

NEWSLETTER

Adapt SME

May 2020



Joaquim Mendes

Managing Partner

T +351 214 134 630

E: gtc@pt.gt.com

Adapt SME

The goal of this tender is to create an instrument of public policy to give support for investments of small and middle sized firms on qualifying their processes, organizing products and services and to adapt their facilities to the new conditions of covid-19 context complying with the new norms established by the government.

Total allocation

- € 50 million

Target

- Any SME which comprises the following:
 - Established before 1 of march 2020
 - Has organized accounting
 - Regularized tax situation and social insurance
 - Regularized situation in what concerns restitutions for prior financing from ESIF
 - Be able to prove the SME status (less than 250 employees, annual turnover below € 50 million balance sheet with lower value than € 43 million and electronic certification cited in decree-law nr 372/2007 of 6 Nov
 - Not be in financial struggle according to definition cited in article 2 of UE regulation nr 651/2014, 16 of June
 - Declare that it is not a company subject to a recovery order, still pending, following a previous Commission decision declaring unlawful aid and incompatible with the internal market, as provided for, in paragraph a) of nr 4 of Article 1 of Regulation (EU) nr 651/2014, of 16 June

Incentives for adapting Small and Medium-sized Enterprises to the context of Covid-19

Acceptable expenditure GAP

- Minimum of € 5,000
- Maximum of € 40,000

Benefit

- 50% non-refundable grant on eligible expenses - only one application per company is accepted and the support granted cannot be combined with other public aid for the same eligible expenses

Geographical area of application and sectors of activity

- Regions: North, Center, Lisbon, Alentejo and Algarve
- The location of the project corresponds to the region where the beneficiary's premises is and in which the investment will be carried out
- For projects with investments located in Lisbon and in Algarve, the company must submit an autonomous application for investments located in each of these regions
- Projects of all economic activities are eligible, with the exceptions provided for in Decree-Law no. 20-G / 2020, of 14 May

Projects - eligibility criteria

- Investment in eligible expenses between € 5,000 and € 40,000 for process upgrade, organizational, products and services. To adapt their facilities and their relations with suppliers and clients, to adjust to comply with new government requirements due covid-19 context
- Not having started at the date of submission of the application
- Being executed within 6 months, counting from the date of notification of the favorable decision, with the deadline of December 31, 2020
- Complying with the legal and regulatory provisions that are applied

Eligible expenses

- Costs with the reorganization and adaptation of workplaces or layout changes, which allow the implementation of the guidelines and good practices of the competent authorities in the context of COVID-19, namely measures of hygiene, safety and physical distance

- Purchase and installation of hygiene equipment and automatic disinfectant dispensers
- Purchase and installation of automatic payment devices, including those using contactless technology
- Acquisition and installation of other devices for control and physical distance
- Signage expenses with information and guidance to employees and the public, including vertical and horizontal signage, in inside and outside areas
- Expenses with facilities disinfection services
- Acquisition of specialized consultancy services for the redesign of the layout of the facilities and for the preparation of business contingency plans and good practices manuals
- Acquisition of specialized consultancy services to adapt the business model to the new challenges in the context following the COVID-19 pandemic
- Expenses with the intervention of certified accountants or statutory auditors, on the expense's validation for the payment request

Criteria for selecting applications

- Applications that meet the expected eligibility criteria and that obtain a final Project Merit score (MP) equal to or greater than 4.40 are selected using the following criteria and their respective weights:
 - a) Quality of the project (0,3)
 - b) The impact the project is expected to have for the company performance (0,2)
 - c) The contribution the project is expected to have for the economy (0,2)
 - d) The contribution the project is expected to have for regional convergence (0,3)

If the criteria a) is rated 1, then the project will not be eligible to receive the benefits.

The project will be selected if:

$$MP = 0,3 a) + 0,2 b) + 0,2 c) + 0,3 d) > = 4,40$$

a) Criteria A - Quality of the project in terms of its structure and the resources necessary to fulfill the objectives for the reorganization and adaptation of workplaces and relationships with customers and suppliers, to the new conditions of the COVID-19 context, ensuring compliance with established standards and recommendations of the competent authorities. The rating of this criterion will be 1, 3 or 5. It is considered that the projects that present eligible expenses mentioned above, allow to minimally fulfill the objectives sought, fulfilling the conditions for obtaining the rating 3 in this criterion. Projects will be scored with 5 covering a wide range of eligible expenditures and, therefore, allowing to fully achieve the objectives pursued.

b) Criteria B - Effects the project is going to have on the company, namely if the changes introduced in the organizational model have the potential to contribute positively to the improvement of the company's positioning in the market, given the requirements of the COVID-19 context. Bearing in mind that the projects supported under the present incentive system are limited to the necessary adaptations to the new conditions imposed by the COVID-19 context, and considering their relevance for the sustainability of companies in the new economic context, the score for this criteria will always be of 5.

c) Criteria C - Effects of the project on the economy. Bearing in mind that the projects supported under this incentive system are limited to the necessary adaptations to the new conditions imposed by the COVID-19 context, and considering its relevance to the current economic context and its impact on the national economy, the score of this criterion will always be 5.

d) Criteria D - Impact of the project on regional competitiveness. Bearing in mind that the projects supported under this incentive system are limited to the necessary adaptations to the new conditions imposed by the COVID-19 context, and considering its relevance to the current economic context and its impact on the national economy, the score of this criteria will always be 5.

Submission of applications

- Applications are submitted via *Balcão 2020*, using an electronic form available on the Incentive System platform for PT2020 companies
- In order to submit the application, it is essential that the beneficiary is registered and authenticated at *Balcão 2020* (in order to assist in this registration, see videos available at *Balcão 2020 - Support Videos*). With this authentication, a reserved area will be created in which the beneficiary can use a set of functionalities that allow him to communicate with the system, namely information on the status of the application, initial advance and submission of the final payment request.

Decision

The projects are selected according to the date of the submission “first come, first served” process (day / hour / minute / second) up to the budget limit defined in the Notice, if the limit is not reinforced by decision of the Management.

The tiebreaker between operations with the same score is the temporal precedence in submitting them.