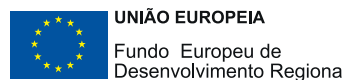




# ENTREPRENEURS GUIDE TO PORTUGAL 2020

## SUPPORT SCHEMES



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# **INTRODUCTION COMPETITIVENESS AND INTERNATIONALIZATION 2014-2020**



# 1

## PT2020 Framework (Incentive Schemes) Applicability

In Portuguese mainland, are eligible projects in all economic activities, with special focus on those ones that produce tradable products and services, oriented for the international market, or contribute for their value chain and are not services related to the general economic interest.

According to the Portuguese Economic Activities Classification (CAE), are excluded of all calls for proposals, attending that they do not produce tradable products and services, the enterprises of the following activities:

- Financial and assurance divisions 64 to 66
- Public Administration and Defence division 84
- Lottery and other gambles division 95

### Restrictions




- Primary agricultural production, fisheries and aquaculture (except R&D Voucher)
- Other sectors with European restrictions
- The calls may exclude other activities.
- Projects related with concession contracts with the State are not eligible

Other restrictions are applied to the coal sector, the shipbuilding sector, the transport sector, steel and synthetic fibre sectors.

### What Strategy / Business Model?



## Incentive schemes 2020 – Instruments

Incentive Schemes (State aid through grants)	Goals	Types of Project
<p><b>R&amp;D</b></p> 	<p>Intensifying the effort to R&amp;D and the creation of new knowledge Promoting the relationship between enterprises and Science Institutions</p>	<ul style="list-style-type: none"> <li>• Enterprise R&amp;D</li> <li>• R&amp;D Teams</li> <li>• IP Protection</li> <li>• R&amp;D Voucher</li> </ul>
<p><b>Innovation &amp; Entrepreneurship</b></p> 	<p>To encourage productive innovation investment Promoting qualified entrepreneurship.  Expand activities with high technological content or with international dynamic demands</p>	<ul style="list-style-type: none"> <li>• Innovation in Production for non SME</li> <li>• Innovation in Production for SME</li> <li>• Entrepreneurship</li> <li>• Entrepreneurship voucher</li> </ul>
<p><b>Qualification and Internationalization of SMEs</b></p> 	<p>To promote the competitiveness of SMEs, Increasing the productivity of SMEs Developing the active presence of SMEs in the global market</p>	<ul style="list-style-type: none"> <li>• Qualification of SMEs</li> <li>• Incubation Vouchers</li> </ul>

**1**

**R&D**



## Enterprise R&D

Enterprise R&D aims to increase the intensity of R&I in companies and their economic value; increase projects and activities in cooperation of companies with other entities of the R&I system; develop new products and services, especially in activities of greater technological and knowledge intensity; strengthen the actions of economic valuation of R&D projects successfully; and increase national participation in international R&I programs and initiatives.

This measure is intended to support projects involving industrial research and experimental development, leading to the creation of new products, processes or systems, or the introduction of significant improvements in demanding products, processes or systems.

<b>Beneficiaries</b>	Companies of any nature and in any legal form
<b>Incentive</b>	Non-Refundable Incentive up to 1M € per beneficiary (from 1M €: 75% Non-Refundable and 25% Refundable)
<b>Base Rate</b>	25%
<b>Additional rates</b>	<ul style="list-style-type: none"> <li>+ 25 pp industrial research activities</li> <li>+ 10 pp medium or +20 pp small enterprises</li> <li>+ 15 pp in one of these conditions:               <ul style="list-style-type: none"> <li>• Business cooperation</li> <li>• Cooperation with non-corporate R&amp;D entities</li> <li>• Wide dissemination of results through conferences or published in scientific or technical journals or in open access databases</li> </ul> </li> </ul>
<b>Limits (Boundary (ESB))</b>	<ul style="list-style-type: none"> <li>- Industrial Research Projects: 80%</li> <li>- Experimental Development Projects: 60%</li> </ul> <p>Limits:</p> <ul style="list-style-type: none"> <li>a. Companies whose investments are located in the NUTS II Lisbon region - the maximum incentive rate to be allocated to projects, as defined for the Lisbon Regional Operational Program is 40%;</li> <li>b. Companies whose investments are located in the NUTS II Algarve region - the maximum incentive rate to be allocated to projects, as defined for the Algarve Regional Operational Program is 62%.</li> </ul>
<b>Repayment conditions</b>	7 years with 3 years grace period (without interest), semi-annual repayments.

Further information about IS R&D may be consulted in articles 59 to 80 of Administrative Rule no. 57-A / 2015 of February 27.

## R&D Teams

The IS R&D teams aims to increase the intensity of R&D in companies and their economic value; increase projects and activities in cooperation of companies with other entities of the R&I system; development of new products and services, especially in activities of greater technological and knowledge intensity; strengthen the actions of economic valuation of R&D projects successfully; and increase national participation in international R&I programs and initiatives.

This measure supports projects that aim to create or reinforce internal skills and capacities of companies through the creation of structures dedicated to R&D and the necessary certification of NP 4457, considering direct costs (expenses with technical personnel dedicated to the enhancement of the R&D core; HR training; research and development management systems; technical and scientific assistance and consultancy necessary to the structuring of the Teams; instruments and scientific and technical equipment, software for the project, among others) and indirect costs.

In addition to the previously established, **the R&D teams** projects must meet the following criteria:

- a)** Involve qualified human resources whose curricula ensure their proper execution, including the obligation to hire at least a doctorate or a technical staff with a level of qualification equal to or higher than undergraduate degree and experience in R&D activities;
- b)** Be integrated in the innovation strategy of the company (s) and sustained in an R&D plan of activities to execute in a horizon equal to the duration of the project;
- c)** To have a research, development and innovation management system certified according to NP 4457: 2007 up to the date of conclusion of the project; this condition applies to all business actors in co-promotion;
- d)** Non-SME participation in consortium projects is only possible if SMEs cooperate effectively with SMEs within collaborative schemes and SMEs in question bear at least 30% of the total eligible costs;
- e)** To have a maximum execution period of 24 months for individual projects and 36 months for co-promotion projects, except in duly justified cases;
- f)** Whenever there is an incentive to hire, their jobs must remain in the company for 3 years after the completion of the project and, in case of replacement, the new hiring must maintain the level of qualification equal or equivalent;



## R&amp;D

**g)** when integrating vocational training actions, demonstrate that the training project is coherent and consonant with the objectives of the project and complies with the norms established in the scope of incentives for vocational training and does not include compulsory training actions to comply with national standards in training.

Projects may be individual or co-promoted.

<b>Beneficiaries</b>	SMEs of any nature and in any legal form  In the case of co-promotion projects, non-corporate entities of the R&I system are also beneficiaries.
<b>Incentive</b>	Non-Refundable Incentive (NRI)
<b>Base Rate</b>	50% for SMEs and 15% for Non-SMEs (co-promotion only).

Further information about IS R&D Teams may be consulted in articles 59 to 80 of Administrative Rule no. 57-A / 2015 of February 27.

## IP Protection

The IP Protection supports projects that, following supported R&D projects, aim to promote the registration of industrial property rights in the form of registration of patents, utility models, models, national, European and international.

<b>Beneficiaries</b>	SMEs of any nature and in any legal form
<b>Incentive</b>	Non-Refundable
<b>Base Rate</b>	50%

Further information about IP Protection may be consulted in articles 59 to 80 of Administrative Rule no. 57-A / 2015 of February 27.

## R&D Voucher

The R&D voucher is intended for projects regarding the acquisition of services in activities of research and technological development and transfer of technology.

Research and technological development consultancy services as well as technology transfer services are eligible if they meet the following conditions cumulatively:

- They are exclusively attributable to the establishment of the beneficiary where the project is being developed;
- Resulting from acquisitions under market conditions to third parties not related to the acquirer;
- Resulting from acquisitions to entities accredited to provide the service in question.

### Eligibility criteria of beneficiaries of the R&D (besides general):

- Do not have projects approved in the same project typology;
- Do not have approved investment projects in the R&D intervention area;
- Meet the SME criteria;
- Focus on the priority areas of the research and innovation strategy for smart specialization.

<b>Beneficiaries</b>	SMEs of any nature and in any legal form benefit from
<b>Incentive</b>	Non-Refundable Incentive (NRI)
<b>Base Rate</b>	75% with limit of € 15,000

Further information about R&D Voucher may be consulted in articles 59 to 80 of Administrative Rule no. 57-A / 2015 of February 27.

# 2

## INNOVATION AND ENTREPRENEURSHIP



# Innovation in production

## Innovation in Production for SME and Innovation in Production for non SME

The IS Innovation in production aims to promote business innovation, through the types of Innovation in Production for SME and Innovation in Production Non SME.

### **The Innovation in production for SME typology, supports two kinds of projects:**

- a) Production of new goods and services or significant improvements of current production through the transfer and application of knowledge;
- b) Adoption of new, or significantly improved, processes or methods of manufacturing, logistics and distribution, as well as organizational methods.

### **The Typology Innovation in production for Non-SME, supports projects for:**

- a) Production of new goods and services or significant improvements of current production through the transfer and application of knowledge;
- b) Adoption of new or significantly improved processes or manufacturing methods.

In case of investment projects located in NUTS II Lisbon and Algarve, only productive innovation activities are eligible for new activity, according to Article 2 (51) of Regulation (EU) No 651/2014, of June 16.

The remaining requirements that non-SMEs have to comply with, should be consulted in the relevant legislation.

For both types:

- a) Investments of an innovative nature that translate into the production of tradable and internationalable goods and services with a high level of national incorporation, corresponding to an initial investment, as defined in Article 2, paragraph 49, of Regulation (EU) No 651/2014 of 16 June, are considered to be feasible. Relating to:
  - (i) the creation of a new establishment;
  - (ii) increasing the capacity of an existing establishment;
  - (iii) the diversification of the production of an establishment (to products not previously produced in the establishment);
  - (iv) the fundamental change in the overall production process of an existing establishment;

**b)** Investment projects of mere expansion or modernization are not supported.

<b>Beneficiaries</b>	Companies of any nature and in any legal form
<b>Incentive</b>	Refundable Incentive (R.I.)
<b>Base Rate</b>	30% up to 75%
<b>Additional rates</b>	(up to 75% rate): +10 pp medium or small enterprises w/ eligible expenses $\geq$ 5 M€ +20 pp small enterprises, w/ eligible expenses $<$ 5 M€ +10 pp low density territories +10 pp qualified and creative entrepreneurship +10 pp young or female entrepreneurship +10 pp sustainability
<b>Limits (Boundary (ESB))</b>	Grant limits may be applicable, according to the regional aid map approved by the European Commission
<b>Repayment conditions</b>	8 years with grace period 2 (interest-free), semi-annual repayments.

**Evaluation of results** (Indicators to be evaluated in the 2nd year after project completion: GVA growth, skilled jobs and turnover):

- **Exceedance** - exemption from reimbursement up to 45% of the incentive: (10% exemption above 100% of Achievement Level (AL) and can achieve a maximum exemption of 50% for more than 125% AL (Annex D of RECI));

- **Non-compliance** - anticipated Refundable incentive (partial for AL  $<$ 75%, total for AL  $<$ 50%)

Further information about innovation in production may be consulted in articles 19 to 38 of Administrative Rule no. 57-A / 2015 of February 27.

## Qualified and Creative Entrepreneurship

The Is Qualified and Creative Entrepreneurship is intended for SMEs with less than 2 years. Projects in sectors with strong growth dynamics, including those integrated in creative and cultural industries, and / or sectors with greater intensity of technology and knowledge or that value the application of R&D results in the production of new goods and services, valuing the articulation as an ecosystem of entrepreneurship.

Investments of a novel nature, related to the creation of a new establishment, which are translated into the production of tradable and internationable goods and services with a high level of national incorporation and which correspond to an initial investment, as defined in article 2 of Regulation (EU) No 651/2014 of 16 June.

In the case of Qualified and Creative Entrepreneurship projects, activities of high added value are supported, with inductive effects of changing the productive profile of the economy, that is, the creation of companies with qualified human resources, of companies that carry out activities in sectors with strong growth dynamics and / or sectors with greater intensity of technology and knowledge, or companies that value the application of R&D results in the production of new goods and services.

## Qualified and Creative Entrepreneurship

<b>Beneficiaries</b>	SMEs with less than 2 years
<b>Incentive</b>	Refundable Incentive (R.I.)
<b>Base Rate</b>	30% up to 75%
<b>Additional rates</b>	(up to 75% rate): +15 pp medium or small enterprises w/ eligible expenses $\geq$ 5 M€ +25 pp small enterprises, w/ eligible expenses $<$ 5 M€ +10 pp low density territories +10 pp qualified and creative entrepreneurship +10 pp young or female entrepreneurship +10 pp sustainability
<b>Limits (Boundary (ESB))</b>	Grant limits may be applicable, according to the regional aid map approved by the European Commission
<b>Repayment conditions</b>	8 years with grace period 2 (interest-free), semi-annual repayments.

**Evaluation of results** (Indicators to be evaluated in the second year after project completion: GVA growth, skilled jobs and turnover):

- **Exceedance** - exemption from reimbursement up to 45% of the incentive: 10% exemption above 100% of AL (Achievement Level) and can reach a maximum exemption of 50% for more than 125% AL (Annex D of RECI)

- **Non-compliance** - anticipation of the Refundable incentive - partial if AL  $<$ 75%; total for AL  $<$ 50%

Further information about IS Entrepreneurship may be consulted in articles 19 to 38 of Administrative Rule no. 57-A / 2015 of February 27.



## Incubation Voucher

This measure is intended to provide support for simplified projects of companies under 1 year in the area of entrepreneurship by contracting incubation services provided by of previously certified incubators.

Criteria for eligibility of beneficiaries of the Incubation voucher (in addition to the general ones):



Before submitting the application, the enterprise must consult at least two accredited incubators and get a declaration of interest from one of them (mandatory at the date of application).

The projects for the acquisition of incubation services in the area of entrepreneurship, essential to the startup of companies, are susceptible of support, namely:

- Management Services (support in the definition / consolidation of the business model; monitoring the operational management (including commercial management, financial planning and management control) and mentoring and management training);
- Marketing Services (support in structuring the communication / marketing strategy; support the dissemination of the activity, products and services; support in structuring / consolidation of the internationalization process);
- Legal Advisory Services (legal advice and support);
- Development of products and services (support the digitization of business processes; support for the protection / enhancement of intellectual property rights);
- Financing Services (support to applications for entrepreneurship and innovation contests; support in the contact with investors and financial entities).

## Innovation and Entrepreneurship

Voucher allows you to deduct up to 75% of the costs of participating in physical incubation programs in accredited incubators

<b>Beneficiaries</b>	Micro and small enterprises of any nature and in any legal form
<b>Incentive</b>	Non-Refundable Incentive (NRI)
<b>Base Rate</b>	75% with limit of € 5,000
<b>Limits</b>	Incentives to be granted by the Lisbon Regional OP, which are calculated by applying a maximum rate of 40% with a € 5,000 ceiling to eligible expenses

For further information about the Incubation voucher may be consulted in Articles 19 to 38 of Administrative Rule no. 57-A / 2015 of February 27. Incubation voucher is integrated in the Incentive System for Qualified and Creative Entrepreneurship (Entrepreneurship voucher).

# 3

## QUALIFICATION AND INTERNATIONALIZATION OF SMEs



## SME Qualification - Individual Project

The IS SME Qualification - Individual Project aims to strengthen SME entrepreneurship through organizational innovation, applying new organizational methods and processes, and increasing flexibility and responsiveness in the global marketplace, through the use of intangible investments in the area of competitiveness (organizational innovation and management, digital economy, brand creation and design, product development and engineering, services and processes, industrial property protection, quality, knowledge transfer, distribution and logistics, eco-innovation, vocational training, HR hiring).

To this extent investments of a productive nature are not supported.

<b>Beneficiaries</b>	SMEs of any nature and in any legal form
<b>Incentive</b>	Non-Refundable Incentive (NRI)
<b>Base Rate</b>	45% Training Expenses between 50 and 70%
<b>Limits</b>	Incentive limit 500 thousand € Lisbon Regional Operational Program Application to eligible expenditure of a maximum rate of 40%

Further information about IS SME Qualification - Individual Project may be consulted in articles 40 to 58 of Administrative Rule no. 57-A / 2015 of February 27.

## Qualification - Joint Project

The IS Qualification Joint Project aims to reinforce SME entrepreneurship through organizational innovation, applying new organizational methods and processes, and increasing flexibility and responsiveness in the global market, with the use of intangible investments in the area of competitiveness (organizational innovation management, digital economy, branding and design, product development and engineering, services and processes, industrial property protection, quality, knowledge transfer, distribution and logistics, eco-innovation, vocational training, HR contracting), through a structured action plan of intervention in a group of SMEs.

The joint action plan should define the typology and areas of intervention in the companies, the methodology of intervention, the objectives and results to be achieved, among other relevant points, according to the information available in Annex E of Administrative Rule No. 57 -A / 2015 of February 27.

<b>Beneficiaries</b>	Non-profit entities, of an associative nature and with specific competences directed at SMEs.
<b>Incentive</b>	Non-Refundable Incentive (NRI)
<b>Base Rate</b>	Promoter of the joint project 85% NRI SMEs involved 50% NRI Training Expenses between 50 and 70%
<b>Limits</b>	Incentive Limit 180 thousand € x number of participating companies

Further information about IS Qualification - Joint Project may be consulted in articles 40 to 58 of Administrative Rule no. 57-A / 2015 of February 27.

## Industry 4.0 voucher

Industry 4.0 voucher aims to promote the definition of its own technological strategy, with a view to improving the competitiveness of the company, in line with the principles of Industry 4.0.

This measure is aimed at the digital transformation through the adoption of technologies that allow disruptive changes in the business models of SMEs (acquisition of consulting services to identify a strategy leading to the adoption of technologies and processes associated with Industry 4.0, in particular in the areas of design and implementation of strategies applied to digital channels for the management of markets, channels, products or customer segments; design, implementation, optimization of Web Content Management (WCM), Campaign Management, Customer Relationship Management and E- Commerce, etc.).

These vouchers have the unit value of 7500 euros and should support more than 1500 companies, representing a public investment of 12 million euros.

Criteria for eligibility of beneficiaries (other than general):

- Do not have approved projects on the same investment priority;
- In the case of Innovation voucher / Industry 4.0 voucher, do not have approved projects in the investment priority IS SME Qualification.

<b>Beneficiaries</b>	SMEs of any nature and in any legal form benefit from this measure.
<b>Incentive</b>	Non-Refundable Incentive (NRI)
<b>Base Rate</b>	75% with limit of € 7,500

Further information about Innovation Voucher /Industry 4.0 Voucher may be consulted in articles 40 to 58 of Administrative Rule no. 57-A / 2015 of February 27.

Article 17, Administrative Rule no. 57-A / 2015 of February 27 RECI established a mechanism for accreditation of service providers within the vouchers, as an instrument of transparency and promotion of the quality of service provided.

In order for the consulting entities to provide technical assistance services to companies within Industry 4.0 voucher, they will have to be previously certified according with the call that was open for this purpose. At this moment the List of certified entities can be consulted at [www.iapmei.pt](http://www.iapmei.pt).

# 4

## PROCEDURES AND RULES TO ACCESS STATE AID FOR ENTERPRISES PROJECTS INVESTMENT



# Procedures and rules to access State Aid for enterprises projects investment

## Competitiveness and internationalization 2014-2020

- The electronic portal “Portugal 2020” [[www.portugal2020.pt](http://www.portugal2020.pt)] provides orientation and documents, like regulation, information, announcements of calls for proposals, selection criteria for eligibility of the projects based on objective and measurable parameters and indicators, etc.
- It's necessary to Register the enterprise in the submenu “Balcão 2020” and access the application form and its guide with detailed explanations.
- After filling the form, submit the application of the investment project in the period defined in the call.
- Enterprise can follow the situation of approval of the project and the contract in the Balcão 2020 electronic platform, or through the intermediate bodies as IAPMEI ([www.iapmei.pt](http://www.iapmei.pt)), Turismo de Portugal ([www.itp.pt](http://www.itp.pt)), AICEP ([www.portugalglobal.pt](http://www.portugalglobal.pt)).
- After the approval of the project and the submission of the acceptance term by the beneficiary, the grants can be accessed through requests for advance payments or for payment of the eligible expenses executed concerning the approved plan and attending the rules of payment, using the forms accessible in the electronic console and after fulfilling, submit them for approval of the public operational entities of incentives.



### **Decision Process of State Aid for enterprises**

- Proposals of investment projects are submitted by internet;
- The information system distribute the proposals to the technical operational public entities, attending to their competences and the nature and amount of investments, enterprises size;
- The contacts with the beneficiary are maintained by these technical operational public entities, that analyse and determine the merit of the project and send their eligibility proposal to the Management Entity of the Program attending the period stablished in the call;
- The selected projects are ordinated by a decreasing level of their merit and chosen until the limit of the budget published in the respective call;
- The Management Entity of the Program decides the amount and conditions of the public co-finance of the project and the decision is communicated by internet to the enterprise through the beneficiary console, till the end of the period indicated in the call.
- Enterprise must begin the implementation of the individual project investment in a maximum period of 6 months after the date of communication of the eligibility decision.

#### Disclaimer:

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