Support for Start-ups in Bulgaria

SIMExpo 2021

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Contents

- ✓ Background of the call;
- ✓ Your administrative checklist for eligibility;
- ✓ Call frameworks;
- ✓ Documents and Preparation;
- ✓ Online Application Form;
- ✓ Detailed Activity Budget.

I. Background of the call

- ✓ Supported under the **“Business Development, Innovation and SMEs”** Programme Bulgaria 2014-2021 under the Norway Grants;
- ✓ Total budget: **EUR 26.2 mln (66.29%)** – 32 contracts under implementation and 4 contracts completed;
- ✓ **Innovation Norway** is selected as Fund Operator;
- ✓ First call launched in 2018;
- ✓ One competitive call remaining to be launched in Q1 2022 (soft measures for business development);
- ✓ Travel support to be opened in accordance with COVID-19 developments;
- ✓ First start-up call.

II. Your administrative checklist for eligibility

Question	Fact	Yes	No
Who may apply?	EU Recommendation 2003/361 & registered in Bulgaria under the Commercial Act	√	
When should my company be registered?	In the period 6 months to 4 years back from the application deadline – November 18, 2021	√	
What should be the size of my company?	Micro & small company – up to 49 employees	√	
What should be the legal status of my company?	My company is not listed on the Stock Exchange	√	
How was the profit of my company utilized?	My company has not yet distributed profit	√	
How was my company been established?	My company is not formed through a merger	√	
How “sleepy” is my company?	My company was economically active in 2020	√	
Who is the owner of the company?	Only one of the companies in which I have ownership as physical person may apply	√	

III. Call Frameworks – Focus Area

This call will finance projects proposed by Bulgarian start-up companies in one of the two focus areas.

The applicants must be operating within one of the two focus areas of programme.

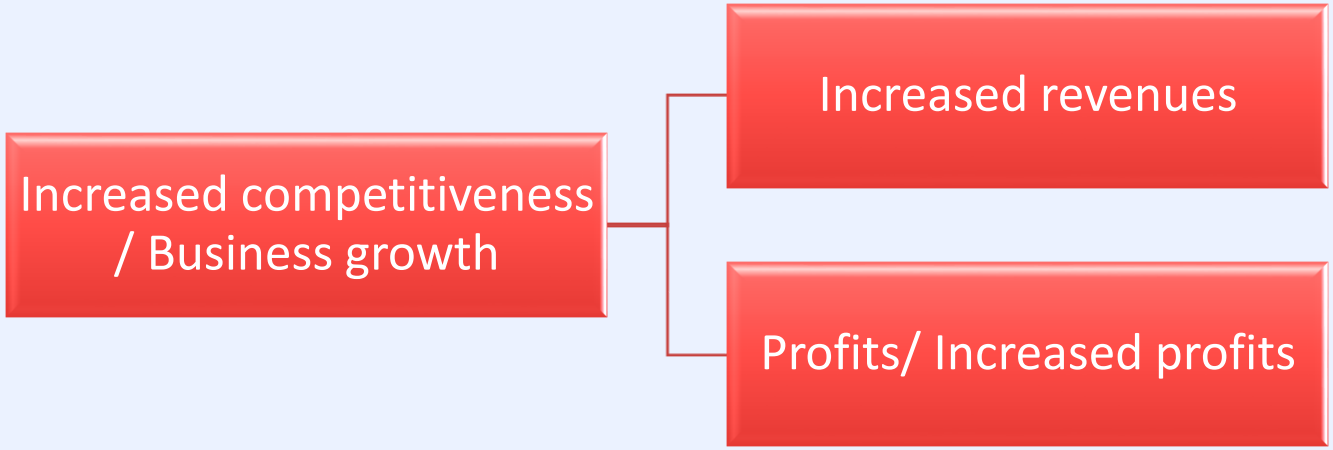
Two separate budget windows:

- ✓ EUR 1.5 mln dedicated to Green Industry Innovation;
- ✓ EUR 0.5 mln dedicated to Welfare Technology

III. Call Frameworks – Focus Area

- ✓ No formal criteria for NACE Code ;
- ✓ The aim is to finance development and application of innovative green or welfare technology/products, processes, and solutions;
- ✓ Check projects that have been previously funded – brief summary on all supported projects available on: https://eeagrants.org/;
- ✓ Two separate Expected outcomes and output files;

III. Call Frameworks – Main Objective



- ✓ Forecasts to be presented in the Expected outcomes and output files;
- ✓ Background estimations to be presented in the Detailed Activity Budget;
- ✓ Further details to be presented in the application form.

III. Call Frameworks – Project Budget and Grant Rate

- ✓ Minimum grant amount: EUR 5 000;
- ✓ Maximum grant amount EUR 80 000 (grant amount check – cell I17 in the Detailed Activity Budget will go red in case the amount is above the limit);

Recapitulation of expenses from Project Application / Contract [3]

Total costs	Promoter's costs	Partner(s) costs	Promoter's contribution	Partner(s) contribution	Grant	Grant %
87,000					**87,000**	**100%**

- ✓ No budget differentiations between the two focus areas;
- ✓ Maximum grant rate **85%** under Article 22 of GBER (Regulation (EU) No 651/2014) and exceptionally under De minimis (**really exceptionally**);
- ✓ For the Partners when they are contributing in project co-financing: Maximum grant rate **60%** under Article 25 of GBER (Regulation (EU) No 651/2014) and exceptionally under De minimis (**really exceptionally**);
- ✓ No grant rate differentiations between the two focus areas.

III. Call Frameworks – Partnerships

- ✓ Eligible partners: Any private or public entity, commercial or non-commercial, and non-governmental organisations registered in **Bulgaria** or in **Norway**;
- ✓ Donor Partnership is encouraged and a priority is given to donor partnership projects, **in case it is well justified and live**;
- ✓ **Partnership is not mandatory**;
- ✓ Financial aspects of the partnership:

Partners from/ Contributing financially	Not-contributing	Contributing
From Norway (Donor partnership)	Up to 85%	Up to 60%
From Bulgaria	Up to 85%	Up to 60%

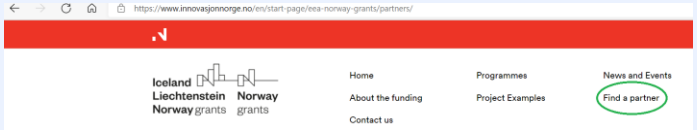
III. Call Frameworks – Partnerships

- ✓ All the aspects of the partnership should be included in the Partnership Agreement, including separation of the activities and financial payments – PA template is provided;

- ✓ The Applicant – Project Promoter is responsible for the project implementation;

- ✓ How to find a partner? – Innovation Norway is contributing for the establishment of the partnerships but is not providing concrete contacts and matchings. Potential ways to find partner:

  - Platform: The Explorer (https://www.theexplorer.no/);
  - On Programme website: several databases:



  - Digital Matchmaking event – at the end of September 2021

III. Call Frameworks – Eligible costs

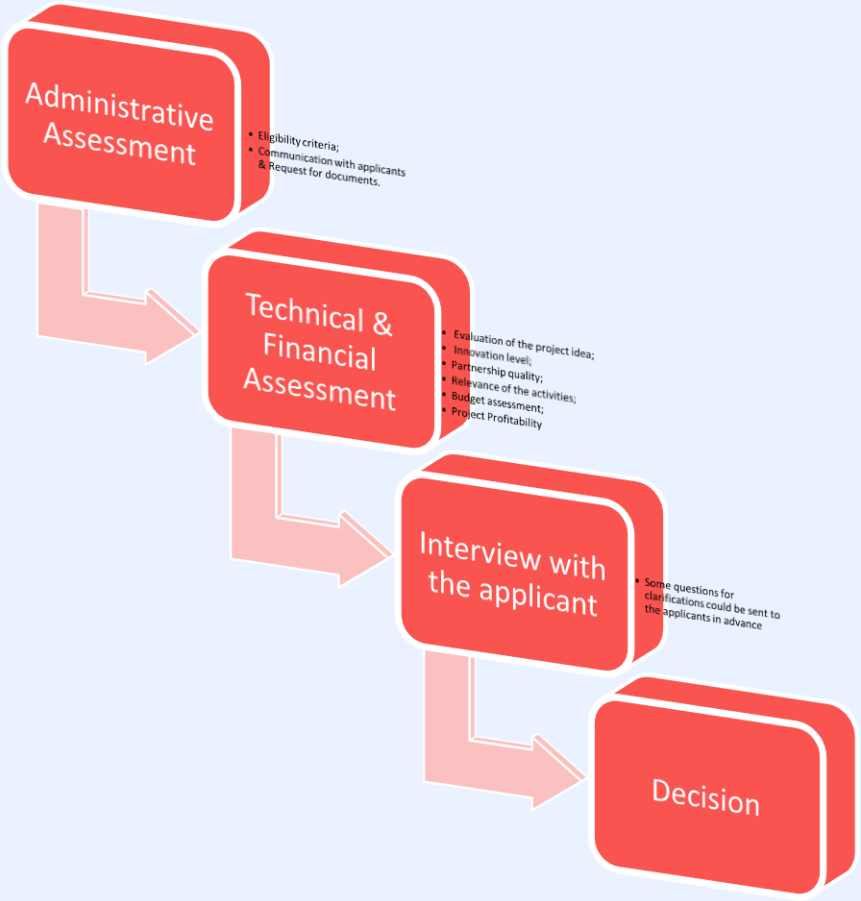
- ✓ Remuneration costs – R&D and management;
- ✓ Purchase of new and second-hand equipment;
- ✓ Costs for consumables and supplies;
- ✓ Costs for intangible assets;
- ✓ Costs for consultancy;
- ✓ Non-deductible value added tax (VAT);

N.B.! In case non-eligible costs are included the application **will not be** automatically rejected.

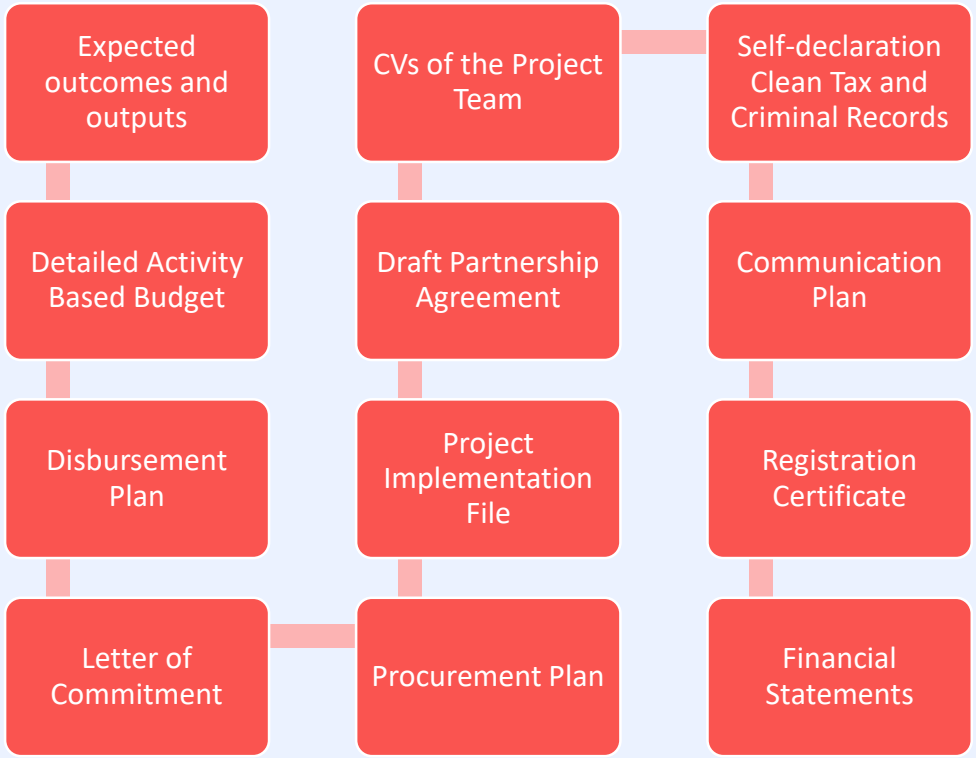
III. Call Frameworks – Eligibility of the Costs and Project Planning

- ✓ Application deadline: **November 18, 2021 (2 pm Bulgarian time)**;
- ✓ Evaluation period 2-3 months: Plan your project starting date in March 2022;
- ✓ All the costs should be made not later than **October 31, 2023: Plan your project not to exceed these duration limits – your application could be rejected;**
- ✓ Project Implementation Plan, Disbursement Plan and Procurement Plan should synchronized

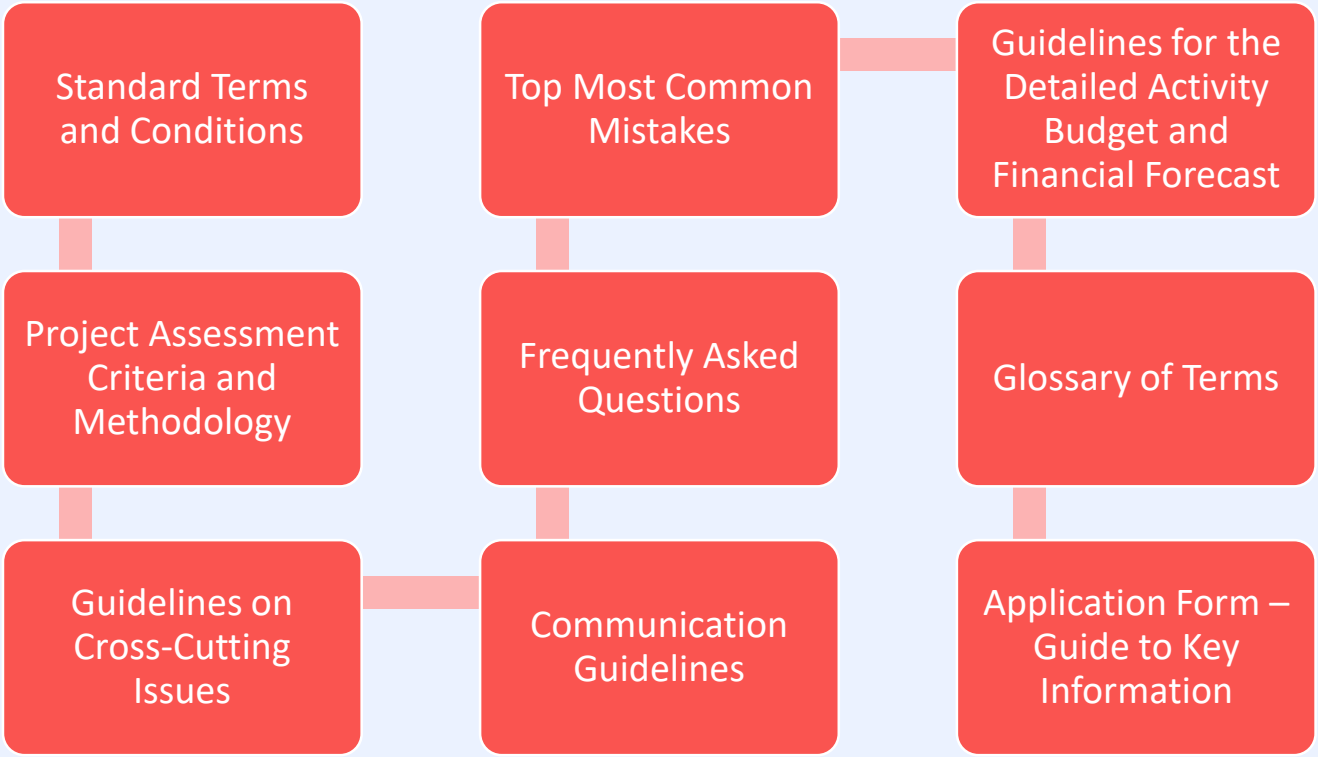
III. Call Frameworks – Assessment Process



IV. Documents and Preparation – Mandatory Documents

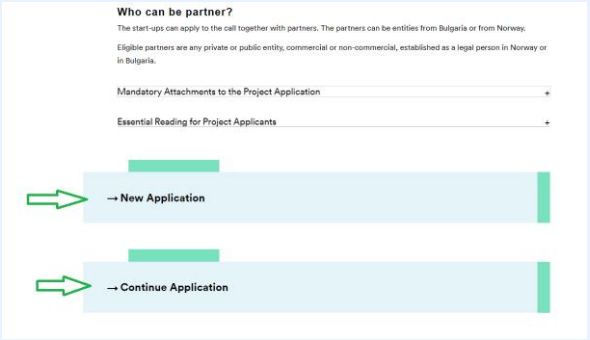


IV. Documents and Preparation – Essential Readings

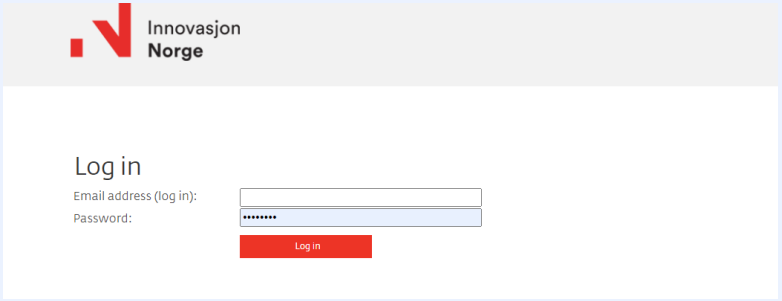


V. Online Application Form

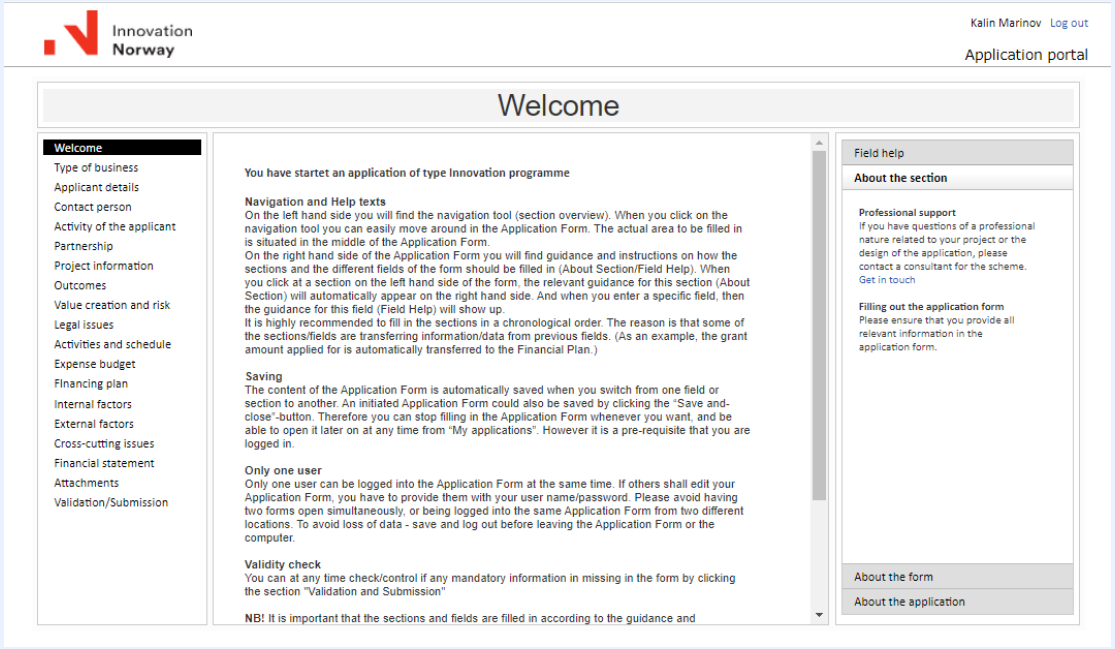
Step 1



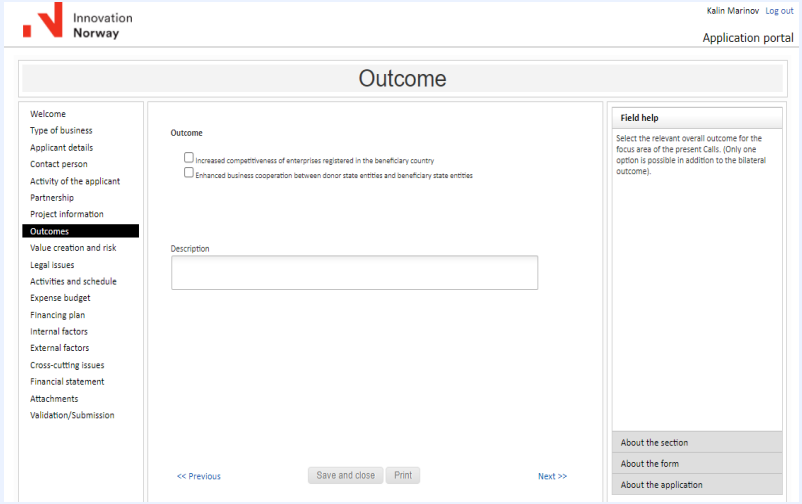
Step 2



Step 3

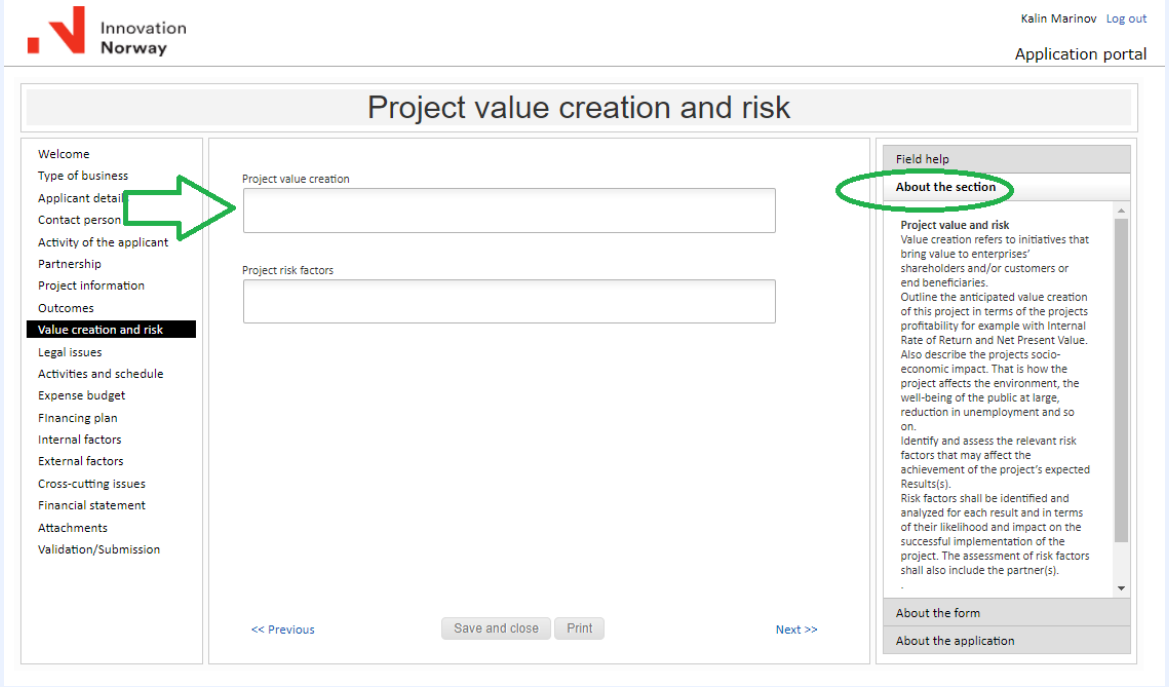


V. Online Application Form



In addition - mandatory for Green Industry Innovation: choose at least one indicator	Estimated annual decrease of CO2 emissions / equivalents	*How much CO2-emissions / or -equivalents do you expect to emit / produce per year at the start and in the end of your project? This includes greenhouse gases – CO2-equivalents: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3) Important: When converting from other environmental indicators in to CO2 emissions equivalents please do use sheet 3 -Greenhouse gas conversion table to show the baseline for this indicator.*	tonnes of CO2		n.a.			0
	Estimated annual decrease of other emissions	*How much other emissions do you expect to emit / produce per year at the start and in the end of your project?? Non-greenhouse gases: sulphur oxides (SO2), nitrogen oxides (NO2), carbon monoxide (CO) and emissions of volatile organic compounds (VOC), excluding methane?*	kilogrammes					0
	Estimated annual collection of waste from production and operational processes for re-use or recycling	*How much waste will not go to a incineration, landfill or be dumped in the landscape per year at the start and in the end of your project?*	tonnes					0
	Estimated annual decrease in energy consumption	*How much energy do you expect to consume / use per year at the start and in the end of your project?*	megawatt hours					0
	Estimated annual re-use of processed waste for other operational processes	*How much of the waste you process will be re-used or recycled per year in operational processes other than in your business, at the start and in the end of your project?*	tonnes					0
	Estimated annual reduction in fuel consumption	*How much fuel do you expect to consume / use per year at project start and at project end?*	litres					0

V. Online Application Form



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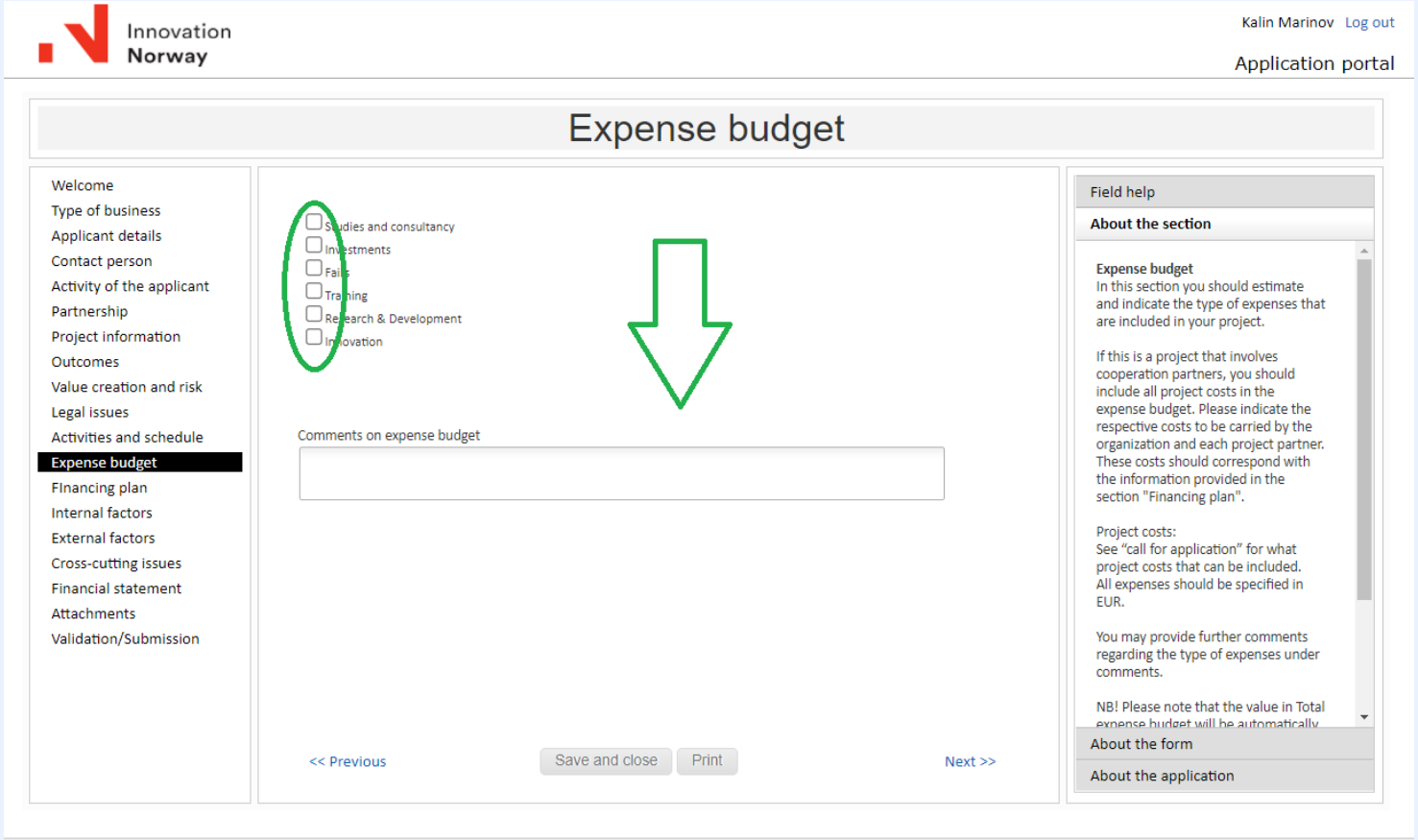

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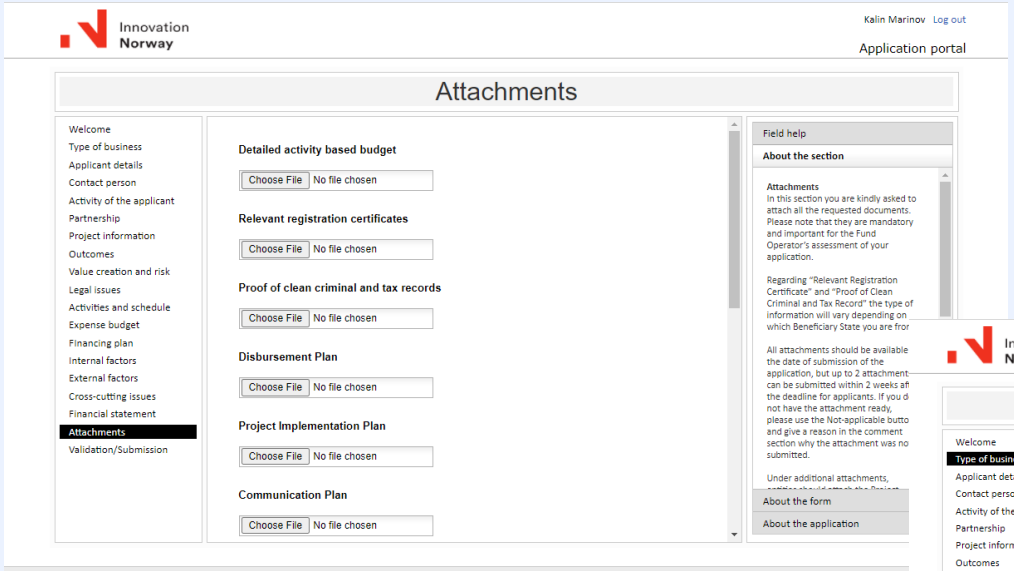
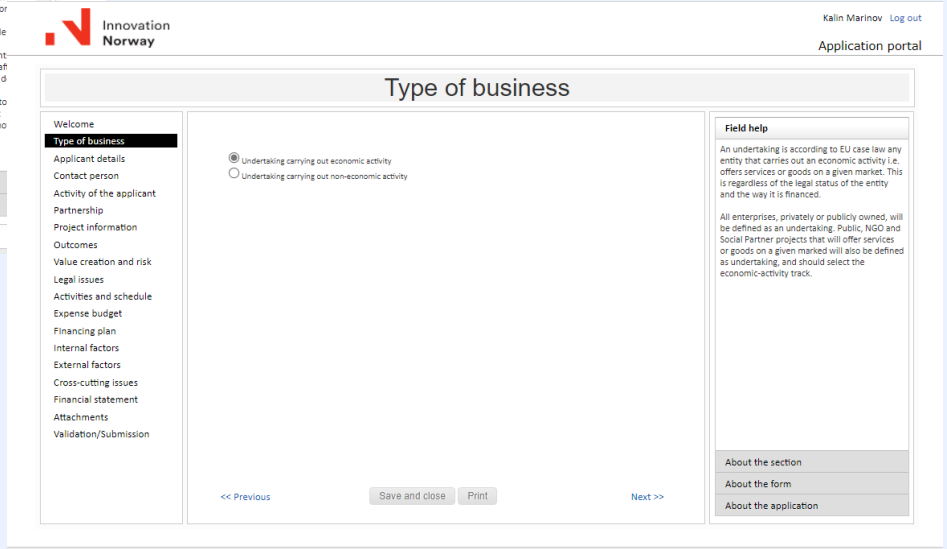
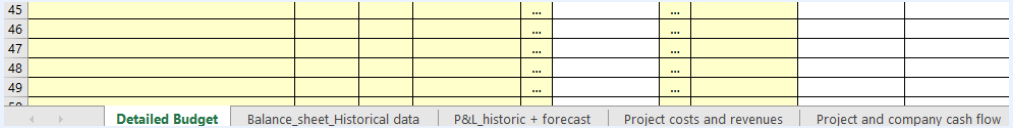




VI. Detailed Activity Budget



Programme name [1]: **Abc**

Project Promoter: **Abc**

2nd Project Partner:

Project name:

Project number: **2020/...**

Budget modification [2]: **Select...**

Project focus area: **Select...**

1st Project Partner:

3rd Project Partner:

Hide/unhide empty budget lines =>

Iceland Liechtenstein Norway grants

Innovation Norway

Recapitulation of expenses from Project Application / Contract [3]

Total costs	Promoter's costs	Partner(s) costs	Promoter's contribution	Partner(s) contribution	Grant	Grant %
87,000	**87,000**				**87,000**	**100%**

ELIGIBLE COSTS IN EURO

	Eligible costs in the Project Application / Project Contract [5]							
Short description	**Unit type**	**No of units**	**Unit cost**	**Costs by (select) [6] amount**		**Own contribution by (select) [6] amount**	**Grant**	**Grant %**
Activity 1		1	87,000.00	PP	87,000.00	PP	87,000.00	100%
			5,000.00	PP		...		
				...				
				...				
				...				
				...				
				...				
				...				

... PP P1 P2 P3 P4

VI. Detailed Activity Budget

The values will be filled in gray cells

The Exchange rate to be used is:	Average for 2020
Bulgaria	1 Euro = 1,9558 BGN
Romania	1 Euro = 4,835 LEI

Last year of Financial statements		Please insert here the last year of av

BALANCE SHEET - HISTORICAL EVOLUTION

	N-3	N-2	N-1	N
Paid in capital				
Revaluation reserves				
Reserves				

Financial figures of the company in the last four fiscal years. N is the fiscal year prior the application

	Historical information (EURO)			
	N-3	N-2	N-1	N
BALANCE SHEET				
Intangible fixed assets				
Tangible fixed assets	132			
Financial fixed assets				
Total fixed assets	**132**	**0**	**0**	**0**
Inventories	12,345			
Trade receivable				
Short term investments				
Bank deposits				
Total current assets	**12,345**	**0**	**0**	**0**
Total assets	**12,477**	**0**	**0**	**0**
Paid in capital + reserves	0	0	0	0
Retained earnings				
Total Shareholders' Equity	**0**	**0**	**0**	**0**
Minority stake				
Provisions				
Other long term liabilities				
Total noncurrent liabilities	**0**	**0**	**0**	**0**
Debt to finacial inst.				
Trade creditors				
Tax and public duties				
Other short term debt				
Total current liabilities	**0**	**0**	**0**	**0**
Total liabilities	**0**	**0**	**0**	**0**
Total equity and liabilities	**0**	**0**	**0**	**0**

CHECK	Total assets differen	ok	ok	ok

The Exchange rate to be used is:	Average for 2020
Bulgaria	1 Euro = 1,9558 BGN
Romania	1 Euro = 4,835 LEI

PROFIT AND LOSS - Forecasts WITH PROJECT

Financial figures of the company in the last four fiscal years. N is the fiscal year prior the application					*Profit and Loss projection for the whole company after the project implementation*					
	Historical information (EURO)				Implementation and operation (EURO)*					
	N-3	N-2	N-1	N	Implementation	Operation	Operation	Operation	Operation	Operation
Revenue	5,466				13					
Other operating revenue										
Total operating income	**5,466**	**0**	**0**	**0**	**13**	**0**	**0**	**0**	**0**	**0**
Change in inventories										
Cost of sold goods										
Payroll expense										
Depretiation and amortization										
Other operating expenses										
Total operating expenses	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Operating profit	**5,466**	**0**	**0**	**0**	**13**	**0**	**0**	**0**	**0**	**0**
Financial incomes										
Financial expenses, out of which:										
Interest expenses										
Financial profit	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other income										
Other expenses										
Non economic activities profit	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Operating profit before tax	**5,466**	**0**	**0**	**0**	**13**	**0**	**0**	**0**	**0**	**0**
Profit tax										
Other taxes										
Net profit for the year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

The projections will be made for the implementation period and 5 years after implementation

VI. Detailed Activity Budget

The Exchange rate to be used is:	
Bulgaria	1 Euro = 1,9558 BGN
Romania	1 Euro = 4,7421 LEI

I. REVENUES

		Implementation and operation (EURO)*					
		Implementation	Operation	Operation	Operation	Operation	Operation
	Project operational revenues	**9**	**484**	**0**	**0**	**0**	**0**
1	***Product/Service ...***	*6*	*15*	*0*	*0*	*0*	*0*
	Number of units	2	3				
	Unitary price	3	5				
2	***Product/Service ...***	*0*	*469*	*0*	*0*	*0*	*0*
	Number of units		67				
	Unitary price		7				
3	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
	Number of units						
	Unitary price						
4	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
	Number of units						
	Unitary price						
5	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
	Number of units						
	Unitary price						
	Other revenues (please detail)	***3***	***0***	***0***	***0***	***0***	***0***
	Type 1	3					
	Type 2						
	Type 3						

II. OPERATING COSTS

		Implementation and operation (EURO)*					
		Implementation	Operation	Operation	Operation	Operation	Operation
	Project operational costs	**0**	**0**	**0**	**0**	**0**	**0**
	Personnel costs	***0***	***0***	***0***	***0***	***0***	***0***
	Number of employees						
	Gross annual unitary salary						
	Material costs	***0***	***0***	***0***	***0***	***0***	***0***
1	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
	Number of units	2	3	0	0	0	0
	Unitary cost						
2	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
	Number of units	0	67	0	0	0	0
	Unitary cost						
3	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
	Number of units	0	0	0	0	0	0
	Unitary cost						
4	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
	Number of units	0	0	0	0	0	0
	Unitary cost						
5	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
	Number of units	0	0	0	0	0	0
	Unitary cost						

Detailed Budget | Balance_sheet_Historical data | P&L_historic + forecast | **Project costs and revenues** | Project and co

49		Number of units	0	67	0	0	0	0
50		Unitary cost						
51	3	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
52		Number of units	0	0	0	0	0	0
53		Unitary cost						
54	4	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
55		Number of units	0	0	0	0	0	0
56		Unitary cost						
57	5	***Product/Service ...***	*0*	*0*	*0*	*0*	*0*	*0*
58		Number of units	0	0	0	0	0	0
59		Unitary cost						
60		***Annual utilities and administrative expenses***	***0***	***0***	***0***	***0***	***0***	***0***
61		Monthly value water						
62		Monthly value energy						
63		Monthly value for rent						
64		Monthly value for consumables						
65		Monthly value for other expenses (*please detail*)						
66		***Other costs: services produced by third parties, environmental protection costs, etc.(*** *please detail*)	***0***	***0***	***0***	***0***	***0***	***0***
67		Other costs 1						
68		Other costs 2						
69								
70								
71		**III. DEPRECIATION AND AMORTIZATION**						
72								
73			Implementation and operation (EURO)*					
74			1	2	3	4	5	6
75	Asset 1	Initial value	100,000					
76		Amortisation rate (%)						
77		Annual depreciation		0	0	0	0	0
78		Cumulated depreciation		0	0	0	0	0
79		Residual value		0	0	0	0	0
80	Asset 2	Initial value						
81		Amortisation rate (%)						
82		Annual depreciation		0	0	0	0	0
83		Cumulated depreciation		0	0	0	0	0
84		Residual value		0	0	0	0	0
85	Asset 3	Initial value						
86		Amortisation rate (%)						
87		Annual depreciation		0	0	0	0	0
88		Cumulated depreciation		0	0	0	0	0
89		Residual value		0	0	0	0	0
90	Asset 4	Initial value						
91		Amortisation rate (%)						
92		Annual depreciation		0	0	0	0	0
93		Cumulated depreciation		0	0	0	0	0
94		Residual value		0	0	0	0	0
95	Asset 5	Initial value						
96		Amortisation rate (%)						
97		Annual depreciation		0	0	0	0	0
98		Cumulated depreciation		0	0	0	0	0
99		Residual value		0	0	0	0	0

Detailed Budget | Balance_sheet_Historical data | P&L_historic + forecast | **Project costs and revenues** | Project ar

VI. Detailed Activity Budget

Table 1

Base case Budget (in EUR 1,000)	Implementation	Operation	Operation	Operation	Operation	Operation
Revenue from new products/services	9	484	-	-	-	-
Revenue from existing products/services	2	2	2			
Total operating revenue	***11***	***486***	***2***	-	-	-
Variable costs associated with new products/services	-	-	-	-	-	-
Variable costs associated with existing products/services						
Total variable costs	-	-	-	-	-	-
Contribution margin (CM)	***11***	***486***	***2***	-	-	-
CM as % of revenue	*100%*	*100%*	*100%*			
OPEX related to new products/services	-	-	-	-	-	-
OPEX related to existing products/services						
Total OPEX	-	-	-	-	-	-
EBITDA	**11**	**486**	**2**	-	-	-
Depreciation						
Operating profit	**11**	**486**	**2**	-	-	-
Operating profit as % of revenue	*100%*	*100%*	*100%*			

Table 2

Base Case Cash flow (in EUR 1,000)	Implementation	Operation	Operation	Operation	Operation	Operation
Revenue from project	9	484	-	-	-	-
Revenue from operations	2	2	2	-	-	-
Revenue from investments	2					
Total revenue	***13***	***486***	***2***	-	-	-
Project payments	-	-	-	-	-	-
Payments on operations and investments	70		90			
Total payments	***70***	-	***90***	-	-	-
Cash flow from projects, operations and investments	**- 57**	**486**	**- 88**	-	-	-
Project financing	87					
Operational financing						
Total financing	***87***	-	-	-	-	-
Interest rate costs						
Debt repayments	3					
Total fiancial payments	***3***	-	-	-	-	-
Cash flow from financial operations	**84**	-	-	-	-	-
Net cash flow for the period	***27***	***486***	***- 88***	-	-	-
Incoming balance cash		*27*	*513*	*425*	*425*	*425*
Closing balance cash	**27**	**513**	**425**	**425**	**425**	**425**

Comparison Total Revenues and Total Expenses

Total Revenues (including financial and other	OK	Difference	Difference	OK	OK	OK
Total Expenses (including financial and other)	Difference	OK	Difference	OK	OK	OK

Total Revenues & Total Payments from Table 2 above should be equal respectively to P&L_Historic + forecast - Total operating income + financial income+ other income and Total operating expenses + Financial expenses + other expenses

Time Schedule

Assessment

Project implementation

Може да задавате допълнителни въпроси на:

- **bg.business@innovationnorway.no**

Благодаря за вниманието!