? | □ | □ | □ |  |

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| --- | --- | --- | --- | --- | --- |
| **4. Assessment of compliance of the financing with Regulation (EU) No 1407/2013** | | | | | |
| Does the provided financing comply with Regulation (EU) No 1407/2013? | | □ | □ |  | |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (Assessor) | \_\_\_\_\_\_\_\_\_\_\_\_  (Signature) | | | | *\_\_\_\_\_\_\_\_\_\_\_\_*  (Date) | |
| **Revision of the assessment:**  □ To approve of the conclusion  □ Not to approve of the conclusion  *Notes: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* | | | | | | |
| *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *(Head)* | *\_\_\_\_\_\_\_\_\_\_\_\_*  *(Signature)* | | | | *\_\_\_\_\_\_\_\_\_\_\_\_*  *(Date)* | |

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Annex 5 to

Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020

**(Form of Information on the received state aid, other sources of financing and data required for assessment of compliance of the Project with the provisions of the description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Investment in 2014–2020 and the Project Selection Criteria)**

**INFORMAtion on the received state aid, other sources of financing and data required for assessment of compliance of the Project with the provisions of the description no 2 OF THE CONDITIONS OF FUNDING OF SmartInvest lt+ PROJECTS UNDER MEASURE NO 01.2.1-LVPA-K-823 OF PRIORITY AXIS 1 ‘STRENGTHENING RESEARCH AND DEVELOPMENT AND INNOVATION’ OF THE OPERATIONAL PROGRAMME FOR THE EUROPEAN UNION INVESTMENT IN 2014–2020 AND THE PROJECT SELECTION CRITERIA**

**1. The activities carried out by the Applicant and/or partner(s) (if the Project is implemented with a partner(s)) and the Project activities are assigned according to the Statistical Classification of Economic Activities approved by Order DĮ-226 of the Director General of the Department of Statistics under the Government of the Republic of Lithuania of 31 October 2007 ‘On Approval of the Statistical Classification of Economic Activities’ (hereinafter referred to as the ‘NACE Rev. 2’) (applicable in the assessment of compliance of the Project with paragraph 10 of the Description No 2 of the Conditions of Funding of SmartInvest LT+ Projects under Measure No 01.2.1-LVPA-K-823 of Priority Axis 1 ‘Strengthening Research and Development and Innovation’ of the Operational Programme for the European Union Funds’ Investments in 2014–2020 (hereinafter referred to as the ‘Description’)**

|  |  |
| --- | --- |
| 1.1. The activity(ies) carried out by the Applicant according to the NACE Rev. 2. |  |
| 1.2. The activity(ies) of the Applicant according to the NACE Rev. 2 for which the Project results shall be used (if the Project results are attributed to several activities, please provide the breakdown of the results in percentages). |  |
| 1.3. The activity(ies) carried out by the partner according to the NACE Rev. 2. *(To be completed if the Project is implemented with a partner).* |  |
| 1.4. The activity(ies) of the partner according to the NACE Rev. 2 for which the Project results shall be used (if the Project results are attributed to several activities, please provide the breakdown of the results in percentages) *(to be completed if the Project is implemented with a partner).* |  |

**2. Shareholders of the Applicant (all shareholders of the company holding 10 per cent or more of shares of the company shall be listed).**

|  |  |  |
| --- | --- | --- |
| Seq. No | Shareholder | Shareholding (per cent) |
| 2.1. |  |  |
| 2.2. |  |  |

**3. The Decisive Influence of the Investor upon the private legal person (hereinafter referred to as the ‘Enterprise’) established by the Investor in the Republic of Lithuania or a branch of the Foreign Investor (Legal Person) established in the Republic of Lithuania (applicable in assessment of compliance of the Project with paragraph 15 of the Description).**

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| **Describe the situation of how the controlling person (Investor) implements or is in a position to implement decisions in relation to the economic activity of the controlled undertaking, the decisions of its bodies or the composition of its personnel.** |
| *A detailed description shall be provided.* |
| **Provide the data on incorporation (registration) of a branch of the Foreign Investor (Legal Person) in the Republic of Lithuania.** |
| *The date of registration and the registration number of the established branch shall be indicated.* |

**4. State aid received (to be received) for the Project with regard to the Applicant (or the Applicant and partners).**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Estimated amount of the state aid (*from sources other than the Ministry of Economy and Innovation of the Republic of Lithuania*) | Amount of the received state aid | State aid provider | Article of Commission Regulation (EU) No 651/2014 on 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty as last amended by Commission Regulation (EU) No 2021/1237 of 23 July 2021 according to which the state aid is granted | Information on granting of the state aid and the basis for granting of the state aid | Date of granting of the state aid |
| 4.1. Other state aid |  |  |  |  |  |  |
| 4.2. Intended *de minimis* aid granted for implementation of the Project (indicate the expenses to be covered by *de minimis* aid) |  |  |  |  |  |  |
| 4.3. Other financial state aid in various forms for legal persons (guarantees granted by the State, micro credits, reimbursement of interest of guaranteed loans etc.) |  |  |  |  |  |  |

**5. The Project shall be assigned to one of the** **priority areas and topics in relation to implementation provided for in the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities approved by Resolution No 411 of the Government of the Republic of Lithuania of 30 April 2014 ‘On the Approval of Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities’.**

|  |  |  |  |
| --- | --- | --- | --- |
| **RD&I priority area**  *(please choose one option)* | | **Topics concerning implementation of RD&I priority area**  *(please choose one option)* | |
| **5.1. Energy and sustainable environment** | □ | 5.1.1. Enhancing the interoperability of the distributed and centralised generation, network and energy efficiency consumption system | □ |
| 5.1.2. Satisfaction of the needs of the existing and new ultimate consumers, enhancing of efficiency and smartness of energy consumption | □ |
| 5.1.3. Development of use of renewable biomass and solar energy sources and recycling of waste for energy | □ |
| **5.2. Health and technologies and biotechnologies** | □ | 5.2.1. Molecular technologies for medicine and biopharmacy | □ |
| 5.2.2. Advanced technologies applied in personal and public health | □ |
| 5.2.3. Advanced medical engineering for early diagnosis and treatment | □ |
| **5.3. Agro-innovations and food technologies** | □ | 5.3.1. Sustainable agro-biological resources and safer food | □ |
| 5.3.2. Wasteless recycling of bio raw materials into valuable components | □ |
| **5.4. New production processes, materials and technologies** | □ | 5.4.1. Photonics and laser technologies | □ |
| 5.4.2. Advanced materials and structures | □ |
| 5.4.3. Flexible technological systems of product development and production | □ |
| **5.5. Smart, green and integrated transport** | □ | 5.5.1. Smart transport systems | □ |
| 5.5.2. Technologies (models) for the management of international transport corridors and the integration of transport modes | □ |
| **5.6. Information and communication technologies** | □ | 5.6.1. Artificial intelligence, big and distributed data | □ |
| 5.6.2. Internet of things | □ |
| 5.6.3. Diversified analysis, processing and introduction | □ |
| 5.6.4. Cybersecurity | □ |
| 5.6.5. Financial technologies and blockchains | □ |
| **5.7. Inclusive and creative society** | □ | 5.7.1. Modern educational technologies and processes | □ |
| 5.7.2. Design and audiovisual media technologies and products | □ |
| 5.7.3. Social and cultural innovations for creation of the society development products and services, innovative business models | □ |
| 5.7.3. Flexible and applied process management technologies | □ |

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