Ministry of Economic Affairs and Communications

REGULATION

09.06.2023 no. 33

Terms and conditions of and procedure for supporting investments of small and medium-sized enterprises in Ida-Viru County

The Regulation is established on the basis of subsection 10 (2) of the 2021-2027 European Union Cohesion and Internal Security Policy Funds Implementation Act (hereinafter referred to as the *Act2021_2027*).

Chapter 1
General provisions

§ 1. General provisions

(1) The Regulation establishes the conditions and procedure for granting support for the implementation of intervention "Support for investments, product and process development by SMEs in Ida-Viru County" of measure no. 21.6.1.5 "Investment support for SMEs" of the special objective "Allowing regions and people to deal with the achievement of the 2030 energy and climate objectives of the Union and the social, employment, economic and environmental impacts of the Union's transition to the climate-neutral economy by 2050 on the basis of the Paris Agreement" of policy objective "Just Transition" of the "Programme for Cohesion Policy Funds 2021-2027" specified in clause 1 (1) 1) of the Act2021_2027.

(2) The target area for the support is Ida-Viru County.

(3) Application for support based on the Regulation, requirements concerning the applicant and application, the processing, granting and rejection of applications, changing and revoking a decision to grant an application, eligibility of costs, payment and recovery of support, notification of support and reporting, the obligations of the beneficiary and all other matters included in the Regulation are subject to the Government of the Republic Regulation no. 55 of 12 May 2022 "General conditions for the allocation and use of resources from the operational programmes of the European Union Cohesion and Internal Security Policy Funds for the period 2021-2027" (hereinafter referred to as the *Combined Regulation*) with derogations set out in this Regulation.

(4) Information and documents related to applying, granting, use and recovery of support under the Regulation are submitted and the application and report forms and instructions are made available via the e-support environment set forth in subsection 21 (3) of the Act2021_2027. If the relevant type of documents cannot be submitted in this environment, the document is submitted electronically and signed digitally.

(5) No support is granted under the Regulation:

1) in accordance with European Commission Regulation (EU) 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.2014, pp 1-78) (hereinafter referred to as the *General Block Exemption Regulation*) to an undertaking in difficulty applying for support within the meaning of Article 2(18) of said Regulation;
2) upon application for support in accordance with the General Block Exemption Regulation in the cases provided for in Articles 1(2)-(6) and 13 of said Regulation;
3) when applying for support in accordance with European Commission Regulation (EU) 2023/2831 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 2023/2831, 15.12.2023) (hereinafter referred to as the *De Minimis Regulation*) in the cases set forth in Article 1(1) of said Regulation;
4) in the cases provided for in Article 9 of Regulation (EU) 2021/1056 of the European Parliament and of the Council establishing the Just Transition Fund (OJ L 231/1, 30.06.2021, pp. 1-20);
5) to an enterprise which is subject to an outstanding recovery order following an earlier European Commission decision declaring support unlawful and incompatible with the internal market.

§ 2. State aid

(1) The Regulation grants the support as de minimis aid within the meaning of subsection 33 (1) of the Competition Act or as state aid covered by group exemption within the meaning of subsection 34^2 (1) of the Competition Act as follows:
1) the support granted for the activity specified in clauses 6 (3) 1), 1^1), 5), 9) and 10) is regional investment aid within the meaning of Article 14 of the General Block Exemption Regulation and it is subject to the provisions of said Regulation and § 34^2 of the Competition Act or de minimis aid within the meaning of the De Minimis Aid Regulation and it is subject to the provisions of said Regulation and § 33 of the Competition Act;
[RT I, 23.10.2026, 3 – entry into force 26.10.2026, applied retroactively from 16.06.2023]
2) if the support is de minimis aid within the meaning of the De Minimis Aid Regulation, the de minimis aid granted to the beneficiary together with the de minimis aid applied for under this Regulation cannot exceed the limit laid down in Article 3(2) of the De Minimis Aid Regulation;
3) the support granted for the activity specified in clause 6 (3) 3) is innovation aid granted to micro-, small and medium-sized enterprises (hereinafter referred to as *SMEs*) within the meaning of Article 28 of the General Block Exemption Regulation and it is subject to the provisions of said Regulation and section 34^2 of the Competition Act or de minimis aid within the meaning of the De Minimis Aid Regulation and it is subject to the provisions of said Regulation and section 33 of the Competition Act;
4) the support granted for the activity specified in clause 6 (3) 4) is aid given to SMEs for process and organisational innovation within the meaning of Article 29 of the General Block Exemption Regulation and it is subject to the provisions of said Regulation and section 34^2 of the Competition Act or de minimis aid within the meaning of the De Minimis Aid Regulation and it is subject to the provisions of said Regulation and section 33 of the Competition Act;
5) the support granted for the activity specified in clauses 6 (3) 6) - 8^1) is de minimis aid within the meaning of the De Minimis Aid Regulation and it is subject to the provisions of said Regulation and section 33 of the Competition Act.

(2) If the support is de minimis aid within the meaning of the De Minimis Aid Regulation, the de minimis aid applied for on the basis of this Regulation and the de minimis aid not specified in this section and granted to the beneficiary pursuant to the regulations of the European Commission within the current and two previous financial years may not exceed 200,000 euros in total, and the de minimis aid granted to a road transport operator transporting goods for reward may not exceed 100,000 euros in total.

(3) The rules for cumulation of de minimis aid laid down in Article 5 of the De Minimis Aid Regulation are taken into account in the case of de minimis aid. Upon the calculation of de minimis aid, enterprises related according to Article 2(2) of the De Minimis Aid Regulation are considered a single enterprise.

§ 3. Definitions

For the purposes of this Regulation the following terms have the following meanings:
1) 'do no significant harm' (DNSH) is a principle according to which no significant harm specified in Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.06.2020, pp. 13-43), is caused to the environmental objectives established in Article 9;
2) intangible assets are intangible assets within the meaning of Article 2(30) of the General Block Exemption Regulation;
3) a medium-sized enterprise is an enterprise that meets the criteria set out in Article 2(1) of Annex I to the General Block Exemption Regulation;
4) tangible assets are tangible assets within the meaning of Article 2(29) of the General Block Exemption Regulation;
5) a micro-enterprise is an enterprise that meets the criteria set out in Article 2(3) of Annex I to the General Block Exemption Regulation;
6) a project plan is a detailed description of the activity, the objective and the means to be used for the execution thereof which has been prepared by the enterprise and has an impact on its activities or expansion;
7) experimental development is R&D within the meaning of Article 2(86) of the General Block Exemption Regulation;
8) market conditions are real market conditions within the meaning of Article 2(89) of the General Block Exemption Regulation;
9) a network is an electricity, water and sewerage, gas, district heating, district cooling or telecommunications network;
10) connection to the network is the connection of a new installation to the network at the connection point or a change in the connection conditions;
11) a small enterprise is an enterprise that meets the criteria set out in Article 2(2) of Annex I to the General Block Exemption Regulation.

§ 4. Purpose and outcome of granting support

(1) The purpose of the support is to support the diversification of the economy and the increase in the competitiveness of enterprises in Ida-Viru County through investments of SMEs that generate higher added value and maintain or create new jobs. A new job is a full-time job created as a result of the implementation of the project in the enterprise or unit within which the project is implemented, where the place of work is located in Ida-Viru County.

(2) The granting of support contributes to the achievement of the following output indicators:
1) the enterprises to be supported;
2) the enterprises to be supported with the support;
3) private sector investments that complement public sector support.

(3) The granting of support contributes to the achievement of the following performance indicators:
1) SMEs introducing product or process innovation;
2) SMEs introducing marketing or organisational innovation.

(4) The support is aimed at meeting the objectives set out in the Estonian Research and Development, Innovation and Business Development Plan 2021-2035 and contributes to upholding the fundamental principles of Estonia's long-term development strategy "Estonia 2035" (hereinafter referred to as "*Estonia 2035"*) and to achieving the subtarget "The economy of Estonia is strong" of the objective "The economy of Estonia is strong, innovative and responsible".

(5) The following indicators are used to measure the upholding of the fundamental principles and the achievement of the objectives of "Estonia 2035" upon the provision of support in a way that supports balanced regional development, gender equality, equal opportunities, accessibility, environmental and climate objectives:
1) measure of caring and cooperativeness;
2) gender equality index;
3) accessibility indicator;
4) gross domestic product per capita generated outside Harju County compared to the EU average;
5) resource productivity.

(6) The projects supported take into account the horizontal principles in Article 9 of Regulation (EU) 2021/1060 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.06.2021, pp. 159-706).

§ 5. Implementing body and implementing authority

(1) The implementing authority is the Ministry of Economic Affairs and Communications.

(2) The implementing body is the Estonian Business and Innovation Agency.

Chapter 2
Supported activities, eligibility of costs and support rate

§ 6. Supported activities

(1) Support is granted to projects that contribute to the achievement of the objective and results referred to in section 4.

(2) The establishment of new enterprises or units, the development of new products or provision of new services, an increase in production capacity or the complete restructuring of an existing enterprise's entire production process within the meaning of Article 2(49) of the General Block Exemption Regulation is supported.

(3) The following activities, which are necessary for the implementation of the activities or for the preparation of a project set out in subsection (2), are supported:
1) the purchase of machinery and equipment and the intangible assets needed for their use;
1[1]) the purchase of an immovable and the construction of buildings and structures;
2) experimental development;
3) applying for the initial protection of intellectual property created as a result of the supported activity specified in clause 2);
4) development of processes related to the enterprise's product or service;
5) connection to the network or modification of an existing connection in relation to the activity

specified in clause 1 and 1[1];
6) drafting a ‘do no significant harm’ principle assessment;
7) preparation of an assessment of ensuring climate proofing;
8) consulting, carrying out feasibility studies and comparing technologies as preparatory activities for investment;
8[1]) project management;
[RT I, 23.10.2026, 3 – entry into force 26.10.2026, applied retroactively from 16.06.2023]
9) design;
10) owner supervision.
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(4) The share of the activities set out in points (6) to (8[1]) of paragraph 3 may not exceed 10% of the eligible cost of the investment.

§ 7. Eligibility of costs

(1) The following costs required for carrying out the activity referred to in clause 6 (3) 1) and 1[1]) that comply with Article 14(6) and (8) of the General Block Exemption Regulation are eligible:
1) the cost of acquiring or leasing tangible assets on market terms;
2) the cost of acquiring intangible assets on market terms.

(1[1]) In the case of the acquisition of an immovable, the threshold set out in Article 64(1)(b) of the Common Provisions Regulation shall apply.

(2) The cost of setup and transport, and the cost of property insurance required for transport of the assets specified in clause (1) 1) is eligible if this is included in the acquisition cost of the respective assets.

(3) The cost referred to in clause 1 (1) is eligible if the beneficiary is the owner or lessee of the property during the eligibility period of the project and for at least three years from the date of the final payment of the project. If the equipment or machinery is leased, it must be taken on financial lease and the lease contract must include the obligation of the beneficiary to buy out the property at the end of the contract.

(3[1]) In the case of regional investment aid within the meaning of Article 14 of the General Block Exemption Regulation granted to an existing enterprise for the production of a new product or the provision of a new service, the eligible costs must exceed at least 200% of the book value of the reusable asset recorded in the fiscal year preceding the start of the works.

(4) The following costs required for carrying out the activity referred to in clause 6 (3) 2) are eligible:
1) the personnel costs related to the project, as provided for in clauses 16 (1) 1), 4), 5) and 6) of the Combined Regulation and Article 25(3)(a) of the General Block Exemption Regulation;
2) the costs of contractual scientific research, knowledge and patents as well as consultation services used only for the project purchased or licensed under market conditions;
3) the costs of tools and equipment purchased during the eligibility period of the project as set forth in Article 25(3)(b) of the General Block Exemption Regulation;
4) the costs of materials and accessories.

(5) The costs of acquisition, validation and protection of patents and other intangible assets, except for trademarks, required for carrying out the activity specified in clause 6 (3) 3) are eligible.

(6) The following costs required for carrying out the activity referred to in clause 6 (3) 4) are eligible:
1) personnel costs;
2) the costs of tools, equipment, buildings and land to the extent and for the period that they are used for the project;
3) the costs of contractual research, knowledge and patents bought or licensed from outside sources under market conditions.

(7) The following costs required for carrying out the activity referred to in clause 6 (3) 5) are eligible:
1) the connection fee charged by the network operator for connection to the network;
2) the fee charged by the network operator for changes to consumption or production conditions.

(8) The cost of preparing the assessment referred to in clauses 6 (3) 6) and 7) is eligible.

(8^1) The cost of engaging an external consultant necessary for project preparation within the framework of the activities specified in clause 8 of section 6 (3) is eligible for aid up to an amount of 6,500 euros.

(8^2) The design costs referred to in clause 6 (3) 9) are eligible.

(8^3) The staff costs relating to project management specified in clause 6 (3) 8^1) according to clauses 16 (1) 1) and 4) of the Combined Regulation or the costs of outsourced services are eligible.
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(8^4) The costs of the outsourced owner supervision service specified in clause 6 (3) 10) are eligible.
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(9) If the entire grant allocated to the project is de minimis aid, the eligible indirect costs referred to in section 21 (4) of the Combined Regulation and may constitute seven percent of the project's eligible direct costs.

(10) The following costs are ineligible:
1) [deleted];
2) national taxes and state duties other than the taxes and payments relating to the remuneration of employees;
3) the cost of acquisition of a mobile machinery as provided for in clause 2 34) of the Traffic Act;
4) the cost of acquisition of a vehicle;
5) value added tax;
6) [deleted];
7) the personnel costs provided for in clauses 16 (1) 2), 3) and 7) of the Combined Regulation.

§ 8. Project eligibility period

(1) A project's eligibility period is the time frame stipulated in the decision to grant the application during which project-related activities start and end and expenses necessary for carrying out the project are incurred.

(2) The eligibility period of a project starts from the date of submission of the application to the implementing body or from date indicated in the decision granting the application and ends on the

date specified in the decision granting the application, but no later than on 31 August 2029.

(3) The project eligibility period lasts for a maximum of 36 months.

(4) The project eligibility period must start within one year of the submission of the application to the implementing body.

(5) The applicant may not commence the project-related activity or assume obligations for carrying out said activity before submitting an application to the implementing agency, except for the activities set forth in clauses 6 (3) 6) to 9).

(6) If the activities set forth in clauses 6 (3) 6) to 9) have commenced before the submission of the application, the implementing agency sets the starting date of the eligibility period of the project up to 12 months before the date of submission of the application with respect to the expenditure of the activities referred to in the decision granting the application at the request of the applicant.

(7) The beneficiary may apply for an extension of the eligibility period of the project, exceeding the period specified in subsection (3), with good reason and provided that the result to be achieved remains related to the objectives of the measure and the project. If the eligibility period is extended, the activities are carried out for a longer period than provided for in subsection (3), but no later than by 31 August 2029.

(8) The project is deemed to be completed after the final report has been approved by the implementing body and the final payment has been made to the beneficiary.

§ 9. Limit and proportion of support in eligible costs

(1) The minimum amount of support per project is 30,000 euros and the maximum amount is 3,000,000 euros.

(2) In the case of the activities presented in clauses 6 (3) 1), 1[1]), 2), 5), 9 and 10), the maximum percentage of the support in the eligible costs when support is applied for in accordance with the General Block Exemption Regulation is as follows:
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1) 45 percent for a micro- or small enterprise;
2) 35 percent for a medium-sized enterprise.

(3) In the case of the activities presented in clauses 6 (3) 3) to 4), the maximum percentage of the support in the eligible costs when support is applied for in accordance with the General Block Exemption Regulation is 50%.

(4) In the case of the activities presented in subsection 6 (3), the maximum percentage of the support in the eligible costs when support is applied for in accordance with the De Minimis Aid Regulation is 80%. Where support is granted for a single activity under both the De Minimis Aid Regulation and the General Block Exemption Regulation, the maximum aid intensity laid down in the relevant article of the General Block Exemption Regulation shall apply.
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(5) Contributions from the national budget or from other public sector or external funds allocated to the project or project activities or paid to the applicant in another project are not considered as self-financing.

Chapter 3
Requirements for applicant and application

§ 10. Requirements for applicant

(1) The support may be applied for by a company entered in the Estonian Business Register that is not excluded on the basis of subsection 1 (5) or whose field of activity or the field of activity of the project for which support is requested does not correspond to the following areas of activity set out in Annex 16 "Estonian Classification of Economic Activities (EMTAK)" to Regulation No 59 of the Minister of Justice of 28 December 2005 "Procedure for Submission of Documents to Court":

1) agriculture, forestry and fishing (section A);
2) wholesale and retail (section G);
3) organisation of gambling and betting activities (section S, group 920);
4) programming, consultancy and related activities (section K, division 62);
5) legal and accounting activities (section N, division 69);
6) activities of head offices and management consultancy activities (section N, division 70);
7) advertising, market research and public relations (section N, division 73);
8) rental and operating lease (section O, division 77);
9) temporary employment agency activities and other human resource provisions (section O, group 782).

(2) No liquidation, compulsory dissolution or bankruptcy proceedings may have been initiated and no bankruptcy order may have been issued against a person with dominant influence over the applicant.

§ 11. Requirements for application

(1) An application must contain the following information, documents and confirmations:
1) name and size of the applicant, description of the project, start and end date of the eligibility period, list of costs, place of implementation of project;
2) self-financing in the required amount to cover the eligible costs that are not covered by the support;
3) an assessment of the project's compliance with the 'do no significant harm' principle and a confirmation by the applicant that they are aware of the application of this principle;
3[1]) when an investment is made in infrastructure, the duration of which is at least five years, an assessment of ensuring climate proofing;
4) project plan in the form of the implementing body;
5) activities that contribute to the indicators set out in subsection 4 (5) and to the achievement of the strategic objectives and fundamental principles set out in "Estonia 2035", if it has been identified that the project is related to these;
6) the applicant's balance sheet and income statement for the current financial year as of the quarter preceding the submission of the application;
7) the annual report for the financial year preceding the submission of the application if this is not available in the Commercial Register;
8) if the applicant belongs to a group, a copy of the last approved annual report of the parent company or the group, if the report is not available from the Commercial Register;
9) if the applicant belongs to a group, the scheme of members of the applicant's group and consolidated financial indicators;
10) the applicant's business plan;
11) the calculations that the project budget is based upon;
12) forecast of the applicant's financial indicators for the project eligibility period and for the three years following the completion of the project, which must include at least sales revenue, exports as

a percentage of sales revenue, operating profit or loss, depreciation, the average number of employees and the amount of labour expenses;
13) relevant information if support is requested for a project or a single activity of a project at the same time from several measures, the state budget, other public sector or European Union funds or foreign aid resources;
14) a confirmation by the applicant that there has been no relocation within the meaning of Article 2(61a) of the General Block Exemption Regulation into an enterprise to which an investment will be made using the support in the two years preceding the submission of the application, and the applicant must ensure that no relocation will take place within two years of making the investment referred to;
15) documents that confirm the applicant's ownership or right to use the property on which the grant is sought for the purchase of the equipment, or the fact that the applicant has at least entered into a written prior agreement with the owner of the property for the acquisition or lease of the property during the period of eligibility of the project and for at least three years after the end of the period of eligibility of the project;
15[1]) in the case of construction, an overview of the activities carried out and planned by the applicant to apply for the building permit, together with the timetable and relevant documents;
16) a confirmation of the applicant of their compliance with the requirements set forth in section 10;
17) a power of attorney if the person who has the right to represent the applicant acts on the basis of an authorisation;
18) a confirmation that the project will not infringe the fundamental rights set out in the Charter of Fundamental Rights of the European Union;
19) a confirmation that the project complies with environmental legislation.

(2) The assessment referred to in clause (1) 3) is prepared on the basis of the guidance published on the website of the implementing body, based on the European Commission Communication 2021/C 58/01 "Technical guidance on the application of 'do no significant harm' under the Recovery and Resilience Facility Regulation" (OJ C 58, 18.02.2021, pp. 1-30).

(2[1]) The assessment of ensuring climate proofing referred to in clause 1 31) shall be prepared in accordance with the European Commission Communication 2021/C 373/01 "Technical guidance on the climate proofing of infrastructure in the period 2021–2027" (OJ C 373, 16.9.2021, pp 1–92) and the guidance published on the website of the implementing agency.

(3) The calculations indicated in clause (1) 11) are submitted with explanations and justifications of the extent to which the amount of the grant requested will affect the likelihood, scale and speed of the realisation of the activities envisaged by the project and the volume of self-financing.

Chapter 4
Applying for support

§ 12. Opening of application period

(1) The budget and timetable of the application for support is approved by the implementing authority.

(2) The implementing authority announces the start of the reception of applications and the budget for funding applications on its website at least 30 calendar days before the starting date of the reception of applications.

§ 13. Applying for support

(1) Applications are submitted on an ongoing basis.

(2) If the amount requested by the pending applications in terms of which the implementing body has not yet made a decision to either grant or refuse the application is equal to the free balance of the financing budget, the implementing body will suspend accepting applications and process the pending applications in the order in which they were submitted.

§ 14. Pre-consultation

Deleted

Chapter 5
Processing of applications

§ 15. Processing of applications

(1) Support may be applied for more than one project on the basis of the Regulation.

(2) The term for processing the application is 45 working days from its submission to the implementing body.

(3) The time of processing an application may be extended by up to ten working days in the case specified in subsection 6 (2) of the Combined Regulation.

(4) In the course of verifying whether an application complies with requirements, the implementing agency may involve experts to assess whether the assessment of the project's compliance with the 'do no significant harm' principle, the climate proofing assessment and the documents submitted comply with the notifications provided for in subsections 11 (2) and (2^1).

(5) The implementing body will make the decision to deny an application without evaluating the application substantively if the applicant has not rectified deficiencies during the term specified in subsection (3).

(6) The decision concerning the application will be sent to the applicant and the beneficiary within three working days of making the decision.

§ 16. Declaration of compliance of applicant and application

(1) The implementing body declares an applicant and application compliant if the applicant and the application meet the requirements of the Regulation.

(2) If the implementing body does not declare an applicant or application compliant, it will make a decision to reject the application without assessing the application substantively.

§ 17. Assessment of applications, selection criteria and selection method

(1) Applications that have been declared compliant are evaluated by a selection committee on the basis of the selection methodology and the selection criteria set out in subsection (5). The implementing body prepares the selection methodology on the basis of the selection criteria set out in subsection (5) and obtains the approval of the implementing authority. The selection methodology is made available on the websites of the implementing body and managing authority before opening the application.

(2) The implementing body has the right to establish an advisory selection committee for the evaluation of projects and to involve additional independent experts. The establishment and composition of the selection committee will be coordinated in advance with the implementing authority.

(3) If deficiencies are discovered upon the evaluation of an application or additional information is required for the evaluation of the application, the implementing body immediately notifies the applicant thereof and sets a term of up to ten working days for the submission of additional information by which the term for processing the application is extended.

(4) The application is evaluated on a scale of 0 to 4 for each of the selection criteria set out in subsection (5), and the overall score will be the weighted average of the scores of the selection criteria.

(5) The selection criteria comply with section 7 of the Combined Regulation and their shares are as follows:
1) compliance of the project with field-specific development plans, impact on the achievement of the special objective of the operational programme and the special objectives of the measure – share in total score 40 percent;
2) justification and cost efficiency of the project – share in total score 25 percent;
3) the applicant's ability to carry out the project – share in total score 30 percent;
4) compliance of the project with the fundamental principles and objectives of "Estonia 2035" – share in total score 5 percent.

§ 18. Terms and conditions of and procedure for approving an application

(1) An application that meets all of the following requirements is granted if:
1) the applicant and the application meet the requirements of the Regulation;
2) the total score of the application based on the selection criteria provided for in subsection 17 (5) is at least 2.50;
3) the application has not received a score lower than 2.0 for any of the selection criteria provided for in subsection 17 (5);
4) the financing amount of the application does not exceed the available balance of the support financing budget.

(2) A decision to grant an application includes:
1) the terms and conditions of implementing the project;
2) the reporting periods, deadlines and procedure for submission of reports.

§ 19. Grant of application in part or with secondary condition

(1) An application may be partially granted in accordance with subsection 9 (1) of the Combined Regulation provided that the applicant agrees with the proposal of the implementing body for reducing the amount of the support applied for or amending the activities planned in the project. If the applicant does not consent to such proposal, the implementing body makes a decision to reject the application.

(2) On the basis of a decision to grant an application conditionally, the beneficiary has no right to payments of the support. The right to the payment of the support arises after the secondary condition has been fulfilled. If the implementing body is unable to identify the above from the information system or data source, the beneficiary shall provide the relevant information.

§ 20. Amendment of decision to approve application

(1) The decision to grant an application will be changed according to the terms and conditions and the procedure stipulated in § 12 of the Combined Regulation. The support recipient is entitled to request an amendment to the decision granting the support if, during the implementation of the project, it becomes apparent that the project's activities need to be amended, provided that the amendment does not result in any change to the amounts of funding granted under the various types of state aid or to the applicable aid intensities. The amount of the support may be increased if the support is awarded as de minimis aid under the De Minimis Aid Regulation, subject to the conditions and thresholds set out in that Regulation. The implementing body has the right to refuse to change the decision to grant the application if the change casts doubts over the possibility of achieving the project's expected results or the possibility of the project activities being completed during the project eligibility period.
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(2) The implementing body decides on the amendment of the decision to approve the application within 30 working days of receiving the respective application.

(3) The decision to grant an application may be amended retroactively if it helps to achieve the project results and the change is founded.

§ 21. Annulment of decision to grant application

The decision to grant an application is declared fully or partly void if:
1) the beneficiary does not comply with the provisions of the Regulation or the decision to approve the application or does not use the support under the prescribed conditions;
2) the project activities cannot be completed by 31 August 2029 at the latest.

Chapter 6
Rights and obligations of beneficiary and implementing body

§ 22. Rights and obligations of beneficiary

The beneficiary must comply with the obligations laid down in sections 10 and 11 of the Combined Regulation and ensure that, where the tangible assets acquired with the support are replaced by tangible assets fulfilling the same function, the economic activity of the beneficiary is maintained for at least three years from the date of the final payment.

§ 23. Rights and obligations of implementing body

(1) The implementing body has the right to:
1) carry out audits of cost documents and supervisory activities;
2) inspect the use of the support and the self-financing;
3) request the submission of additional data and documents on the duration, activities, objectives and expenses of the project included in the application;
4) suspend payouts of the support until the final repayment of the amount to be recovered;
5) suspend the payment of the support and demand the repayment of the support in part or in full if the beneficiary breaches the terms and conditions of the Regulation or otherwise deviates from the provisions of the application or the decision to approve the application;
6) refuse to pay the support if the beneficiary's economic situation has deteriorated to such an extent that the use of the support or implementation of the project is compromised.

(2) The implementing body is obligated to:
1) make the application and reporting forms and guidance materials available to applicants and beneficiaries on its website;
2) immediately inform the beneficiary of any significant amendments to the documents regulating the use of the support;
3) communicate any decisions taken with respect to the application to the applicant without delay after the decision has been adopted;
4) after the decision to grant the support has been made, publish on the website of the State Shared Service Centre the name of the beneficiary, the name of the project receiving support, the amount of support, the total volume of the project, the purpose and duration of the project;
5) not disclose any information or documents obtained in the course of the processing of the application, except information which must be disclosed in accordance with clause 4);
6) keep the documents relating to the grant of the support for ten years from the date of the last decision granting the application.

Chapter 7
Submission of reports and conditions for payment of support

§ 24. Submission of reports

(1) The beneficiary submits interim and final reports of the project to the implementing body by the deadline provided for in the decision to approve the support.

(2) The beneficiary submits interim project reports after every month during the project's eligibility period. The beneficiary submits the final project report within two months of the end of the eligibility period of the project.

(3) The interim report includes an overview of the implementation of the project activities and an assessment of the progress of the project during the respective reporting period.

(4) The final report includes an overview of the implementation of all project activities, an assessment of the progress and results achieved during the eligibility period and information on the contribution to horizontal principles and the principles and indicators of "Estonia 2035".

(5) The implementing body approves the project report or, if the report does not meet the requirements, rejects it within 30 working days of receipt thereof.

(6) The beneficiary submits a post-execution project report at the request of the implementing body. The implementing body has the right to request such a report within three years of the end of the eligibility period of the project.

§ 25. Terms and conditions for payment of support

(1) The support is paid in accordance with clause 27 (1) 1) of the Combined Regulation on the basis of the actual costs incurred under the conditions laid down in the decision granting or partially granting the application.

(2) The indirect costs of a project are calculated on the basis of a flat rate of seven percent of the direct costs of the project, in accordance with subsection 21 (1) of the Combined Regulation.

(3) For the purposes of certifying eligible costs and self-financing, only costs paid on the basis of

source accounting documents and by bank transfer are taken into account, except in the case of subsection 7 (9).

(4) The documents and supporting evidence required to receive the payment are submitted no more frequently than quarterly and the amount of eligible costs of the cost document must be at least 100 euros without value added tax.

(5) The implementing body processes a payment request for up to 30 working days.

Chapter 8
Financial corrections and challenges

§ 26. Financial corrections and repayment of support

The decision on financial correction is made and the support is repaid in accordance with sections 28-30 of the Act2021_2027 and sections 34-38 of the Combined Regulation.

§ 27. Filing challenges

(1) Upon contestation of an act or decision of the implementing body, challenge proceedings must be completed in accordance with section 31 of the Act2021_2027 before filing a grievance to an administrative court.

(2) A challenge against a decision or an act of the implementing body is settled by the implementing body.

Chapter 9
Implementation of regulation

§ 28. Implementation of regulation

(1) The amendments to clause 1 (5) 3) and subsection 2 (2) that entered into force in July 2024 shall apply retroactively from 1 January 2024;
(2) The amendments to subsection 10 (1) of this Regulation adopted in May 2025 shall not apply to applications submitted before these amendments entered into force;
(3) The amendments to clause 4 (2), clause 7 (8^1) and (9) and clause 9 (1) that entered into force in October 2025 shall apply to applications submitted after the entry into force of the said amendments;
(4) The amendments that entered into force in October 2026 shall apply retroactively from 16 June 2023.
[RT I, 23.10.2026, 3 – entry into force 26.10.2026]