

PRESENTATION OF PROCEDURE
BG16RFPR001-1.008 "Implementation of technologies in the field of Industry 4.0 in enterprises"

Programme "Competitiveness and Innovation in Enterprises" 2021-2027
MINISTRY OF INNOVATION AND GROWTH

PROCEDURE OBJECTIVE:

Increasing the level of digitalization of small and medium-sized enterprises by encouraging investments in the introduction of technologies in the field of Industry 4.0.

TOTAL BUDGET FOR THE PROCEDURE:

105 978 140.42 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 and selected project aid regime
150 000 BGN	Small enterprises: 450 000 BGN regardless of the selected aid regime
	Medium-sized enterprises: 1) 450 000 BGN for projects implemented ONLY under the conditions of the minimal help regime ("de minimis"); 2) 850 000 BGN for projects implemented ONLY under the conditions of the "regional investment aid" regime, or for projects involving both aid regimes ("regional investment aid" and "de minimis").

In addition, the maximum amount of grant requested for an individual project proposal should **NOT** exceed:

- **For small enterprises:** 60% of the average annual net sales revenue realized by the applicant for the three-year period 2022, 2023 and 2024.
- **For medium-sized enterprises:** 25% of the average annual net sales revenue realized by the applicant for the three-year period 2022, 2023 and 2024.

Intensity of aid:

- Under this procedure, eligible costs are divided into two elements - **Element A (mandatory)** and **Element B (optional)**.

1. "Regional Investment Aid" Regime - applicable under Element A:

Enterprise category	Maximum intensity of funding for activities <i>outside the SWR*</i>	Maximum intensity of funding for activities <i>inside the SWR*</i>
Small enterprises	50%	Sofia city (capital): 25% Sofia region: 50% Blagoevgrad region: 50% Pernik region: 30% Kyustendil region: 30%
Medium-sized enterprises	50%	Sofia city (capital): 15% Sofia region: 45% Blagoevgrad region: 45% Pernik region: 20% Kyustendil region: 20%

****SWR: South-West planning region***

2. "De Minimis" regime (minimum help) - applicable under Element A and Element B:

Enterprise category	Maximum intensity of aid
Small and medium-sized enterprises	50%

- **Under the current procedure, the maximum allowable amount of grant aid under the selected "de minimis" regime is 450 000 BGN.**

ELIGIBLE APPLICANTS:

1. Traders within the meaning of the Commerce Act or the Cooperatives Act
2. To be registered no later than 31.12.2022.
3. They must be small and medium-sized enterprises
4. Have achieved net sales revenue for the 2024 financial year, depending on the category of the applicant enterprise, as follows:

Size of the candidate enterprise	Net Sales Revenue for 2024
Small enterprises	≥ 300 000 BGN
Medium-sized enterprises	≥ 1 000 000 BGN

5. Have declared support related to their main economic activity according to the Classification of Economic Activities (KID-2008)
6. Have a Digital Maturity Level in the candidate enterprise, according to the SME Digital Maturity Assessment Survey (European Commission's Open DMAT tool), published at the following internet address – <https://european-digital-innovation-hubs.ec.europa.eu/bg/open-dma>, which cumulatively achieves the following results:

- 6.1) **overall average score** for the level of maturity of digital technologies – not less than 25% and not more than 80%;
- 6.2) **score on the dimension “Digital Strategy of the Organization”** – not less than 25% and not more than 80%;
- 6.3) **score on the dimension “Digital Readiness”** – not less than 20% and not more than 80%.

ELIGIBLE PROJECTS:

- 1. Projects that must include an activity under Element A (mandatory), related to the introduction of technologies from the last four levels of digitalization, according to the Maturity index – Industry 4.0 – level 3 “Visibility”, level 4 “Transparency”, level 5 “Forecast capacity” and/or level 6 “Adaptability”.**
- In case of implementation under the conditions of the "regional investment aid" regime (Element A), only project proposals that have as their main subject the implementation of **ONE** of the following initial investments in tangible and intangible assets:
 - creation of a new business entity;
 - increase in the capacity of an existing business entity;
 - - fundamental change in the entire production process of the product(s) or the overall provision of the service(s) affected by the investment in the business entity are eligible for support.

ELIGIBLE ACTIVITIES:

I. ELEMENT A – MANDATORY:

- 1. Activity 1: Introduction of Industry 4.0 technologies**
 - To be eligible for funding, Activity 1 **must cumulatively lead to:**
 - Introduction of one or more **Industry 4.0 technologies** in the candidate enterprise according to the "Types of technologies eligible for support in the field of Industry 4.0"; **AND**
 - Integration of the newly introduced Industry 4.0 technologies with the available technologies in the candidate enterprise.
 - All contractors selected by the beneficiary for the introduction of technologies under Activity 1 must necessarily provide training to the company's personnel engaged in working with the new Industry 4.0 technologies.
 - After completion of the project implementation and submission of the final report, the beneficiary must provide evidence certifying:
 - **the implementation** of the technologies from the field of Industry 4.0 requested under the project in the enterprise; and

- **the presence** of a built and planned relevant organization in the company, in connection with the implemented new technologies and **their integration with the available technologies/systems in the enterprise**; and
- **training completed** by the personnel who will use the implemented new technologies from Industry 4.0; and - the introduction of "green" technologies from Industry 4.0 (if requested under the project).

II. ELEMENT B – OPTIONAL:

2. Activity 2: Increasing cybersecurity and data confidentiality.

- Increasing cybersecurity and data confidentiality may include activities related to:
 - Introduction of an information protection system in a local network;
 - Introduction of an information archiving system;
 - Introduction of an information storage and sharing management system;
 - Introduction and certification of an information security management system according to the requirements of the international standard BDS ISO/IEC 27001.

3. Activity 3. Introduction of standards in the field of Industry 4.0.

- Consulting services for the implementation of the following standards in the field of Industry 4.0:
 - BDS EN 62264 “Integration of an enterprise management system”;
 - BDS EN 61512 “Batch mode of control and verification of a production process”;
 - BDS EN IEC 62890 “Life cycle management of systems and components”.
- Activities under Element B (optional) are implemented under the conditions and thresholds for “de minimis” aid;
- Projects may include an activity under Element A only or a combination of both elements, with the inclusion of an activity under Element A being mandatory. The inclusion of activities under Element B only in the project is inadmissible.

ELIGIBLE COSTS:

I. ELEMENT A – MANDATORY:

1. Costs for the acquisition of fixed intangible assets (FIA) necessary for the introduction of Industry 4.0 technologies according to Annex 18 to the Application Conditions.

- The software systems and applications included under Element A may be implemented/used as:
 - ready-made solutions corresponding to the needs of the enterprise;
 - customized solutions developed by a contractor in accordance with the needs of the enterprise;
 - SaaS (Software as a service), where applicable.

- Under Element A, acquisition of software systems and applications is also permissible through a license for a certain period and/or as SaaS (Software as a service), only if they are recognized as revenue. Costs for licenses/SaaS are permissible for the period from the date of conclusion of the contract with the selected contractor until the expiration of the deadline for project implementation.
- 2. Costs for machinery, facilities and equipment, representing fixed tangible assets (FTA) and necessary for the introduction of Industry 4.0 technologies**
- Costs for: planning and analysis of the digital transformation, assessment of the technical and financial feasibility of the investment, design of the necessary Industry 4.0 technology for implementation, implementation of the new technology and its integration with the existing technologies in the enterprise, testing, training of personnel engaged in working with the new technology, etc., are eligible only if they are included in the total value of the relevant asset(s).
 - **Each asset (FIA/FTA) declared in the project budget should be justified as necessary for the implementation of the relevant technology and/or be based on it and/or have the technology as a technical characteristic/functionality.** In the event that a given FIA/FTA declared in the project budget is not justified as necessary for the implementation of the relevant technology and/or is not based on it and/or does not have the technology as a technical characteristic/functionality, the cost for it will be considered ineligible.

II. ELEMENT B – OPTIONAL:

- 1. Costs for increasing cybersecurity and data confidentiality – up to 40,000 BGN**
- Eligible costs are:
 - 1.1. Implementation of an information protection system in a local network;
 - 1.2. Implementation of an information archiving system;
 - 1.3. Implementation of a system for managing the storage and sharing of information.
 - The cybersecurity systems from item 1.1. to item 1.3. incl., can be implemented/used as:
 - ready-made solutions corresponding to the needs of the enterprise;
 - personalized services/solutions developed by a contractor in accordance with the needs of the enterprise;
 - SaaS (Software as a service), where applicable.
 - The cybersecurity systems from item 1.1. to item 1.3. inclusive, can be acquired and used in the form of fixed assets (FIA/FTA) and/or a service. All selected contractors for the implementation of cybersecurity and data privacy systems under items 1.1., 1.2. and 1.3. **must provide training** for the company's personnel engaged in working with them. The costs of training the personnel engaged in

working with the new cybersecurity and data privacy systems under the project are eligible only if they are included in the total value of the relevant asset/service.

- Costs for consulting services are also eligible for:
 - 1.4. Implementation and certification of an information security management system in accordance with the requirements of the international standard BDS ISO/IEC 27001.

2. Costs for introducing standards in the field of Industry 4.0 – up to 20 000 BGN.

- Costs for consultancy services for the implementation of the following standards are eligible:
 - BDS EN 62264 “Integration of an enterprise management system”;
 - BDS EN 61512 “Batch mode of control and verification of a production process”; and/or
 - BDS EN IEC 62890 “Life cycle management of systems and components”.

In case costs for licenses, subscriptions, SaaS, consulting services, etc. are included under Element A and/or Element B, they are eligible **ONLY** for the project implementation period.

PROJECT IMPLEMENTATION PERIOD:

15 (fifteen) months, starting from the date of entry into force of the administrative contract for the provision of financial grant aid.

DEAD LINE DATE FOR SUBMISSION OF PROJECTS:

15.12.2025