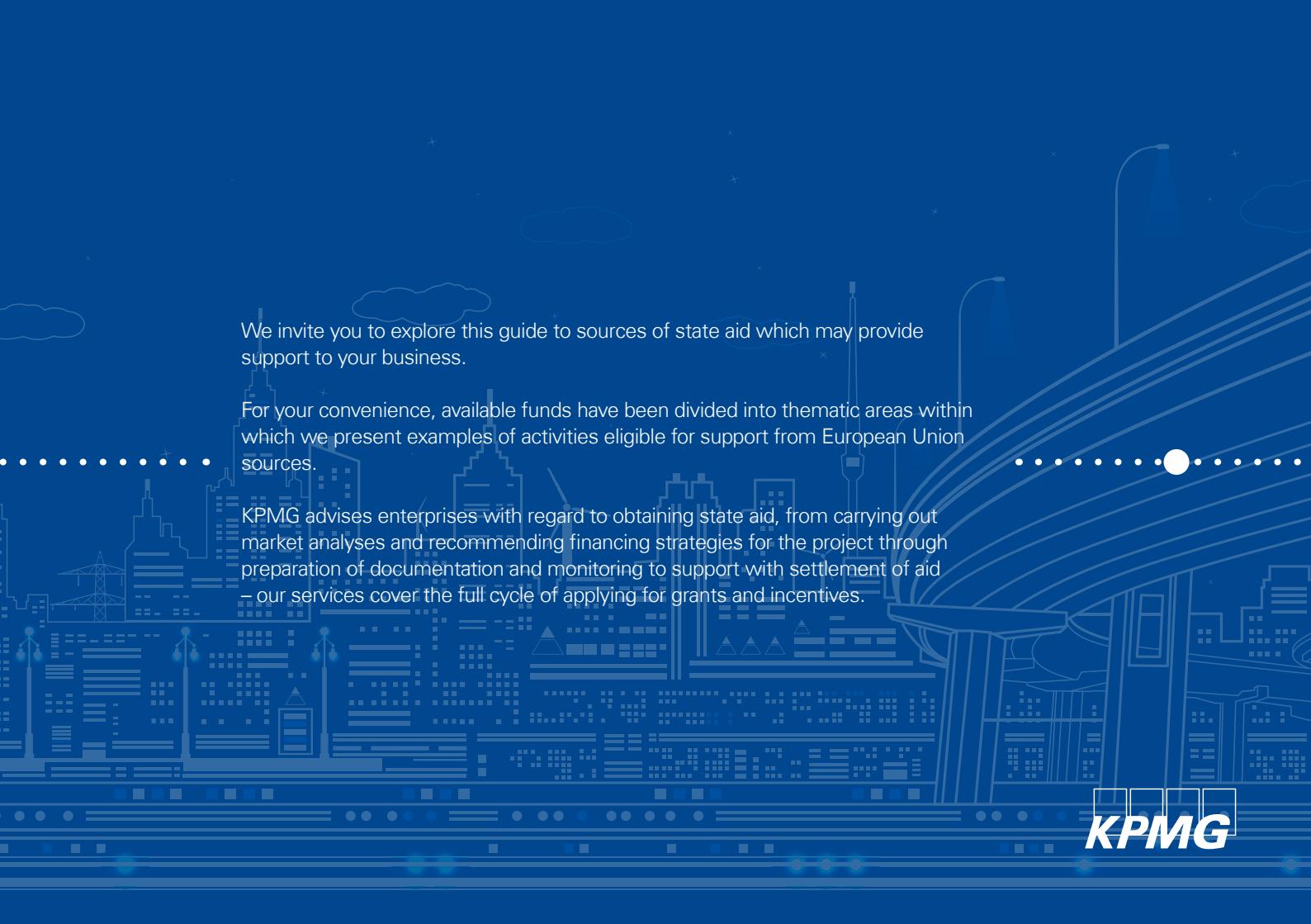




# European Union funds for the years 2014-2020 - A Guide for Investors







We invite you to explore this guide to sources of state aid which may provide support to your business.

For your convenience, available funds have been divided into thematic areas within which we present examples of activities eligible for support from European Union sources.

KPMG advises enterprises with regard to obtaining state aid, from carrying out market analyses and recommending financing strategies for the project through preparation of documentation and monitoring to support with settlement of aid – our services cover the full cycle of applying for grants and incentives.



## EU Grants – Step by step

The new EU perspective for the years 2014-2020 offers new opportunities for Poland thanks to a record sum of 82.5 billion euros allocated for the cohesion policy. A significant part of this amount will be directed to businesses under various support programmes. There are 5 main steps in the process of applying for EU funds:

- 1** Defining the project – at this stage, it is necessary to consider what the project is about, what goals are to be achieved, what is the estimated budget and duration of the project
- 2** Selecting the source of support – the project must fit into the objectives of the specific measure under the programme and be submitted by the deadline specified by the institution providing support
- 3** Submitting a grant application – usually this must be submitted before the date the project is commenced
- 4** Signing of a grant agreement – provided that the project is selected for support in the evaluation procedure
- 5** Settlement of state aid – completing the project in accordance with the grant application and achieving objectives declared therein

In the next sections, we present selected measures aimed at businesses under particular support programmes. These have been divided into thematic areas to help you identify the most suitable instruments of support for planned undertakings.



# Area 1. Research and Development

Research and development is a term relating to a group of activities directed at producing new or improved products, technologies or services that usually conclude with the creation of a prototype, plan or a design.

## **Types of activities constituting R&D include:**

- Development of a new product formula
- Investigating properties of the materials with regard to their application in manufacturing processes
- Optimisation of product characteristics
- Development of a new production method
- Designing new machinery for the manufacturing processes
- Improving machinery/production line used in the manufacturing processes

**Form of support:** grants, repayable instruments

**Level of support:** up to 100% of eligible costs of the project; depending on the support programme, type of research activity and the size of the enterprise

## Activities eligible for support:

Operational  
Programme Intelligent  
Development

Regional Operational  
Programmes

Operational  
Programme Intelligent  
Development

Rural Development  
Programme

- Conducting R&D, engineering, design and experimental studies incl. development of prototypes and pilot installations
- Development of R&D centres, creating conditions for conducting R&D activities by investing in apparatus and equipment, technologies, creating new jobs and training of R&D personnel
- Research and development carried out by scientific and industrial consortia

- Conducting R&D as well as commercialisation of research results with participation of venture capital funds
- Joint actions of groups of enterprises representing specific industries – sectoral R&D programmes

- Supporting the creation and functioning of task forces for innovation and implementation of projects leading to development of new solutions in the field of new products, processes, technologies, organisational and marketing methods in the agriculture, food and forestry sectors.
- Developing cooperation between agriculture, forestry, agri-food processing and the R&D sector



## Horizon 2020

In addition to the abovementioned measures, it is possible to obtain support from international programmes. With a total budget of almost 80 billion euros, Horizon 2020 is the largest European programme in the area of research, development and innovation. Aid is provided for the two main types of activity:

- **Research and innovation projects** – involving obtaining new knowledge or testing the feasibility of a new technology, product, process, service or solution
- **Innovation projects** – involving drawing up plans and systems or designs for a new or improved product, process or service. Actions can comprise the development of prototypes, testing, demonstration and pilot projects, large-scale product validation and market replication

Moreover, the programme provides support for accompanying measures, such as: standardisation, dissemination, raising awareness and communication, creating networks, coordination or services promoting political dialogue as well as sharing experience and research results.

In the majority of measures grants can be applied for by consortia of at least three partners (enterprises, scientific entities, NGOs, public entities) from three different EU Member States or associated countries. Support is also given to innovative small and medium enterprises carrying out projects individually. Support in the programme will focus primarily on the following priority areas:

- Information and communication technologies (ICT)
- Micro- and nanoelectronics
- Photonics
- Nanotechnology
- Biotechnology
- Advanced materials and production systems
- Space technology
- Health, demographic changes
- Food security, sustainable agriculture and forestry
- Safe, clean, efficient energy
- Smart, green, integrated transport
- Climate and environmental protection, resource efficiency and sustainable raw materials management
- Secure societies, incl. cyber security





# Area 2: Innovation

Innovation activity consists in implementation of a new or significantly improved:

- Product (good or service – product innovations)
- Process (process innovations)
- A new marketing method (marketing innovations)
- A new organisational method (organisational innovation) in business practice

The minimum requirement for an innovation is that the product, process, marketing method or organisational method must be new (or significantly improved). This includes products, processes and methods that the company is the first to develop and those that have been adopted from other firms or organisations.

A common feature of an innovation is that it must have been implemented. A new or improved product is implemented when it is introduced to the market. New processes, marketing methods or organisational methods are implemented when they are brought into actual use in the firm's operations.

**Form of support:** grants, repayable instruments

**Level of support:** up to 70% of eligible costs; depending on project location and the size of the enterprise

## Activities eligible for support:

Operational  
Programme Intelligent  
Development

Operational  
Programme Eastern  
Poland

Regional Operational  
Programmes

Operational  
Programme Intelligent  
Development

- Implementation of research results
- Supporting cooperative relations in the field of creation and development of innovative products and services
- Internationalisation of innovative companies
- Science-business cooperation, shaping and promoting innovation as a source of competitiveness of the economy
- Participation of companies and scientific entities in international programmes





# Area 3. Energy and environmental protection

Within the area of Energy and environmental protection businesses can apply for the co-financing of investment projects promoting clean energy, energy efficiency, environmental actions, both at the energy production/distribution stages and in manufacturing processes. Support is addressed to projects involving the efficient use of resources, creating an energy-efficient economy, reducing emissions and renewable energy sources (RES).

**Form of support:** grants, repayable instruments

**Level of support:** up to 70% of eligible costs of the project; depending on the support programme, project location and the size of the enterprise



## Activities eligible for support:

Operational  
Programme  
Infrastructure and  
Environment

Regional Operational  
Programmes

- Construction and expansion of onshore wind farms, biomass and biogas installations, transmission and distribution networks
- Construction of RES installations in companies
- Modernisation of existing heating and cooling networks with a view of reducing transmission losses
- Replacing heating systems
- Construction and modernisaton of heat and electricity cogeneration units
- Construction of grid connections for heat and electricity cogeneration units
- Use of more energy efficient production technologies
- Development of municipal waste management systems towards replacing currently used methods of waste treatment (i.e. landfill) with other, more sustainable alternatives
- Investing in green infrastructure
- Reducing greenhouse gas and pollutant emissions
- Restoration of sites affected by industrial pollution/degraded land

- Construction and modernization of natural gas transmission and distribution networks incl. networks using smart infrastructure, together with system support infrastructure
- Construction and modernisation of energy transmission and distribution networks, incl. networks using smart infrastructure
- Construction or reconstruction towards smart distribution systems of low and medium voltage systems aimed at increasing energy production in RES and/or reducing network losses, incl. replacement of transformers
- Undertaking investments in the area of smart metering systems and smart grid networks

Operational  
Programme  
Infrastructure and  
Environment

- Environmental protection actions and supporting efficient use of resources in agricultural activity

Rural Development  
Programme

- Promotion of sustainable and resource efficient fisheries and aquaculture incl. reducing negative impact on the environment and adjusting fisheries to the conservation of species, activities aimed at protecting and restoring maritime biodiversity and ecosystems

Operational  
Programme Fisheries  
and the Sea



# Area 4. Support for small and medium enterprises

Small and medium enterprises (SME) are provided with specific support from both European and domestic programmes. They will be eligible for support under the above mentioned programmes relating to research and development, innovation, energy and environmental protection.

In addition, having recognised particular significance of SMEs for building sustainable economic growth, programmes were designed to facilitate the implementation of innovative technologies by such entities, encourage cooperation between business and science and implement environmental solutions.

**Form of support:** grants, repayable instruments

**Level of support:** up to 70% of eligible costs of the project; depending on the support programme, project location and the size of the enterprise



## Activities eligible for support:

### Operational Programme Intelligent Development

- Purchase of services in connection with the development of a new product or service, design, production technology or significantly improved product or production technology – innovation vouchers
- Acquisition and implementation of highly innovative technologies
- Science-business cooperation, shaping and promoting innovation as a source of competitiveness of the economy
- Creating and investing in innovative companies with participation of high risk capital

### Regional Operational Programmes

- Use of innovative solutions in companies leading to introduction of new products or services to the market
- Development of start-up companies operating in advanced technology sectors
- Reducing the consumption of energy, water, CO<sub>2</sub> emissions in SMEs
- Increasing energy efficiency and use of RES in SMEs
- Increasing the adaptability of companies to change, particularly in terms of restructuring and reducing the number of workers at risk of losing their jobs

- Development and implementation of new business models for SMEs, esp. with respect to internationalisation
- Promoting employment and labor mobility by facilitating diversification, creating new small businesses and jobs
- Support to SMEs in the fisheries and aquaculture sectors

Operational  
Programme Intelligent  
Development

Regional Operational  
Programmes

Operational  
Programme Eastern  
Poland

Rural Development  
Programme

Operational  
Programme Fisheries  
and the Sea

## Horizon 2020

As part of Horizon 2020 programme a dedicated mechanism supporting SMEs has been implemented. SME Instrument is aimed at enterprises with high potential for innovation that through research and development want to:

- Increase their presence on the international market
- Pursue risky albeit potentially profitable innovative ideas (bringing breakthrough innovation to the international market)

Thematic objectives supported under the SME Instrument in the years 2014-2015 include:

- Space: any topic from the entire space programme
- Innovative IT concepts: projects bringing breakthrough innovation to the market
- Accelerating market introduction of technological solutions in the field of nanotechnology, advanced materials and production techniques
- Clinical validation of biomarkers and/or medical devices
- Nanotechnologies, advanced materials and production
- Eco-innovative food manufacturing processes taking into account the principles of resource efficiency
- Blue growth: support for SMEs in the area of innovative solutions for maritime and water sector
- Innovative systems for low-carbon economy
- Innovative transport

- Support for SMEs in the field of eco-innovation and sustainable raw materials management (in areas of: climate, environment, resource management and raw materials)
- Protection of urban public spaces and urban critical infrastructures
- Sustainable industrial processes based on biotechnology

In addition to co-funding research development and innovation activities, SME Instrument allows enterprises to obtain support for feasibility studies of a new process, products, services, technology; risk assessments, market research, intellectual property rights management plans and easier access to preferential credit and investment mechanisms as well as training courses, networking, mentoring.



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Sources of support presented in this publication provide only an example of the range of programmes that will be available for businesses in the years 2014-2020. Aid in repayable and non-repayable form will also be offered under other programs, such as:

- Tax exemption in Special Economic Zones
- Programmes managed by the National Fund for Environmental Protection and Water Management
- Creative Europe programme
- EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)
- Government programmes
- Norway Grants and EEA Grants

KPMG professionals from the Grants & Incentives team have extensive experience in successfully applying for project co-financing from public sources. We would be pleased to present to you further information with regard to conditions for obtaining state aid and assist you in choosing the most appropriate source of support for your undertaking.

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