**Announcement**

**programme**

**“Local Development, Poverty Reduction and Cultural Cooperation”**

**Call for Project Proposals**

**for the Small Grant Scheme**

**"Support for Business Ideas in Latgale"**

EEA Grants 2014 – 2021

**LATVIA**

# Basic Information and Conditions

The aim of the small grant scheme is **to promote employment in the Latgale region by supporting entrepreneurs in the implementation of new business ideas.**

|  |  |
| --- | --- |
| **Call launch:** | 17 June 2021 |
| **Call closure:** | 21 September 2021, 23:59 EET |
| **Grant to be applied for:** | EUR 5,000 - EUR 10,000 |
| **Maximum grant rate:** | The aid intensity of the Programme co-financing **does not exceed 55 % of the total eligible costs of the project**. |
| **Total allocation:** | EUR 540,000 |
| **Announced by:** | The Latgale Planning Region (hereinafter – the Grant Scheme Operator) |
| **Eligible applicants:** | The project applicant is **any self-employed person,** **who has registered as a person conducting business** pursuant to the Law on State Social Insurance and conducts business in the Latgale Region, as well as a **sole proprietor or a legal person conducting business at a registered office or a structural unit registered with the State Revenue Service and located in the Latgale region**, if the applicant for support **complies with the status of a** **micro-enterprise** or **small enterprise** pursuant to the following conditions: * the micro-enterprise is established in Latvia and a number of employees at the time of submission of the project application and during the implementation of the project does not exceed 5, and its turnover in a calendar year does not exceed EUR 40,000;
* the small enterprise is established in Latvia and a number of employees at the time of submission of the project and during the implementation of the project does not exceed 20, and its turnover in a calendar year does not exceed EUR 1,000,000;
* the share capital of a micro or small enterprise has at least 75% of the private capital shares.

When determining a number of employees and turnover of the project applicant, the affiliates of the project applicant shall also be taken into account, by establishing the group of affiliates of the project applicant pursuant to Annex 1 of the Commission Regulation 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 (Official Journal of the European Union, 26 June 2014, No L 187). |
| **Project partners:** | The project applicant shall **implement the project** **alone or together with one or more project partners**, who are involved only in training activities to increase employee productivity, and the eligible costs do not exceed 10% of the total eligible costs of the project. The project partner can be:* an institution of direct administration of the Republic of Latvia or a derived public person or an institution thereof;
* an association, foundation or a merchant registered in the Republic of Latvia;
* any public or private entity, commercial or non-commercial, as well as non-governmental sector organisation in the donor countries and in the beneficiary countries of the EEA Grants (Bulgaria, the Czech Republic, Greece, Croatia, Estonia, Cyprus, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Hungary) or outside EEA if it shares a border with the Republic of Latvia, or any international organization or body or agency.
 |
| **Necessary documents for the application:** | The project application shall consist of the **project application form** in Latvian (Annex 1 to the Rules) indicating the information in English only in those sections of the project application where it is specified that the section must also be filled in in English, **and** the following **additional documentation** **to be submitted**:* Completed “Form on the information to be provided for the accounting and granting of *de minimis* aid” or indicated the identification number of the applicant form, created and approved in the *de minimis* aid accounting system;
* project budget;
* cash flow schedule;
* declaration on the compliance of the commercial company with the small or medium-sized commercial company (in accordance with the Regulation No. 776 of 16 December 2014 of the Cabinet of Ministers “Procedures by which commercial companies declare their compliance with the status of small and medium-sized commercial companies”);
* financial operational report (incl. Balance sheet, profit or loss statement, explanations to profit or loss statement items, explanations to balance sheet items, cash flow statement), which is not older than one month before the date of submission of the project application;
* a printout of the account turnover of the credit institution of the company, the economic activity performer for the last 12 months;
* information on the origin of capital;
* power of attorney, internal regulatory enactment of the institution or other document certifying the authorization to sign all documents related to the project application (submitted if the project application is signed by an authorized person);
* Partnership Statement signed by the project partner(s) confirming the readiness to participate in the project and to conclude a partnership agreement, if the project application will be approved, if applicable.
 |
| **Regulations governing this call and Rules of the call:** | 1. [Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021](https://eeagrants.org/resources?title=EEA&field_resource_type_target_id=197) (hereinafter – **Regulation**);
2. [Law on the Management of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism for 2014–2021](https://likumi.lv/ta/en/en/id/298840-law-on-the-management-of-the-european-economic-area-financial-mechanism-and-the-norwegian-financial-mechanism-for-the-period-2014-2021);
3. [Cabinet Regulation No. 683 of 16 November 2018 “Rules for the management of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism for 2014–2021”](https://likumi.lv/ta/id/303045-eiropas-ekonomikas-zonas-finansu-instrumenta-un-norvegijas-finansu-instrumenta-2014-2021-gada-perioda-vadibas-noteikumi) (hereinafter – **Management Regulations**);
4. [Cabinet Regulation No. 66 of 28 January 2021 „Regulations for the Implementation of the Call for Project Proposals of the Small Grant Scheme „Support for Business Ideas in Latgale“ of the European Economic Area Financial Mechanism 2014–2021 programme „Local Development, Poverty Reduction and Cultural Cooperation“ (hereinafter – **Implementation Regulations**)](https://eeagrants.lv/en/local-development-and-culture/documents/general-regulation-2/)

5. Project Application Selection Rules for the Call for Project Proposals of the Small Grant Scheme "Support for Business Ideas in Latgale" of the European Economic Area Financial Mechanism 2014-2021 programme Local Development, Poverty Reduction and Cultural Cooperation (hereinafter – **Rules**) and its annexes.All documents are available at <https://eeagrants.lv/en/local-development-and-culture/project-contests/>. |

# Expectations and Results Framework

The small grant scheme supports projects that **implement a new business idea and create at least one new job in the Latgale region,** and it’s planned to achieve the following outcome target indicators the Programme:

• number of supported companies with increased operational capacity: 40

• number of new products / services developed: 40

• number of new jobs created: 40

The project promoter will have to indicate in the project application the achievable result and outcome indicators, listed in paragraph 4 of the Rules.

# Selection Criteria

All the selection criteria are available in the Annex to the [Implementation Regulations](https://likumi.lv/ta/id/320620-eiropas-ekonomikas-zonas-finansu-instrumenta-20142021-gada-perioda-programmas-vieteja-attistiba-nabadzibas-mazinasana-un-kulturas-sadarbiba-neliela-apjoma-grantu-shemas-atklata-projektu-iesniegumu-konkursa-atbalsts-biznesa-ideju-istenosanai-latgale-istenosanas-noteikumi) and in the Methodology for application of the criteria (Annex 2 to the Rules).

# Eligible Activities and eligible expenditures

The activities to be supported in the project are listed in paragraphs 5-8 of the Implementation Regulations.

The conditions for eligibility of costs are set out in paragraphs 10 and 11 of the Implementation Regulations.

The term of project implementation and, accordingly, the period of cost eligibility may not exceed the term specified in the project contract and **shall not exceed 30 April 2024.**

An audit report is submitted on the expenses of project partners registered abroad. Expenditure related to the audit may be included in the project budget. More information is in the sample project contract (Annex 3 to the Rules).

# Recommended Milestones and Timeframe

It is recommended that the projects comply with the following indicative timeframe:

|  |  |
| --- | --- |
| **Event/Milestone** | **Expected date** |
| Call closure | September, 2021 |
| Project Contract signed | February, 2022 |

# Selection Procedures

# The Grant Scheme Operator ensures the evaluation of project applications according to compliance and administrative criteria, while the Selection Committee set up by the Grant Scheme Operator, by inviting independent experts, evaluate project applications according to quality criteria. The Selection Committee reviews the list of projects and, by unanimous decision, provides a conclusion to the Grant Scheme Operator for a decision. The Grant Scheme Operator, on the basis of the conclusion provided by the Selection Committee, makes a decision on the approval, conditional approval or rejection of the project application within four months after the deadline for submission of project applications.

# Financing and Reporting

The project promoter may receive an advance payment for the implementation of the project of up to 40% of the Programme co-financing approved for the implementation of the project. The amount of the advance payment is specified in the project contract.

|  |  |  |
| --- | --- | --- |
| Project length | Advance payment | Final balance payment |
| Projects up to12 Months | Up to 40 % | Remaining eligible amount |
| Projects up to 24 Months | Up to 40 % | Remaining eligible amount |

# Project Application Submission

The project applicant shall prepare the project application in Latvian (except for the sections of the project application form, indicated to be completed in English), all the additional documentation specified in the Rules (in Latvian or accompanied by a translation into Latvian in accordance with legal requirements) and submit only in the form of electronic document, signed with a secure electronic signature and certified with a time stamp (in accordance with the laws and regulations regarding the execution of electronic documents) to the Grant Scheme Operator, sending it to the **e-mail address: eeagrants@lpr.gov.lv.** The “Subject” section of the e-mail must contain the indication “GS open call. Do not open before the start of evaluation”.

The project application consists of the project application form (Annex 1 to the Rules), its annexes and additional documentation to be submitted.

Each project applicant may submit only one project application

The project application may be submitted by 21 September 2021, 23.59 EET. The time, when the project application is received at the e-mail address eeagrants@lpr.gov.lv, is considered the moment of project submission.

# Further Information

The Grant Scheme Operator can be contacted for queries through e-mail: eeagrants@lpr.gov.lv no later than 3 working days prior to the project application submission deadline, indicating "About GS open call" in the e-mail “Subject” section. Questions received by e-mail will be addressed within 3 working days.

The informative seminar for the Small Grant Scheme will take place on 14 July 2021 at 10:00 EET, remotely, using the Zoom platform. Registration is available at the link [www.lpr.gov.lv](http://www.lpr.gov.lv). Registered participants will receive access information by e-mail before the seminar. The participants must register until 12 July 2021.