

PRESENTATION OF PROCEDURE

BG16FFPR003-4.004 "Diversification and adaptation of small and medium-sized enterprises to the economic transition"

Regional Development Programme 2021-2027
MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS

PROCEDURE OBJECTIVE:

Support and assistance to SMEs in the process of achieving economic transition. The procedure is aimed at **micro, small and medium-sized enterprises (SMEs), including start-ups in the region of Pernik, Kyustendil and Stara Zagora, with the aim of ensuring adequate and effective support to the local economy in the process of transition to climate neutrality.**

TOTAL BUDGET FOR THE PROCEDURE:
250 000 000 BGN

SIZE AND INTENSITY OF GRANT FUNDING:

Size of aid:

Minimum size of the requested grant aid	Maximum size of the requested grant aid depending on the category of the applicant enterprise
50 000 BGN	Micro and small enterprises: up to 500 000 BGN and in accordance with the applicable de minimis/state aid regime
	Medium-sized enterprises: up to 1 000 000 BGN and in accordance with the applicable de minimis/state aid regime

Intensity of aid:

Under this procedure, eligible costs are divided into two elements - **Element A "Investments" (mandatory)** and **Element B "Services" (optional)**, with the thresholds and co-financing percentage for each element depending on the selected aid regime, as indicated below:

- 1. Minimum aid, "de minimis" regime (applicable under Element A "Investments" and Element B "Services") – size of funding up to 586 749 BGN, representing up to 100% of the total eligible costs. If the size of funds required for the specific beneficiary under the proposal exceeds the thresholds established in the regulation, the specific beneficiary should provide its own funds for the excess over the thresholds under the regulation.**
- 2. "Regional Investment Aid" regime (applicable under Element A "Investments", eligible for ALL applicants) - for initial investment, or initial investment in favor of a new business activity:**

Enterprise category	Maximum aid intensity for activities <u>in</u> the SWR	Maximum aid intensity for activities <u>outside</u> the SWR
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Micro and small enterprises	Pernik region: 40% Kyustendil region: 40%	<ul style="list-style-type: none"> - 70% for Haskovo region (partial except for HKV09 Dimitrovgrad; HKV29 Simeonovgrad; HKV32 Topolovgrad; HKV33 Harmanli; HKV34 Haskovo) - 75% for Haskovo region (only HKV09 Dimitrovgrad; HKV29 Simeonovgrad; HKV32 Topolovgrad; HKV33 Harmanli; HKV34 Haskovo) - 70% for Sliven region (partial except on SLV 16 Nova Zagora; SLV20 Sliven) - 75% for Sliven region (partial only SLV 16 Nova Zagora; SLV20 Sliven) - 75% for Yambol region (partial except for JAM 07 Elhovo; JAM 25 Tundzha; JAM 26 Yambol) - 75% for Yambol region (partial only JAM 07 Elhovo; JAM 25 Tundzha; JAM 26 Yambol) - 75% for Stara Zagora region
Medium-sized enterprises	Pernik region: 30% Kyustendil region: 30%	<ul style="list-style-type: none"> - 60% for Haskovo region (partial except for HKV09 Dimitrovgrad; HKV29 Simeonovgrad; HKV32 Topolovgrad; HKV33 Harmanli; HKV34 Haskovo) - 70% for Haskovo region (only HKV09 Dimitrovgrad; HKV29 Simeonovgrad; HKV32 Topolovgrad; HKV33 Harmanli; HKV34 Haskovo) - 60% for Sliven region (partial except on SLV 16 Nova Zagora; SLV20 Sliven) - 70% for Sliven region (partial only SLV 16 Nova Zagora; SLV20 Sliven) - 70% for Yambol region (partial except for JAM 07 Elhovo; JAM 25 Tundzha; JAM 26 Yambol) - 75% for Yambol region (partial only JAM 07 Elhovo; JAM 25 Tundzha; JAM 26 Yambol) - 70 % for Stara Zagora region

3. **Regime "Aid for consultancy services in favour of SMEs" (applicable under Element B "Services" for an applicant/partner):** the aid does not exceed 50% of the eligible costs.
4. **"Start-up aid" regime (applicable under Element A "Investments" for an applicant):** start-up aid is in the form of grants in the size (threshold) of up to the BGN equivalent of EUR 0.75 million for micro/small enterprises established in the South-West Region or up to the BGN equivalent of EUR 1 million for micro/small enterprises established outside the South-West Region.
5. **"Aid for innovation in favour of SMEs" regime (applicable under Element B "Services" for an applicant/partner):** the aid does not exceed 50% of the eligible costs.

Aid, according to Art. 28, par. 2, letters c) for consultancy and support services in support of innovation, including services provided by organisations for scientific research and knowledge dissemination, research infrastructures, infrastructures for testing and experimentation or innovation clusters, the aid intensity is up to 100% of the eligible costs, provided that the total size of aid does not exceed the BGN equivalent of EUR 220,000 per enterprise for each three-year period.

6. "Training Grants" regime (applicable under Element B "Services" ONLY for training): the maximum size of the requested grant for activity/s in a project proposal **for training grants cannot exceed the maximum amount of aid of 5 867 490 BGN**

The aid intensity must not exceed 50% of the eligible costs. **It may be increased to 70% of the eligible costs under the following conditions:** A) An increase of 10% if the training is offered to disabled or disadvantaged workers. B) An increase of 10% if the aid is granted to medium-sized enterprises and 20% if the aid is granted to small enterprises.

Aid intensity for "training aid" under the block exemption regime:

The maximum grant intensity depends on the category of the applicant enterprise and is as follows:

- **For medium-sized enterprises it does not exceed 60% of the total eligible costs of the project/activity.**
- **For small/micro enterprises, it does not exceed 70% of the total eligible costs of the project/activity.**
 - The aid intensity may be increased by 10%, or up to 70% of the total eligible costs, if the training is offered to workers with disabilities or workers in disadvantaged situations.
 - The maximum aid intensity for training of workers with disabilities or workers in disadvantaged situations for micro/small and medium-sized enterprises cannot exceed 70%.

7. "Investment aid for the promotion of energy from renewable sources, hydrogen from renewable sources and high-efficiency cogeneration" regime (eligible for ALL applicants): The aid intensity for an activity/project shall not exceed:

- a) 45% of eligible costs for investments in the development of renewable energy sources, including heat pumps, in accordance with Annex VII of Directive 2018/2001, hydrogen from renewable sources and high-efficiency cogeneration based on renewable energy sources;
- 6) 30% of the eligible costs for any other investment falling within the scope of Article 41 of Regulation (EU) No 651/2014.
 - The aid intensity may be increased by 20 percentage points for aid granted to small enterprises and by 10 percentage points for aid granted to medium-sized enterprises.

Project type/enterprise size	Medium-sized enterprises	Small enterprises
RES, including heat pumps, hydrogen from RES and high-efficiency cogeneration from RES	55%	65%
Storage	40%	50%

8. "Investment aid for resource efficiency and supporting the transition to a circular economy" regime (eligible for ALL applicants):

- The aid intensity shall not exceed 40% of the eligible costs. The aid intensity may be increased by 20% for aid granted to small enterprises and by 10% for aid granted to medium-sized enterprises.

- The aid intensity may be increased by 15% for investments carried out in assisted areas fulfilling the conditions of Article 107(3)(a) of the Treaty and by 5% for investments carried out in assisted areas fulfilling the conditions of Article 107(3)(c) of the Treaty.

Project type/enterprise size	Medium-sized enterprises	Small enterprises
Regions in transition (SWR)	55%	65%
Less developed regions	65%	75%

ELIGIBLE APPLICANTS:

1. Traders within the meaning of the Commerce Act or the Cooperatives Act
2. They must be micro, small and medium-sized enterprises
3. In cases where the applicant is an **existing enterprise** - an enterprise registered more than 2 years ago from the date of application under the procedure, the same has realized a total of net sales revenue for the 2021, 2022 and 2023 financial years equal to or exceeding:
 - Micro enterprise: 100 000 BGN;
 - Small: 250 000 BGN;
 - Medium-sized enterprise: 800 000 BGN.

OR

In cases where the applicant is a **newly established enterprise** - an enterprise registered no more than 2 years ago from the date of application under the procedure, which has not completed a financial year, the same has provided in its business plan that the required net sales revenues will be achieved, according to the enterprise category declared at the time of application, for a period of three financial years (following the year of completion of the project proposal), as follows:

- Micro enterprise \geq 100 000 BGN;
 - Small enterprise \geq 250 000 BGN;
 - Medium-sized enterprise \geq 800 000 BGN.
4. The place of implementation of the investments is on the territory of the municipalities in the regions of Kyustendil, Pernik and Stara Zagora, as well as the municipalities of Nova Zagora, Yambol, Simeonovgrad, Harmanli, Topolovgrad, Dimitrovgrad, Haskovo, Elhovo, Sliven and Tundzha, including start-up enterprises.

ELIGIBLE PARTNERS:

- Partnership under the procedure IS NOT mandatory.
- Eligible partners are:
 - Municipalities
 - Technology clusters
 - Business associations/chambers of commerce
 - Universities
 - Economic development agencies
- Partners should have experience in the activities for which they are included as a partner in the scope of the project proposal.

ELIGIBLE ACTIVITIES:

I. ELEMENT A “INVESTMENTS” – **MANDATORY:**

Activity 1: Activities to support timely economic adaptation and integration through investments in existing and start-up enterprises for the transition to clean technologies with a focus on the creation of jobs, resources and products based on the circular economy, widespread use of renewable energy sources and capacity building for improving the qualifications of the workforce, including through restructuring, diversification, technical modernization, increasing productivity, innovation, etc. using the skills of the workforce directly affected by the transition, which include:

- support for production investments in enterprises with the aim of increasing employment and improving competitiveness with a priority focus on sectors with high potential, national and regional priority sectors, according to the "National Strategy for Small and Medium-sized Enterprises" 2021-2027, as well as falling within the scope of the thematic areas and sub-areas of the Innovation Strategy for Smart Specialization (IS3) 2021-2027

Activity 2: Construction and installation works (C&I) activities related to investments for SME diversification.

II. ELEMENT B “SERVICES” – **OPTIONAL:**

Activity 1: Activity to promote entrepreneurship and support start-ups, including through technical assistance for consulting services to entrepreneurs - legal, administrative, marketing, business planning, financial, product design, etc.

!!!Activity 1 may be implemented, at the discretion of the applicant, in accordance with:

- 1) the conditions and thresholds for "de minimis" aid under Commission Regulation (EU) No 2023/2831.
- 2) the conditions and thresholds for "Aid for consultancy services in favour of SMEs" under Article 18 of Commission Regulation (EU) No 651/2014.
- 3) the conditions and thresholds for "Aid for innovation in favour of SMEs" under Article 28, paragraph 2, letters "a", "b" and "c" of Commission Regulation (EU) No 651/2014.

Activity 2: Activities for the provision of specialized training in the field of economic activities for which support has been requested under the procedure.

!!!Activity 2 may be implemented at the discretion of the applicant:

- 1) under the conditions and thresholds for "de minimis aid" according to Commission Regulation (EU) No 2023/2831.
- 2) under the conditions and thresholds for "Training aid" according to Article 31 of Commission Regulation (EU) No 651/2014.

Activity 3: Activities for building and developing partnerships and encouraging the transfer of knowledge and skills, supporting activities for promoting and expanding the activities of enterprises, such as:

- participation in specialized national/international exhibitions;
- participation in forums, contact exchanges, conferences and events with bilateral meetings between Bulgarian and foreign companies in the country;
- organization and conduct of buyer programs with visits of foreign buyers to the country;
- participation in specialized national/international seminars, conferences, trainings.

!!!Activity 3 can be implemented under the conditions and thresholds for "de minimis aid" according to Commission Regulation (EU) No 2023/2831.

Activity 4: Qualification and training activities for the acquisition of specific knowledge, support for technological and new types of skills and specialization of personnel.

!!!Activity 4 may be implemented at the discretion of the applicant:

1) under the conditions and thresholds for "de minimis" aid according to Commission Regulation (EU) No 2023/2831.

2) under the conditions and thresholds for "Training aid" according to Article 31 of Commission Regulation (EU) No 651/2014. The activities should be aimed at and contribute to the adaptation, integration and growth of existing enterprises, the promotion and development of new enterprises, the creation and sustainability of jobs in them with the aim of developing and diversifying the economy in the **region**.

ELIGIBLE COSTS:

1. Direct eligible costs:

- Costs for the acquisition of machinery, facilities and equipment, representing fixed tangible assets (FTA);
- Costs for the creation/acquisition of specialized software for the production process, representing a fixed intangible asset (FIA);
- Costs for construction and assembly activities (C&A) related to investments for the diversification of SMEs, incl. costs associated with C&A (design supervision, construction supervision, commissioning, etc.);
- Costs for the rental of office premises up to 10% of the total eligible costs of the project;
- Costs for the purchase of land, subject to the requirements of Art. 64 of Regulation 1060/2021 – up to 10% of the total eligible costs of the project;
- Costs for services required for the development of new products/services - up to 20% of the total eligible costs of the project

Costs for services may include: preparation of an economic assessment, financial assessment and technical assessment of products (goods and/or services); development of technologies for the production of goods and/or provision of services; preparation of market analyses and surveys, marketing plans for the market implementation of entrepreneurial ideas for products (goods and/or services); protection of industrial property at national and international levels and use of the necessary expert assistance.

- Costs for training the applicant's employees in connection with the investment made under the project;
- Costs for building and developing partnerships and promoting the transfer of knowledge and skills, support for activities to promote and expand the activities of enterprises, incl. for participation in events.
- Costs for technical assistance in support of start-ups - legal, administrative, marketing, business planning, financial, product design, etc.;
- Other costs related to the eligible activities under the procedure that correspond to the selected aid regime.

2. Indirect costs - a flat rate of 7% of the eligible direct costs financed with the grant under the project proposal - costs for organization and management of the project, as well as for the implementation of visibility, transparency and communication measures.

Indirect costs can be financed:

- In the "non-aid" regime - when the activities are assigned to a contractor/s under the Public Procurement Act or the applicable legislation;
- "de minimis" regime - when these activities are performed by the applicant himself.

DEAD LINE FOR APPLICATIONS

15.05.2025 г., 18:00 h