

NON OFFICIAL TRANSLATION – NON CONFIDENTIAL

**CALL FOR APPLICATIONS
NOTICE NO. 07/SI/2020**

AMENDMENT TO THE NOTICE AT POINT 13

INCENTIVE SCHEME

"PRODUCTIVE INNOVATION"

29 APRIL 2020

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Preamble

Under the terms of Article 8 of the Specific Regulation for the Competitiveness and Internationalisation Domain, hereinafter referred to as **RECI**, in its current wording, applications are submitted within a competitive procedure, the Call Notices of which are disclosed through the Portugal 2020 Portal (www.portugal2020.pt).

The present Call for Applications was prepared under the provisions of Article 16(6) of the General Regulation of the European Structural and Investment Funds (**ESIF**), approved by Decree-Law no. 159/2014, of 27 October, in its current wording, and stipulates the following:

1. Objectives and targeted priorities

The implementation of the current Incentive Scheme, **SI Innovation**, within the scope of PT2020, has created a significant dynamic in business investment, which assumes particular relevance at the SME level, constituting an important instrument for stimulating innovative investment that induces competitiveness.

With the aim of creating greater leverage in public financing for innovative business investment, a new financing modality was created within SI Innovation, through a partnership established with banking institutions, which allowed for the replacement of the previous reimbursable incentive with interest-free bank loans and a guarantee supported by Portugal 2020 through the mutual guarantee system.

In this way, SI Innovation now includes a hybrid support system, consisting of a combination of two operations: one with a non-reimbursable incentive, associated with the assessment of results fulfilment based on the objectives achieved, and another with a guarantee financial instrument (under the same conditions as the previous reimbursable incentive – capital repayment and interest exemption).

The guarantee financial instrument is operationalised through a specific line of **Capitalizar Mais**, managed by the **Development Finance Institution (IFD)**; its conditions should be consulted on their website, particularly the Disclosure Document, or by requesting information from participating Credit Institutions.

In terms of State aid, support from the Capitalizar Mais Line falls under Articles 21 or 22 of Regulation (EU) No 651/2014, of 16 June, or Regulation (EU) No 1407/2013, of 18 December (*de minimis* aid).

Non-SME companies and larger-scale projects (exceeding 15 million euros), being unable to benefit from financial instruments, benefit from the possibility of accessing incentives up to the maximum aid provided for in European legislation. Based on this strategic framework, the specific objective of this competition is to continue attracting new business investment through the typology designated as "**Business Innovation**", defined under Article 3 of the RECI, granting financial support to projects that contribute to:

- **Increasing business investment by large companies in innovative activities (product or process)**, strengthening business investment in innovative activities, promoting an increase in tradable and internationalisable production and changing the productive profile of the economic fabric, through the development of innovative solutions based

on R&D results (research and technological development) and the integration and convergence of new technologies and knowledge, as well as the creation of qualified employment (Investment Priority (IP) 1.2 mentioned in Article 19(1)(a) of the RECI).

- **Strengthening the business capacity of SMEs for the development of goods and services**, through business investment in innovative and qualified activities that contribute to their progression in the value chain (Investment Priority (IP) 3.3 mentioned in Article 19(1)(c) of the RECI).

A clear focus is thus assigned to investments in the domain of differentiation, diversification, and innovation, in the production of tradable and internationalisable goods and services, within the framework of broader production chains and value chains that generate greater added value.

As such, to be considered eligible for this competition, applications must demonstrate their contribution to the achievement of the objectives and priorities set out above.

2. Type of operations and application modality

Individual projects in innovative activities proposing to develop an **initial investment**, as defined in Article 2(49) of Regulation (EU) No 651/2014, of 16 June, related to the following typologies, are eligible for support:

a) The creation of a new establishment;

b) The increase in the capacity of an existing establishment, where such increase must correspond to at least 20% of the installed capacity relative to the pre-project year.

In this typology, the company must increase its productive capacity for goods and/or services already produced in that establishment. To demonstrate compliance with the minimum 20% increase, an increase in terms of **Gross Production Value (GPV)** or another technically sustainable criterion demonstrated by the company in the application form is permitted. The criterion used must allow for the calculation of the increase in terms of the growth rate between pre- and post-project: $((\text{Year_post} - \text{Year_pre}) / \text{Year_pre}) * 100$;

c) The **diversification of an establishment's production** to products not previously produced in the establishment, where the eligible costs must exceed the book value of reused assets by at least 200%, as recorded in the fiscal year preceding the start of work (2018). That is, the project's eligible expenditure must represent at least 3 times the book value of the reused assets. The assets reused in the diversification project (land, buildings, machinery, equipment, and other tangible and intangible fixed assets) must be identified by the company in the application, and the use of a *pro-rata* method for their determination is permitted, based on the relative weight of the sales volume of the new products or another technically sustainable criterion;

d) The **fundamental change in the overall production process** of an existing establishment (this typology does not involve new productions: goods or services; the typology corresponds to a fundamental change in the overall process), where the eligible costs must exceed the amortisation and depreciation of the assets associated with the process to be modernised during the three preceding fiscal years (2016, 2017, and 2018). The amortisations and depreciations of the assets associated with the process to be modernised are those recorded in the company's accounts corresponding to the establishment in question related to the product/service affected

by the fundamental change in the decision process. In a scenario where the fundamental process change may not cover the production of all products/services of the establishment, the use of a *pro-rata* method for its determination is permitted, based on the relative weight of the sales volume of the products covered by the fundamental change process or another technically sustainable criterion.

In the case of investment projects by non-SMEs located in **NUTS II Lisbon and Algarve**, only productive innovation activities in favour of a **new activity** are eligible, pursuant to Article 2(51) of Regulation (EU) No 651/2014, of 16 June.

Within the scope of the initial investment, a specific **human resources training** component may also be included, associated with the participation of entrepreneurs, managers, and workers of the companies in training actions integrated into the project in question, allowing for greater effectiveness of the companies' innovation processes. For this purpose, the training actions integrated into the investment project must be presented autonomously in an application to be submitted to the Integrated Training Call.

In the application form, candidates must present the investment per establishment with the corresponding typology mentioned above or, if not possible, the dominant typology, and adequately describe at the technical, economic, and financial level the innovation activities (notions in the PM framework) applied in each typology, among the following:

- **Product Innovation;**
- **Process Innovation;**
- **Marketing Innovation (SMEs only);**
- **Organisational Innovation (SMEs only).**

3. Nature of beneficiaries

The beneficiaries of the support provided for in this Call for Applications are **companies (SMEs and large companies)** of any nature and under any legal form, which propose to develop investment projects that satisfy the objectives and priorities referred to in Point 1 and comply with the access, eligibility, and selection criteria set out below.

4. Geographic area of application

This Call for Applications applies to the **NUTS II regions of the Mainland: (North, Centre, Lisbon, Alentejo, and Algarve)**, outside the low-density territories defined by CIC Portugal 2020 (Deliberation no. 20/2018).

The project location corresponds to the region where the beneficiary's establishment, in which the investment will be carried out, is located.

In this Notice, projects with more than one establishment may also include investments located in **low-density territories**.

For projects with investments located in the Lisbon and Algarve regions, the company must submit an **autonomous application** for the investments located in each of those regions.

5. Sectoral Scope

Projects included in all economic activities are eligible, with special emphasis (valued in the Project Merit) on those aiming at the production of **tradable and internationalisable goods and services** with relevant economic value creation for the target regions indicated in the previous point (geographic area of application) or which contribute to their value chain and do not concern services of general economic interest.

The concept of tradable goods and services includes goods and services produced in sectors exposed to international competition and which can be the object of international exchange, demonstrated through:

- **Sales abroad (exports);**
- **Indirect sales abroad**, of goods to customers in the national market when these are subsequently incorporated into other goods for sale abroad;
- **Provision of services to non-residents**, provided this turnover is reflected as such in the company's accounts;
- **Import substitution**, increase in production for internal consumption of goods or services with a negative trade balance (evidenced in the last year of available statistical data). This condition must be proven by identifying the importing clients who will replace current imports with the products resulting from this project.

Services of general economic interest are considered to be commercial service activities that fulfil missions of general interest and are, therefore, subject to specific public service obligations (Article 106 of the Treaty on the Functioning of the European Union). This is the case for companies responsible for managing services of general economic interest, namely transport, energy, and communication network services.

Projects focusing on the following activities are also excluded from this competition (Portuguese Classification of Economic Activities - **CAE**, revised by Decree-Law no. 381/2007, of 14 November):

- a) **Financial and insurance activities** – divisions 64 to 66;
- b) **Defence** – subclasses 25402, 30400, and 84220;
- c) **Lotteries and other gambling activities** – division 92.

Due to specific European restrictions on State aid, the activities identified in **Annex B of the RECI** are also excluded from this competition.

6. Specific conditions of the Notice

In addition to the specific eligibility criteria for the beneficiary and the projects, provided for in Decree-Law no. 159/2014 and the RECI, the projects to be supported in this Call for Applications must also satisfy the following specific access conditions:

- a) Contribute to the objectives and priorities set out in Point 1;

- b) Present a **total eligible expenditure**, assessed based on the data presented in the application, of **less than 25 million euros**;
- c) Present a **minimum total eligible expenditure** per project of **75 thousand euros**;
- d) For the purposes of proving SME status, companies must obtain or update the corresponding **Electronic Certification** provided for in Decree-Law no. 372/2007, of 6 November, as amended by Decree-Law no. 143/2009, of 16 June, through the IAPMEI website (www.iapmei.pt);
- e) The investment must be sustained by a **strategic analysis** that identifies the critical areas of competitiveness for the business, diagnoses the company's situation in those critical areas, and justifies the investment options presented;
- f) Demonstrate **economic and financial viability**, specifically through the risk analysis of the company and the project;
- g) Ensure the **sources of project financing**, specifically demonstrating having bank financing approved by a credit institution with a protocol entered into with Portugal 2020;
- h) The following situations are considered exempt from compliance with the previous subparagraph, provided they demonstrate having alternative financing sources for the project, including the use of equity:
 - a. Companies that waive the bank loan supported under SI Innovation until the decision of the Managing Authority;
 - b. Companies that cannot benefit, in whole or in part, from the bank loan under SI Innovation due to issues arising from State aid rules;
 - c. Projects submitted by **Non-SME companies** and by **SMEs with an investment equal to or greater than 15 million euros**.
- i) Execution of a **minimum of 25%**, by the date of the first payment, of the **equity** provided for in the project financing plan (share capital, incorporation of shareholder loans, and supplementary capital contributions);
- j) In the case of applications to the **POR Lisboa** for the tourism sector aiming at support for tourist developments, only those for hotels with characteristics of high quality, notoriety, and level of differentiation that demonstrate a structuring effect on the offer will be considered admissible, under the following conditions:
 - i. Create four- or five-star units in buildings classified as national monuments, properties of public interest, or municipal interest;
 - ii. Requalify existing hotels aiming to obtain a four- or five-star qualification;
 - iii. Requalify existing four- or five-star hotels, aiming to maintain the classification.
- k) In the event the applicant is a **Non-SME (large company)**, the following additional requirements apply:
 - i. Contribute significantly to the internationalisation and tradable orientation of the Portuguese economy;
 - ii. Present a relevant impact in terms of **qualified job creation**;
 - iii. Present a relevant impact regarding its spillover effect on economic activity, particularly on SMEs;

- iv. Align with the priority domains of the Research and Innovation Strategy for Smart Specialisation (**RIS3**);
- v. Present a degree of novelty and dissemination at the national or international market level (innovation solely at the company level is not considered);
- vi. Ensure that the implementation of the supported investment does not result in a substantial loss of jobs in another region of the European Union;
- vii. Demonstrate the **incentive effect**, with the following conditions being observed in particular:

1. The project must not have started by the date of application;
2. Demonstrate that the incentive is decisive for the implementation of the investment in the region, without which the project would not be sufficiently profitable for the beneficiary, thus resulting in the closure of an existing establishment in that region or in its non-implementation.

l) Comply with the following **Investment Impact (II)** indicator:

$$II = \left(\frac{\text{Despesa Elegível}^{(*)}}{\left(\text{Activo Fixo Líquido}^{(**)} \right)_{\text{Pr é - Pprojecto}}} \right) \geq 10\%$$

* Eligible Expenditure – expenses provided for in points (a) and (b) of paragraph 1, paragraph 4, and paragraph 5 of Article 32 of the RECI, determined after analysis of the application;

** Tangible Fixed Assets and Intangible Fixed Assets.

m) Have an **application date**, or aid request date, prior to the start of work, considering for this purpose as the start of work either the start of construction work related to the investment or the first firm commitment to order equipment or any other commitment that makes the investment irreversible, whichever happens first. The purchase of land and preparatory work, such as obtaining permits and conducting feasibility studies, are not considered the start of work, as stated in Article 2(23) of Regulation (EU) No 651/2014, of 16 June, and no advances for down payments are permitted.

In projects financed by the **Alentejo Regional OP**, **Lisboa Regional OP**, and **Algarve Regional OP**, the criterion referred to in point (l) does not apply.

In this Call for Applications, the year **2018** is used as the pre-project reference.

7. Processing of Personal Data

Applicants must ensure compliance with the rules of the General Data Protection Regulation, approved by Regulation (EU) 2016/679 of the European Parliament and of the Council, of 27 April 2016, regarding personal data they provide for the purposes of application and project execution.

8. Rules and limits on expenditure eligibility

This Notice does not provide for the eligibility of expenditure provided for in points (d) and (e) of Article 32(1) of the RECI and, in the case of non-SMEs, the expenditure provided for in point (c) of paragraph 1 of the same article and regulation.

This Notice also does not provide for the eligibility of any expenditure incurred on a date prior to the application date, or the aid request date, including feasibility studies.

In accordance with Article 32(11) of the RECI, in cases where the reimbursable component is financed by a Financial Instrument, the eligible expenses are divided between the support granted through the current incentive scheme and the financial instrument, ensuring no accumulation of support and the aid limits in each component (non-reimbursable incentive and financial instrument).

For the purposes of Article 12(2) of the RECI, whenever the encumbrance of assets supported under this Notice occurs for the purpose of guaranteeing bank financing, such is authorised when shared with the respective Intermediate Bodies identified in point 19 of this Notice.

For projects submitted by non-SMEs, expenditure related to the Marketing Innovation and Organisational Innovation typologies is not considered eligible as set out in point 2, but contributes positively for application selection purposes through the calculation of Project Merit – Criterion A.

Projects in the tourism and industry sectors (the sectoral scope of which by CAE is identified in Annex A) may include as eligible expenditure: the construction of buildings, remodelling works, and other constructions, in duly justified cases within the scope of the innovative activity incorporated in the project, provided they are acquired from third parties not related to the purchaser, with the following restrictions and limitations:

- **For projects located in NUTS II North, Centre, and Alentejo, the following limits apply:**
 - a) 60% of the project's total eligible expenditure, in the case of tourism sector projects;
 - b) 35% of the project's total eligible expenditure, in the case of industry sector projects.
- **For projects located in NUTS II Algarve, the following limits apply:**
 - a) 20% of the project's total eligible expenditure, in the case of tourism sector projects;
 - b) 50% of the project's total eligible expenditure, in the case of tourism sector projects that contribute to mitigating seasonality (namely accessible/senior tourism, motorhoming) or that contribute to the development of products identified in the Algarve Strategic Marketing Plan as complementary (Gastronomy and wine, Touring, Health tourism) or developing (Business tourism, Nature tourism, Nautical tourism);
 - c) 50% of the project's total eligible expenditure, in the case of industry sector projects;
 - d) 70% of the project's total eligible expenditure, in the case of industry sector projects that fall within the scope of the Regional RIS 3 and that contribute to the development of innovative solutions based on R&D results and the integration and convergence of new technologies and knowledge.
- **For projects located in NUTS II Lisbon, the following limits apply:**
 - a) 40% of the project's total eligible expenditure, in the case of tourism sector projects that contribute to mitigating seasonality;

- b) 30% of the project's total eligible expenditure, in the case of nature, nautical, and sports tourism projects;
- c) 45% of the project's total eligible expenditure, in the case of tourism sector projects exclusively dedicated to health;
- d) 20% of the project's total eligible expenditure, in the case of industry sector projects that fall within the scope of the Regional RIS 3;
- e) 30% of the project's total eligible expenditure, in the case of industry sector projects that fall within the scope of the Regional RIS 3 and that contribute to the development of innovative solutions based on R&D results and the integration and convergence of new technologies and knowledge.

9. Selection criteria for applications

The calculation methodology for the selection and ranking of projects is based on the **Project Merit (PM)** indicator, determined by the following formula:

$$MP = 0,30A + 0,20B + 0,20C + 0,30D$$

where:

- **A** = Project Quality;
- **B** = Impact of the project on the company's competitiveness;
- **C** = Contribution of the project to the economy;
- **D** = Contribution of the project to regional convergence.

The Project Merit Analysis Framework is provided alongside this Notice.

The criterion scores are assigned on a scale ranging from 1 to 5, with the PM result rounded to the nearest hundredth.

For selection purposes, projects that obtain a final PM score equal to or higher than 3.00 and the following minimum scores in the criteria are considered eligible and subject to ranking:

- **Criterion A – 3.00 points;**
- **Criterion B – 2.00 points;**
- **Criterion C – 2.00 points;**
- **Criterion D – 2.00 points.**

Projects are ranked in descending order based on the PM and by date (day/hour/minute/second) of application entry, and selected up to the budgetary limit defined in Point 16 of this Notice, without prejudice to the said limit being increased by decision of the Managing Authority, thus setting the selection threshold for the competition.

For the purposes of Article 9(h) of the RECI and the definition of the competition's selection threshold, the greater representation of women in the management, administration, and leadership bodies of the applicant company is used as a tie-breaker criterion between applications with the same score (PM), when necessary.

10. Limit on the number of applications

Under this Call for Applications, each applicant may only submit one application, with the exception of projects with investments located in the Lisbon and Algarve regions, where the company must submit an autonomous application for the investments located in each of those regions.

11. Project financing rates

Taking into account the provisions of Article 31 of the RECI, the financing rate for projects under this Notice is obtained from the sum of the following parts, base rate plus top-ups (majorations), up to a maximum limit of **75%**:

a) Base Rate:

- i. For eligible investments equal to or greater than 15 million euros or promoted by non-SME companies: 15 percentage points (p.p.);
- ii. For the remaining situations: 35 p.p. for medium-sized enterprises and 45 p.p. for micro and small enterprises.

b) Top-ups (Majorations):

- i. **«Low Density»** – 10 p.p. for projects located in low-density territories, as defined in the deliberation of CIC Portugal 2020 on 12 September 2018 (Low Density Territories);
- ii. **«Sectoral policy priorities»**: 10 p.p. for SMEs with eligible investments of less than 15 million euros, which develop the project in the areas of Industry 4.0, where digital transformation will allow disruptive changes in business models, products, and production processes, circular economy, or energy transition, as well as technological innovation investments, specifically in automation, by companies with greater labour factor intensity, thus presenting a high weight of Personnel Expenses in total costs (Sectoral Policy Frameworks).
- iii. **«Creation of qualified employment in new production units»**: 5 p.p. to be granted to projects for the creation of new units generating the creation of qualified jobs (qualification equal to or higher than level 6 according to Ministerial Order no. 782/2009, of 23 July), granted when the following is verified:

Net creation of highly qualified employment post-project (No. of jobs)	Micro and Small Enterprise	Medium Enterprise	Large Enterprise
	10 or + (*)	15 or + (*)	30 or + (*)

(*) **or more highly qualified jobs;**

- iv. **«SME Capitalisation»**: 5 p.p. to be granted to SME projects which, waiving the bank loan referred to in Article 30-B, present a coverage of the project investment by equity, under the terms of Annex C(3) of the RECI, of more than 25%.

The incentives to be granted by the Lisbon and Algarve Regional OPs, under this Notice, are limited to a maximum rate of **40% and 60%**, respectively.

12. Nature and limits of support

The total support obtained by applying the financing rate, calculated according to point 11 (Project financing rates), to the eligible expenses will be distributed into two autonomous components:

- a) 50% of the total value through a **non-reimbursable incentive**, to be granted under SI Innovation;
- b) 50% of the total value through an **interest-free bank loan**, associated with a financial instrument financed by Portugal 2020 (the Capitalizar Mais Line).

After this division is made, the appropriate controls for maximum support rates in each component are carried out:

- i) In the non-reimbursable component, the maximum rates of point 11 of this Notice and the maximum rates provided for in the 2014-2020 regional aid map approved by the European Commission through State Aid no. SA 38571 (Article 31(3) of the RECI);
- ii) In the guarantee financial instrument component, the limits provided for in the **Capitalizar Mais Line (LCM)**, Articles 21 or 22 of Regulation (EU) No 651/2014 (**GBER**), or Regulation (EU) No 1407/2013 (*de minimis* aid) apply as follows:

- SMEs with less than 7 years of activity after the first commercial sale, under paragraph 5 of Article 21 of the GBER, are eligible for the guarantee component, with guarantee rate and interest subsidies being eligible under *de minimis* aid;
- SMEs with less than 5 years of activity, under the conditions defined in paragraphs 2 to 5 of Article 22 of the GBER, are eligible;
- The remaining SMEs are eligible under *de minimis* aid.

In the case of projects by non-SMEs or projects with eligible investment equal to or greater than 15 million euros, under Article 30(3) of the RECI, the total support calculated according to point 11 will be granted through a non-reimbursable incentive under SI Innovation.

The non-reimbursable incentive component is granted on a non-definitive basis until the evaluation of the project results, depending on the degree of fulfilment of the contractually established targets, as provided for in Annex D of the RECI, regarding the following indicators (identified in Annex D(4) of the RECI):

- **Indicator I1 - Gross Value Added (GVA);**
- **Indicator I2 - Qualified Employment Creation (QEC);**
- **Indicator I3 - Turnover (TO).**

In compliance with the provisions of paragraph 5 of Annex D of the RECI, the following weightings are defined for each indicator:

- **Indicator I1 – $\beta_1 = 0.40$;**
- **Indicator I2 – $\beta_2 = 0.30$;**
- **Indicator I3 – $\beta_3 = 0.30$.**

13. Modalities and procedures for submission of applications

The submission of applications is carried out via **Balcão 2020**, through an electronic form made available on the PT2020 Business Incentive Scheme platform, and cannot be altered after entering the analysis circuit.

To submit an application, it is essential that the beneficiary has registered and authenticated at Balcão 2020. With this authentication, a reserved area is created in which the beneficiary can access a set of features, regardless of the nature of the project, the Region, or the Operational Programme to which they intend to apply.

In this reserved area, the beneficiary must confirm and complete their entity characterisation data, which will be used in their applications to Portugal 2020.

The application is submitted by the company through the PT2020 Business Incentive Scheme platform, which will distribute it electronically among the various entities involved in the analysis. This application must include the investment financing proposal in both components: the one relating to the non-reimbursable incentive and the one relating to the bank loan (financial instrument).

The application of an SME with an eligible investment equal to or less than 15 million euros may not include the bank loan component, provided the company waives its use when submitting the application, demonstrating that it has alternative sources for financing the project, including, namely, the use of equity.

The company must indicate in the application the credit institution (CI) contacted that showed availability to evaluate the project financing.

If the company has not yet concluded the CI selection process on the date of submission of the application, it may indicate a maximum of two CIs contacted for project financing purposes. The final choice of the CI is made by the beneficiary until the phase of contracting the LCM (Capitalizar Mais Line) financing. Bearing in mind that only one CI can submit the process for approval by the **MGS** (Mutual Guarantee Society), it is recommended that the choice of the CI be made at an earlier stage in order to make the decision process swifter.

The CI(s) indicated in the application may not be replaced after the submission of the application; therefore, prior articulation with the CI(s) is advised, as well as the evaluation of the conditions required by the financial instrument.

Under this competition, the deadline for submitting applications runs until **2 June 2020 (19:00h)**.

Beneficiaries who have registered an aid request through AAC no. 16/SI/2018 may submit an application using the data of the project registered therein. The project presented in the application must correspond to what was presented in the aid request, without prejudice to justified and accepted changes.

For projects to be financed by the Lisbon, Alentejo, and Algarve Regional Operational Programmes, only aid request registrations submitted after the closing date of applications for Notice 15/SI/2019 (16/09/2019) and Notice 18/SI/2019 (13/12/2019) can be used, and for the remaining Operational Programmes, after the closing date of Notice 31/SI/2018 (15/03/2019).

With the publication of this Call Notice, the receipt of aid requests under AAC no. 16/SI/2018 is suspended.

As a matter of prudence and celerity, beneficiaries should contact the financing credit institution with due advance notice and avoid submitting applications on the final day or days of the deadline. Late submission of applications may prevent the resolution of any constraints arising from the validation/submission process.

The Managing Authorities of the Operational Programmes may suspend the receipt of applications under this Notice at any time, through prior communication to be published in the locations defined in point 20, with a minimum notice of 3 working days in relation to the date established for the suspension.

14. Procedures for analysis and decision of applications

Applications are analysed and selected according to the eligibility criteria and selection criteria provided for in this Notice.

The CIs decide on the assessment of the financial and economic risk of the company and the investment, as well as its creditworthiness, which must also be confirmed by the Mutual Guarantee Societies (MGS).

In the event that the CIs, or the MGS, do not approve the financing operation requested by the company, the projects will not be considered eligible under SI Innovation due to a lack of project financing coverage.

The analysis and decision process in this Notice follows the following model:

a) After the closing date of the Notice, decisions may be communicated to candidates regarding the **inadmissibility of the application**, for those that demonstrably do not comply with the access and eligibility conditions of this Notice;

b) Projects subject to registration of an aid request under AAC no. 16/SI/2018, which have submitted an application by **30/03/2020**, will be decided in the subsequent 60 working days from that date, up to the limit of 30% of the allocation provided for each OP in point 16, provided they obtain a PM score equal to or higher than 4.00 points, ranked in descending order according to the PM and by date (day/hour/minute/second) of application entry;

c) The remaining applications, including applications that made an aid request under AAC no. 16/SI/2018 with an eligible opinion and were not selected under the previous subparagraph, are decided within 60 working days after the closing date, ranked in descending order according to the PM and by date (day/hour/minute/second) of application entry, up to the budgetary limit defined in point 16 of this Notice.

The referred 60-day period is suspended whenever any clarifications, information, or documents are requested from the candidate, which can only occur once. Failure by the candidate to provide the requested clarifications, information, or documents within 10 working days shall signify the withdrawal of the application.

Candidates are heard in the **prior hearing** procedure, under legal terms, being granted a maximum period of 10 working days to submit any contrary allegations, counted from the date of notification of the decision proposal, specifically regarding any intention of rejection and the respective grounds.

If the reason for non-eligibility is due to the lack of project financing coverage by a negative decision of the CI or MGS, contrary allegations may also be submitted, and clarifications on that decision may be obtained from the LCM participants (CI and/or MGS).

Annex B presents an illustrative flowchart on the procedures for analysis and decision of applications.

Under the terms of Article 121(3) of the Code of Administrative Procedure, the holding of the prior hearing referred to in the previous paragraph suspends the counting of the period fixed for the adoption of the decision.

Proposed decisions on applications for which contrary allegations have been submitted are reassessed from the date of submission of the allegation (the said reassessment includes analysis, decision, and a new prior hearing, if applicable).

Unsupported projects which, as a result of this reassessment process, obtain a PM that would have allowed their inclusion in the set of selected projects, shall be considered selected and supported under this competition.

The final decision is notified by the MA to the beneficiary within 5 working days from the date of its issuance.

With authentication at Balcão 2020 and after submission of the application form, the candidate is granted permission to access the **Simplified Access Platform (PAS)** through which they interact for the purposes of:

- a) Responding to requests for clarification;
- b) Communicating the withdrawal of the application, namely in the absence of a response to the request for clarification, information, or additional elements, when requested;
- c) Prior hearing regarding the proposed decision on applications, specifically the communication of the proposed decision and the submission of any contrary allegations;
- d) Communication of the final decision of the MA on applications;
- e) Consultation on the status of projects and the beneficiary's history.

15. Acceptance of the decision

Acceptance of the decision to grant the incentive is made by signing the acceptance term; for this purpose, the **Citizen Card (CC)** or **Digital Mobile Key (CMD)** may be used, using the **Professional Attribute Certification System (SCAP)**, which implies prior registration at autenticacao.gov.pt with a view to obtaining the SCAP attribute "Submission and execution of applications for national or community funds" associated with their Citizen Card.

When there is an allocation of a reimbursable incentive with the financial instrument, the contracting of the loan with the CIs must occur only after signing the **AT** (Acceptance Term) of the SI Innovation support.

Under the terms of Article 21(2) of Decree-Law no. 159/2014, the approval decision expires if the acceptance term is not signed within a maximum period of 30 working days from the date of notification of the decision, unless for a justified reason not attributable to the candidate.

16. Indicative allocation of the fund to be granted

NON OFFICIAL TRANSLATION – NON CONFIDENTIAL

The ERDF¹ allocation assigned to this competition, in the non-reimbursable incentive component, is **201.825 million euros**, corresponding to the following indicative allocation per Operational Programme (OP) and by Investment Priority (IP):

(thousands of euros)

Operational Programme	ERDF PI 1.2 (Productive Innovation Non-SME)	ERDF PI 3.3 (Productive Innovation SME)	Total Budgetary Allocation
Competitiveness and Internationalisation	26,000	97,500	123,500
Northern Regional	1,950	41,600	43,550
Central Regional	2,000	23,000	25,000
Lisbon Regional	1,000	2,500	3,500
Alentejo Regional	1,000	3,000	4,000
Algarve Regional	650	1,625	2,275
Total	32,600	169,225	201,825

17. Identification of result indicators to be attained

The selection criteria **A2 “Degree of innovation”** and **C1 “Complementary contribution of the project to the OP Results”** contribute to the alignment of the project with the OP results.

Following this results-oriented approach, the indicators provided for in point 12 of this Call for Applications are subject to contracting and monitoring.

18. Funding Operational Programmes

The scope of intervention of the Operational Programmes funding the projects included in this competition is determined as follows:

a) **For investments located in the less developed NUTS II regions of North and Centre:**

i. The MA of POCI (COMPETE 2020) finances projects with a total investment exceeding €3M;

¹ European Regional Development Fund

ii. Projects with a total investment equal to or less than €3M are financed by the MAs of the respective Regional Operational Programmes;

b) For investments located in the less developed NUTS II region of Alentejo:

- i. The MA of POCI (COMPETE 2020) finances projects with a total investment exceeding €5M;
- ii. Projects with a total investment equal to or less than €5M are financed by the MA of the Alentejo Regional Operational Programme.

c) Regardless of their size, the following projects:

- i. with investments located in the NUTS II regions of Lisbon and Algarve are financed by the MAs of the respective Operational Programmes;
- ii. multi-region projects, covering the NUTS II regions of North, Centre, and Alentejo, are financed by the MA of POCI (COMPETE 2020).

19. Intermediate Bodies responsible for analysis

Under the terms of Articles 36 and 37 of Decree-Law no. 137/2014, of 12 September, regarding the governance model for ESI Funds, the entities designated by a delegation of powers contract that ensure the issuance of opinions on applications under this Call Notice are:

- a) **Agência para o Investimento e Comércio Externo de Portugal, E. P. E. (AICEP, E.P.E)**, for the projects provided for in Article 5(1)(a) of its statutes, approved by Decree-Law no. 229/2012, of 26 October;
- b) **Instituto do Turismo de Portugal, I. P. (Turismo de Portugal, I. P.)**, for tourism sector projects (as described in Annex A of this Notice);
- c) **Agência para a Competitividade e Inovação, I. P. (IAPMEI, I. P.)**, for the remaining projects.

20. Dissemination of results and contact points

On the Portugal 2020 portal (portugal2020.pt) and the Simplified Access Platform (PAS), candidates have access to:

- a) Other relevant documents and information, namely framing legislation;
- b) Technical support and help with clarifying doubts during the period in which the competition runs;
- c) Contact points for obtaining additional information;
- d) Results of this competition.

29 April 2020

Chairman of the Steering Committee of the Competitiveness and Internationalisation OP	Jaime Andrez
Chairman of the Steering Committee of the Northern Regional OP	Fernando Freire de Sousa
Chairman of the Steering Committee of the Central Regional OP	Isabel Damasceno
Chairman of the Steering Committee of the Lisbon Regional OP	Maria Teresa Almeida
Chairman of the Steering Committee of the Alentejo Regional OP	Roberto Pereira Grilo
Chairman of the Steering Committee of the Algarve Regional OP	Francisco Serra

Annex A

Activities included in the industry and tourism sectors

Industry Sector: activities included in divisions 05 to 33 of the CAE (Portuguese Classification of Economic Activities).

Tourism Sector: activities included in divisions 55, 79, 90, 91, in groups 561, 563, 771, and activities falling within subclasses 77210, 82300, 93110, 93192, 93210, 93292, 93293, 93294, and 96040 of the CAE.

Annex B

Illustrative flowchart on the procedures for analysis and decision of applications

(Visual representation of the process)²

Technical Path

Financial Path

[Application Form]



[CI (Credit Institution)]



[PT2020 SI Platform]

[Banking Portal]



[IB / CCDR]

[MGS (Mutual Guarantee Society)]



[Admissibility?]

[IFD (Development Finance Institution)]



[IB Opinion]

[CI / MGS Approval]



[MA Decision]

[Company Notification]



[Acceptance Term (AT)]



[Bank / MGS Contract]

² This Annex contains a synthesised textual representation of the flowchart included in the original Portuguese version, provided for explanatory and analytical purposes. The original diagram remains the authoritative graphical reference.