Based on Article 25, paragraph 4 of the Law on Innovation Activity ("Official Gazette of the Republic of Macedonia" No. 79/13, 137/13, 41/14, 44/15, 6/16, 53/16, 190/16 and 64/18), the Managing Board of the Fund for Innovations and Technology Development, at the session held on 14.11.2019, adopted the following:

RULEBOOK

for the support instrument - Co-financed Grants for Technological Development

I. GENERAL PROVISIONS

Subject

Article 1

This Rulebook regulates the basic characteristics of the **instrument - Co-financed Grants for Technological Development** (hereinafter: "**this Instrument**"), the criteria and procedure for applying for financial support, and the criteria and procedure for granting financial support.

Definitions

Article 2

(1) In this Rulebook, in addition to the definitions of the Law on Innovation Activity, definitions and clarifications shall also be using the following meaning:

1. "**Applicant**" means an entity that has submitted a project proposal to the Fund for an open public call for awarding funds under this Instrument.

2. "**Contract for Awarding Funds**" means a contract between the Fund and the selected beneficiary for awarding funds under this Instrument, in accordance with the rules and procedures set out in this Rulebook.

3. "**Committee for Approval of Investments**" means a committee established in accordance with the Law on Innovation Activity.

4. "**Consortium**" means a partnership of two or more entities established using a consortium agreement, or a partnership agreement.

5. "**Beneficiary**" means an Applicant who meets the eligibility criteria of this Rulebook and has signed with the Fund a Contract for Awarding Funds.

6. "**Related Parties**" means natural and/or legal entities covered by the Law on Trade Companies that are affiliated with each other and have established or are establishing legal relations.

7. "**Rulebook**" means this Rulebook for the support instrument - Co-financed Grants for Technological Development of the Fund for Innovations and Technology Development adopted by the Managing Board of the Fund.

8. "**Project Proposal**" means a project submitted on an open public call for the awarding of funds under this Fund Instrument in order to be financed through a co-financed grant in accordance with the criteria and Procedure included in this Rulebook.

9. "**Experts**" are external experts hired by the Fund in accordance with the Rulebook on the Manner of Involvement and Work of Experts in the Work of the Fund in the evaluation and the giving of expert opinion in the pre-selection phase of the projects covered by this Instrument.

10. "**Project results**" means any tangible or intangible result of the project referred by the Contract for Awarding Funds, such as data, knowledge or information, whatever their form or nature, regardless of whether they can be protected or not, that are generated through project activities, as well as any rights to the same, including intellectual property rights.

11. "**Fund**" means the Fund for Innovations and Technology Development of the Republic of North Macedonia.

Purpose and Description of the Instrument

Article 3

(1) The purpose of this Instrument is to provide financial support for the technological development of enterprises and private healthcare institutions (hereinafter: "PHI"), that meet the requirements of this Rulebook.

(2) This Instrument provides support for the following types of investment activities:

- acceptance and implementation of European technical regulations regarding the safety of products;
- preparations for acquiring quality certificates;

- activities for analysis, preparation, acquisition and protection of industrial and intellectual property rights;
- preparation and implementation of activities for improvement of energy efficiency;
- preparation of environment protection elaboration;
- preparation and establishment of waste management systems;
- introduction of information systems;
- technical support by external experts for the preparation of medium and long-term strategic plans;
- training for medium-term business planning (three-year business plan);
- preparation of development projects for networking and establishment of business cooperation (in the period from 3 to 5 years) with foreign investors and domestic enterprises;
- improvement of the organizational structure for enabling company growth;
- specialized management training - development programs and the capabilities of the management teams;
- talent recognition training (future leaders) and creation of talent development programs (future leaders);
- training in planning and controlling costs; and
- procurement or development of specific software systems related to the improvement of organizational structure and performance or of operational processes that will increase productivity and / or planning .

General criteria for co-financing by the Fund under this Instrument

Article 4

(1) Under this Instrument, the Fund shall provide financial support of **up to 30% (thirty percent)** of the total budget of the project, but not more than **10,000,000.00 (ten million) Denars** per applicant, and:

- for enterprises and PHI whose average number of employees is up to 10 employees and whose annual income in the last two years is less than 50.000,00 (fifty thousand) EUR according to the financial statements for the last two fiscal years, financing up to a maximum amount of 5.000.000,00 (five million) Denars,
- for enterprises and PHI whose average number of employees is from 10 to 250 employees and whose annual income in the last two years is greater than 50.000,00 (fifty thousand)

EUR and less than 10.000.000,00 (ten million) EUR, according to the financial statements for the last two fiscal years, financing up to a maximum amount of 10.000.000,00 (ten million) Denars.

(2) The project proposals may be submitted by an individual applicant or by a consortium led by an enterprise or PHI that meets the eligibility criteria provided for in this Rulebook.

(3) An individual applicant may conclude a collaboration agreement (subcontracting for services) for research and development with local or foreign institutions of higher education and / or scientific research or any another enterprise and/or PHI.

(4) In the case of a project proposal submitted by an individual applicant, that includes a contract for cooperation for research and development, the rights and obligations of the applicant and the higher education and / or scientific and research institution should be regulated by the collaboration agreement.

(5) All persons who are associated with each other and who apply as individual applicants within the same public call from the Fund, shall be considered as one applicant and the restriction referred to in paragraph (1) of this Article shall apply to all of them together.

(6) Eligible for financing through this Instrument are project proposals from all sectors, except for:

- production, trade or service activities that are not in accordance with laws;
- production and trade with tobacco, distilled alcoholic beverages and related products (beverages containing alcohol but not exclusively obtained by distillation, but naturally distilled alcohol (obtained from different but natural origin) may also be used for their production by the administration of various plant or other products, or by maceration, coupage (blending), flavoring, dyeing, aging, etc. creating different alcoholic beverages in which ethyl alcohol content is usually higher than 15%, and which may include different types of liqueurs, cocktails, etc.;
- production and trade with weapons and ammunition of any kind;
- casinos and other legal entities for organizing games of chance and other entertainment games;
- research, development or technical requirements relating to electronic data, programs or solutions that relate to:

a) support to any activity that is included in the above-mentioned sectors from line 2, 3 and 4 of this article;

b) online gambling and online casinos and/or

c) pornography;

- natural-scientific research, development or technical applications relating to human cloning for research or for therapeutic purposes; and / or for genetically modified organisms (GMOs).

(7) The applicant applying for financial support under this Instrument shall have the right to apply in parallel to obtain a combined financial support, or to apply for a support instrument "Co-financed Grants for Vocational Training and Practice for Newly Employed Young People". In such a case, the combined financial support given by the Fund to the same applicant for the same project cannot exceed the highest limit applicable to the instruments compiled by such combined financial support. Thus, for example, an applicant applying for this Instrument and the support Instrument "Co-financed Grants for Vocational Training and Practice for Newly Employed Young People" can apply for the maximum amount of support provided by the Instrument with a larger budget, i.e. the maximum amount of up to 10,000,000.00 (ten million) Denars or up to 5.000.000,00 (five million) Denars if it is about an enterprise and/or PHI whose average amount of employees is up to 10 employees and whose annual income in the last two fiscal years is less than 50.000,00 (fifty thousand) EUR.

General criteria for the applicant's co-financing related to this Instrument

Article 5

(1) If the Fund decides to support the Applicant's project proposal under this Instrument, the Applicant is obliged to provide his own co-financing of at least 70% of the total project budget.

(2) Funds received from the Fund on any other grounds, as well as funds received on the basis of any other state aid, shall not be considered eligible funds for co-financing by the Applicant.

Duration of the project

Article 6

(1) The duration of the project for which funds are awarded under this instrument can be up to 18 (eighteen) months.

(2) Based on justified circumstances, the Beneficiary can request extension of the duration of the project by submitting an elaborated written request stating the reasons for extension. The request shall be submitted before the expiration of the duration of the project.

(3) On the basis of the submitted request from paragraph (2), the Fund may approve the extension of the implementation of the project for up to 2 (two) months.

(4) The extension of the implementation of the project longer than the period from paragraph (3) of this article can be approved only with a decision adopted by the Committee for Approval of Investments.

(5) Under justified circumstances, the duration of the implementation of the project may be extended for additional 6 (six) months at most, after previously obtained approval and in accordance with paragraph (4) of this article.

(6) In case the Fund, i.e. the Committee, adopts a decision for the extension of the duration of the project, the extension of the duration shall begin from the day of adopting the decision for extension. During the period from the expiration of the duration of the project until the day of adopting the decision for extension by the Fund, i.e. the Committee, any costs and activities by the Beneficiary shall not be recognized and the Beneficiary shall be obliged either to refrain from incurring any other costs and undertaking any other activities or to choose to bear such costs.

(7) In case of extension of the duration of the implementation of the project, the amount of the granted financial support may not be increased.

Eligibility Criteria for the Applicant

Article 7

(1) The eligibility criteria to be fulfilled by an individual applicant are:

1) to be a trade company established in accordance with the Law on Trade Companies and registered in the Central Registry of the Republic of North Macedonia or to be a private healthcare institution (PHI) founded in accordance with the Law on Institutions and the Law on Healthcare Protection registered in the Central Registry of the Republic of North Macedonia;
2) to be an enterprise or PHI with maximum 250 employees;

3) the annual income of the applicant does not exceed 10.000.000,00 (ten million) EUR according to the financial statements for the last two fiscal years,
4) not affiliated with another enterprise or PHI whose total annual revenues exceed 10,000,000.00 (ten million) EUR and the total number of employees does not exceed 250 in the last two fiscal years, except in the case of affiliation with a higher education or a scientific and research institution;
5) to have no bankruptcy procedure or liquidation procedure initiated against it;
6) to have paid all matured due liabilities arising from public duties and contributions;
7) to have no enforcement procedures for collection of due monetary claims initiated against it;
8) to meet the requirements of the Law on State Aid Control and the Regulation on the conditions and procedure for granting aid of minor importance (de minimis), i.e:
   - to not have accumulated more than 200,000 (two hundred thousand) EUR state aid of small importance for a period of three fiscal years, including the requested amount of funds from the Fund in accordance with the Law on State Aid Control and the Regulation on the conditions and the procedure for granting aid of minor importance (de minimis),
   - to not have accumulated more than 100,000 (one hundred thousand) EUR state aid of small importance for a period of three fiscal years, including the requested amount of funds from the Fund, if the enterprise is active in the road traffic sector, in accordance with the Law on State Aid Control and the Regulation on the conditions and the procedure for granting aid of minor importance (de minimis),
   - to not be in difficulty (an enterprise in difficulty is an enterprise that is unable to meet its obligations from its own resources or funds that it can obtain from its owner / shareholders or creditors, to stop losses that without external intervention by the aid providers will certainly lead to short-term and/or long-term cessation of operations), and
   - to not be engaged in production of coal.

Eligible costs for financing

Article 8

(1) The following costs will be eligible for financing through this Instrument:

- technical assistance costs (expertise), based on a previously submitted profile of domestic and / or external experts who shall be engaged on the project;

- costs associated with procedures needed of organizations, scientific research institutes, companies and international organizations related to the acquisition of quality certificates, acquisition of patents and other intellectual property rights, as well as other documents related to investment activities issued by a certifying entity;
- costs for contracting services for research and development (e.g. testing, laboratory services, etc.);
- costs for procurement, rental and / or development of equipment and facilities, software, tools for information technology as well as other type of basic ICT assets, directly related to the realization of the technological development project;
- costs related to the preparation and realization of trainings;
- costs related to the implementation of the plan for improved organizational structure of the Applicant; and
- other operational costs directly related to the realization of the project, except those that are not eligible for financing through this Instrument.

(2) Only the costs incurred during the project duration, in accordance with the approved project budget and realized till the end of the project duration, are eligible for financing.

(3) Costs that are not eligible for financing under this Instrument are:

- costs for gross salaries and salary allowances;
- costs for the procurement of goods, services and works of domestic public enterprises;
- costs for interest or debt to any party;
- expenses and provisions for past and probable future losses or debts;
- Losses realized as a result of foreign currency exchanges, and penalties;
- expenses for food and hospitality;
- expenses for staff recruitment (costs for publishing an advertisement, fees for employment agencies, costs related to selection of candidates, etc.) and resettlement expenses;
- cash withdrawals from the special purpose project account;
- costs for consulting services provided by the owner(s) of the Applicant;
- rental of business premises by a lessee who participates in the activities of the project or is an Affiliate of the Beneficiary;
- costs for realization of activities previously financed by other sources;
- purchase of second-hand equipment; and

- value added tax (VAT) for procurements referred to in paragraph (1) of this Article.

(4) The list of costs referred to in paragraph (3) of this Article shall not be exhaustive.

II. APPLICATION PROCESS

Public call

Article 9

(1) The funds under this Instrument shall be awarded on a competitive basis upon a public call.

(2) The Fund publishes a public call through a regular procedure and a public call through a shortened procedure.

(3) The public call shall be published in at least two public media outlets and on the website of the Fund.

(4) The deadline for submitting the project proposals shall be up to 60 (sixty) days from the publication of the public call by the Fund.

(5) The total budget of each public call is determined by the Fund in accordance with the Annual Work Program of the Fund and / or the Medium-Term Program of the Fund.

Content of the Public Call

Article 10

(1) The public call must contain the following information:

- data for the body that publishes the call;
- date of publication of the public call;
- the manner of submitting the project proposal and the accompanying documentation;
- deadline for submitting the project proposal;
- a brief description of the Instrument, including the eligibility criteria of the Applicant, the activities and costs eligible for funding, as well as costs that are not eligible for funding;
- the total budget for the call;
- contact information; and
- other elements necessary for the realization of the public call.

(2) All the data stated above must be contained in the full public call published on the website of the Fund. An abbreviated version will be prepared for the public call published in public media.

Application in a regular procedure

Article 11

(1) When applying for financing in a regular procedure under this Instrument of the Fund, the following documents must be submitted:

1. Project documentation (containing the forms for the project proposal, available on the website of the Fund):

- properly completed project application form (signed and stamped by the authorized representative of the Applicant and/or the representative of the Applicant consortium);
- duly filled out project budget form (signed and stamped by an authorized representative of the Applicant and/or the representative of the Applicant consortium);
- statement by the Applicant for acceptance of the Fund's terms (signed and stamped by the authorized representative of the Applicant and/or the representative of the Applicant consortium); and
- duly filled out environmental screening questionnaire (signed and stamped by the authorized representative of the Applicant and/or the representative of the Applicant consortium);
- duly completed Transparency and Communication Plan (signed and stamped by the Applicant's authorized representative, and/or by the Applicant consortium representative); and
- notarized statement of ownership - founding structure of the Applicant (signed and stamped by an authorized representative of the Applicant).

2. Documentation related to the Applicant and/or the representative of the Applicant consortium:

- short CVs of the main persons engaged in the project (maximum of five persons);
- current status extract from the Central Registry of the Republic of North Macedonia, not older than 6 (six) months from the day of applying for the Applicant and/or the representative of the Applicant consortium;

- income Statement for the Applicant and/or the representative of the Applicant consortium, for the last two fiscal years; and
- list / confirmation of the number of employees of the Applicant / the representative of the Applicant consortium.

(2) The project application, the project budget and the CVs should be submitted in Macedonian and in English.

(3) The remaining documents related to the Applicant should be submitted in Macedonian only.

(4) The project documentation shall be compulsorily submitted using the forms prepared by the Fund.

(5) In case the project is based on already existing intellectual property rights, the Applicant is obliged, together with the project documentation, to submit proof of the right to use intellectual property in the form of licensing agreement, non-monetary contribution or other type of contract which confirms that the Applicant is entitled to use the intellectual property on which the results of the project are based.

(6) The Applicant may not consciously or deliberately infringe upon the intellectual property rights of any third party.

(7) All intellectual property rights and "know-how" that will be created during the implementation of the project and / or as a result of the implementation of the project belong to the Beneficiary and, if applicable, the Beneficiary should protect the intellectual property rights.

(8) Notwithstanding paragraph (7) of this Article, in the case of a project proposal that includes a cooperation agreement with a higher education and / or scientific research institution, or in the case of a project proposal submitted by a consortium of Applicants and a member of a consortium is a high education and / or scientific research institute, the intellectual property rights related to the project should be clearly regulated in the cooperation agreement or the consortium agreement.

(9) The Fund shall not be responsible for disputes relating to intellectual property rights between the Applicant / the Beneficiary of Financial Support and third parties.

(10) Any project proposal submitted to a public call for awarding funds to the Fund must be in accordance with the regulations for protection of the environment and reduction of pollution in force in the Republic of North Macedonia.

(11) The Fund reserves the right, if necessary, to request additional documentation from the Applicant.

Applying in a shortened procedure

Article 12

(1) Applicants whose project proposals have not been approved for financing by the Committee but have passed the administrative verification and pre-selection phase may re-apply on a public call following a shortened procedure for obtaining funds from the Fund with the same or improved project proposal, if they have participated in a previous public call of the Fund with the same project. The possibility to apply in a shortened procedure applies to all public calls of the Fund that will be published within 12 (twelve) months after receiving notice of the results of the previous public call.

(2) Applicants referred to in paragraph 1, when applying for obtaining funds in a shortened procedure through this instrument by the Fund, should submit the following documents:

- project application;
- project budget;
- in case of change of project team, CVs (maximum of 5 persons) for team members;
- a statement that there is no change in the mandatory documentation submitted on the previous call to which they have applied, and that they fulfil the eligibility requirements of the call to which they are applying, as well as
- a statement that project proposal is the same, or improved.

(3) The documentation submitted by Applicants pursuant to this Article should also meet the conditions in Article 11, from paragraph 2 to paragraph 11.

(4) Project proposals submitted in a shortened procedure shall not go through the administrative verification and pre-selection phase again, but will be reviewed and evaluated by the Committee in the selection phase.

(5) When submitting project proposals, the Fund submits the project application to the Committee, together with the project budget and CVs of the team members from the previous public call, in order for the Committee to determine whether it is the same or an improved project.

Additional Documentation

Article 13

(1) In the event that the Applicant is awarded funds under this Instrument, prior to signing the Contract for Awarding Funds, the Applicant shall also submit to the Fund:

- contracts with third parties of significance for the implementation of the project;
- statement on the accumulation of state aid in the last three fiscal years (if applicable);
- Notification issued by the Central Registry of the Republic of North Macedonia whether the applicant and its founder/s are founders in other legal entities in the Republic of North Macedonia;
- signed and stamped Environmental Management Plan (if applicable, i.e. if the project proposal is categorized with a medium risk by an environmental expert); and
- information about the opening of a special purpose bank account for the project.

(3) The Fund reserves the right, if necessary, to request other documents from the Applicant, who is required to submit them promptly upon request, hence in such case, accordingly to the submitted additional documentation, the Fund may return the entire project to the Committee for its re-examination and decision-making.

III. EVALUATION

Criteria for Evaluation of Project Proposals

Article 14

The main criteria for evaluating projects and granting funds through this Instrument are:

- technological progress (to which extent the project will contribute to the development of a new or significantly improved product, service and / or working process of the Applicant);
- project quality;
- project team capacity;
- market potential; and
- impact.

The main criteria and sub-criteria for project evaluation are given in the Evaluation Table form.

Administrative verification

Article 15

(1) In order to determine whether the project proposal is complete and in accordance with the eligibility criteria indicated in the public call and in this Rulebook, a Commission (or commissions) for Administrative Verification of the submitted project proposals is established. The Commission (or commissions) shall consider each project proposal separately.

(2) The Commission for Administrative Verification of received project proposals shall be established by the Director of the Fund or a person authorized by the Director of the Fund, and shall consist of at least two employees of the Fund.

(3) When reviewing the project proposals, the Commission for Administrative Verification shall be guided by the Document for the Administrative Verification of the project proposals.

(4) If the Commission for Administrative Verification needs an expert opinion in the relevant field while reviewing project proposals, such expert opinion will be provided by utilizing experts and / or institutions in the relevant field.

(5) Upon completion of the administrative verification of the project proposals, the Commission for Administrative Verification shall prepare minutes.

(6) If a project proposal is incomplete, i.e. the Applicant has not submitted the required documentation when applying according to this Rulebook or has completed incorrectly the Project Budget, the Commission for Administrative Verification shall electronically inform the Applicant and provide the Applicant with the opportunity to submit additionally, within 5 (five) working days, electronically or in the archive of the Fund, the missing documents and / or submit the corrected Project Budget and/or the remaining additional documentation, except for the Project Application. In the event of submittal of additional documents, changes in the Project Application or in the Project Budget that are not requested by the Fund are not permitted.

(7) If the Applicant fails to submit the missing documents within the additional 5 (five) working days or if the Applicant does not comply with the eligibility criteria set out in this Rulebook, the Commission for Administrative Verification shall note in the minutes that the project proposal is incomplete, therefore the Applicant is ineligible and will not be evaluated by the evaluation experts and by the Committee.

(8) The minutes referred to in paragraph (5) of this Article, together with the completed documents for administrative verification of the project proposals, shall be prepared by the Commission for Administrative Verification.

(9) All project proposals which are submitted on time, are complete, and comply with the eligibility criteria for applicants will be sent by the Commission for Administrative Verification for evaluation in the pre-selection phase, in accordance with the procedure referred to in Article 16 of this Rulebook.

(10) In addition to the minutes, the Commission for Administrative Verification prepares a table of all submitted project proposals, which contains the following data:

- name of the Applicant / representative of the Applicant consortium;
- ownership structure of the Applicant / representative of the Applicant consortium; and
- authorized person (manager / director) of the Applicant / representative of the Applicant consortium.

(11) The Commission shall submit the table referred to in paragraph (10) of this Article to the employees of the Fund, the Director of the Fund, the members of the Managing Board of the Fund, the Evaluation Experts and the members of the Committee for Approval of Investments in order to determine any potential conflicts of interest in accordance with the Law on Prevention of Corruption and Conflict of Interest.

(12) The table referred to in paragraph (10) of this Article is also submitted to other persons directly involved in the process, in order to determine a potential conflict of interest in accordance with the Law on Prevention of Corruption and Conflict of Interest.

(13) In case one of the Evaluation Experts identifies a conflict of interest, he/she is obliged to inform the Fund as soon as possible. The Fund will exclude such a person from the evaluation process (in the pre-selection phase) of that project proposal and will appoint another appropriate expert in his/her place.

(14) In case a member of the Committee identifies a conflict of interest, he/she is obliged to inform the Fund as soon as possible, after which he/she will be excluded from the evaluation process (at the selection phase) of that project proposal.

(15) In case several members of the Committee identify conflict of interest in relation to a particular project proposal and that project cannot be evaluated by at least 3 (three) members

of the Committee, the project will be excluded from further proceedings and will not be evaluated.

(16) In the case of an Applicant, whose project proposal has not been approved for funding in the previous call, is applying again with the same or improved project in accordance with Article 12 of this Rulebook, such project proposal shall not go through the administrative verification and pre-selection phase again.

Evaluation process

Article 16

(1) Evaluation of project proposals takes place in two phases: pre-selection phase and selection phase.

(2) The pre-selection phase is carried out by the Experts. Each project proposal will be evaluated at this phase by two Experts from the areas that correspond to the evaluation criteria, that is, with the objectives of the Instrument and one person from the area that corresponds to the project proposal, except if it is a project proposal pursuant to article 12 of this Rulebook since such project proposal shall not go through the pre-selection phase.

(3) The selection phase is carried out by the Committee for Approval of Investments, which makes the final decision for funding under this Instrument.

(4) At least three of the members of the Committee shall participate in the selection phase.

Pre-selection phase

Article 17

(1) During the pre-selection phase, Experts appointed by the Fund have an obligation to fill in the Evaluation Table for each of the assigned project proposals and provide expert opinion and evaluation of the project proposals within the deadline of (7) seven working days from the day of receipt of the project proposals.

(2) During the pre-selection phase, the Experts have the right to ask additional questions of Applicants and project proposals that will be checked by employees of the Fund. The Director of the Fund appoints persons who provide the necessary additional information through field visits to the Applicant, communication with the key persons of the project proposal and / or

administrative verification of information. The designated persons are obliged to provide the necessary information within the deadline previously determined by the Director of the Fund.

(3) The total number of points for each project proposal is determined as an average of the points received from the Experts assigned to evaluate that project proposal in the pre-selection phase.

(4) Each project proposal that has received 51 (fifty-one) points or more (out of a total of 100 (one hundred) points at the pre-selection phase) goes to the next selection phase.

(5) Each project proposal that has received less than 51 (fifty-one) points (from a total of 100 (one hundred) points in the pre-selection phase) will be rejected for funding under this Instrument of the Fund.

(6) Each Applicant whose project proposal has not received at least 51 (fifty-one) points, or whose project did not pass the selection phase, will be notified in a timely manner about the results.

(7) In case of an Applicant whose project proposal from a previous call published by the Fund 12 (twelve) months before the date of the publishing of the applied call, was not approved for financing but has passed the phase of administrative verification and the pre-selection phase applies again with the same i.e. improved project proposal according to article 12 from this Rulebook, that project proposal will not go through the phase of administrative verification and pre-selection phase.

Selection Phase

Article 18

(1) In the selection phase, each member of the Committee evaluates the project proposals that have passed the pre-selection phase and is obliged to fill out the Evaluation Table for each of those project proposals and evaluate them within the deadline previously determined by the Fund.

(2) The members of the Committee have the right in the selection phase to ask additional questions of applicants and project proposals, which will be checked by the Director of the Fund. The Director appoints persons who provide the necessary additional information through field visits to the Applicant, communication with the key persons of the project proposal and /

or administrative verification of information. The designated persons are obliged to provide the necessary information within the deadline previously determined by the Director of the Fund.

(3) If the Committee, in the selection phase, while reviewing and evaluating project proposals, requires expert opinion in a particular area, it may obtain it from experts, and in accordance with a procedure established by the Rulebook on the Manner of Involvement and Work of Experts in the Work of the Fund for Innovations and Technology Development and providing expert opinion.

(4) During the selection phase, the pre-selected project proposals are also considered by an environmental expert(s). The environmental expert is obliged to implement all necessary procedures for assessment of the pre-selected project proposals in accordance with the regulations for environmental protection valid in the Republic of North Macedonia. The environmental expert is obliged to submit to the Fund a report on the assessment of the pre-selected project proposals. The Fund will not finance projects assessed as high risk.

(5) During the selection phase, the Fund may engage other persons as observers.

(6) The points and expert opinions received from the Experts, the assessment reports of the environmental expert and the reports on the additional information provided by the employees of the Fund shall be submitted to all members of the Committee who are obliged to take them into consideration in the evaluation of project proposals.

(7) The total number of points won for each selected project proposal is determined as the average of the points from the Experts obtained in the pre-selection phase and from each of the members of the Committee obtained during the selection phase.

(8) Based on the points won, an indicative rank list of selected project proposals shall be prepared.

Decision for Financing

Article 19

(1) The final decision for financing of project proposals under this Instrument shall be taken by the Committee at a meeting held within a maximum of 90 (ninety) days from submission of project proposals to the Committee.

(2) During the meeting, the Fund may organize a presentation of the pre-selected project proposals. At this presentation, each applicant will briefly present his / her project proposal, and the members of the Committee will have the right to ask questions in order to obtain additional information that will help them make a decision on financing.

(3) The Committee shall make the final decision on financing during the meeting with a public vote of "FOR" or "AGAINST" awarding of funds to a specific pre-selected project proposal. Funds for a pre-selected project proposal can be awarded only if at least three members of the Committee voted "FOR" awarding of funds for that project proposal.

(4)While taking the decision for financing, regards shall be given to the budget availability for each public call. The Committee shall take the decision for financing of project proposals only within the determined budget for the public call, or if the original budget for that call is to be subsequently increased.

(5) If the Committee adopts a decision that is contrary to the evaluation and the expert opinion prepared by the Experts, it must record a detailed explanation in their comments of the reasons for making such a decision.

(6) If there are not enough project proposals approved for financing within the public call for this Instrument, unused funds from the budget of the public call may be reallocated for another public call for this Instrument, or the funds from the budget for a public call for this Instrument can be reallocated to another instrument of the Fund in the same public call, if for the other Instrument there are more project proposals eligible for funding from the amount determined for that Instrument in the public call.

(7) The unification of the comments on the project proposals that are rejected for financing in the selection phase is carried out by one member of the Committee, appointed by the Fund, who was part of the evaluations of the project proposals.

(8) Each applicant whose project proposal has passed the pre-selection phase will be notified of the results within 30 (thirty) days from the date of the final decision for financing by the Committee.

(9) Applicants whose project proposals are not approved for financing can apply for funding from the Fund up to three times with the same project proposal, according to article 11 and 12 of this Rulebook.

IV. AWARDING OF FUNDS

Concluding a Contract for Awarding Funds

Article 20

(1) Applicants for which a positive decision for financing has been adopted shall sign a Contract for Awarding Funds.

(2) Before signing a Contract for Awarding Funds under this Instrument, the Beneficiary is obliged to open or possess a special bank account for the purpose of the project.

(3) The Fund and the Applicant for which a decision on financing has been made shall conclude a Contract for Awarding Funds using the form and terms determined by the Fund.

Payment of funds

Article 21

(1) All payments from the Fund and from the Beneficiary's own co-financing shall be realized on the separate bank account.

(2) The Fund shall pay the awarded funds under this Instrument in advance, on a quarterly or semester basis, if the Beneficiary is an enterprise or PHI with an average number of employees of up to 10 employees and an annual income in the last two years of less than 50.000,00 (fifty thousand) EUR, in accordance with the Project Budget, the Contract for Awarding Funds and the provisions stated in this Rulebook.

(3) The Beneficiary will pay the funds from his own co-financing in accordance with the Project Budget, Contract for Awarding Funds and the provisions in this Rulebook.

(4) The Fund pays the funds awarded under this Instrument for the first quarter after the signing of the Contract for Awarding Funds, once the Beneficiary has submitted to the Fund a proof for the payment of its own co-financing for the first quarter in the form of a bank statement from the project separate bank account.

(5) After signing of the Contract for Awarding Funds, the Beneficiary is obliged to make the payment of co-financing for the first quarter within 45 days or else, the Agreement for Awarding Funds shall be automatically terminated.

(6) For enterprises or PHI whose average number of employees is up to 10 employees and whose annual income in the last two years is less than 50.000,00 (fifty thousand) EUR,

according to the financial statements for the last two fiscal years, the Fund pays the funds awarded under this Instrument for second and the fourth quarter after the following conditions are fulfilled:

- submitted report from the field visit conducted by the Fund, in which there are no identified irregularities or if identified irregularities were removed by the Beneficiary;
- submitted proof of made payment by the Beneficiary of its own co-financing from own resources for the next quarter in the form of a bank statement, and for the third and fifth quarter after the following conditions are met:
  - approved semester progress report for the previous two quarters (descriptive part and financial part)
  - at least 70% (seventy percent) of the funds spent from previously budgeted funds
  - submitted proof for payment of its own co-financing for the next quarter in the form of a bank statement.

In case of extension of the duration of the Project, the Fund pays the funds awarded with this Instrument after the sixth quarter according to the conditions for payment, after the third and fifth quarters.

(7) For enterprises and PHI whose average number of employees is from 10 to 250 employees and whose annual income in the last two years is greater than 50.000,00 (fifty thousand) EUR and less than 10.000.000,00 (ten million) EUR according to the financial statements for the last two fiscal years, the Fund pays the funds awarded under this Instrument for every succeeding quarter after the following conditions are met:

- approved quarterly progress report for the previous quarter (descriptive part and financial part)
- at least 70% (seventy percent)of the funds spent from the previously budgeted funds
- submitted proof for payment of its own co-financing for the next quarter in the form of a bank statement.

(8) From the last payment to the Beneficiary under this Instrument, the Fund will retain 3% (three percent) of the total budget of the project.

(9) The procedure for payment of the retained funds referred to in paragraph 8 of this Article will start within 14 days from the date of approval of the Final Project Report (narrative and financial part).

(10) In case of unspent funds and / or in case of misuse, the amount of the retained funds will not be paid to the Beneficiary.

V. PROJECT IMPLEMENTATION

General rules for implementing the project

Article 22

(1) The Beneficiary is obliged to implement the project in accordance with the conditions prescribed in this Rulebook, the Contract for Awarding Funds, and in accordance with good technical, economic, financial, managerial, environmental and social standards and practices, and in accordance with the laws and regulations in Republic of North Macedonia.

(2) The Beneficiary is obliged to implement the project effectively and efficiently in accordance with the Project Application and the Project Budget.

(3) The Beneficiary is obliged to maintain financial-accounting records in accordance with the accounting standards and in the manner most appropriate for the project activities, the available resources and costs related to the project, and will prepare financial reports to the Fund in accordance with cash-based accounting standards, clearly representing the documents on the costs incurred and the payments for the quarter they report about, in a manner that corresponds to the activities, resources and costs associated with the project.

Purchase of goods, services and works

Article 23

(1) The Beneficiary is obliged to comply for every procurement of goods and services with the following acceptable commercial practices:

- When implementing the procurement stipulated in the project, the Beneficiary should consider the economic need, efficiency, transparency and duration of the procurement procedure, as well as the quality of the procured goods and services.

- For the procurement of goods, services or works that exceed 10.000,00 (ten thousand) EUR, the Beneficiary should conduct a procedure of collecting at least three bids. Prior to reaching the final decision for selection of the most favorable supplier, the Beneficiary is obliged to submit to the Fund the minimum of three offers.
- In well-justified cases, procurement may be carried out without a tender procedure, upon prior approval by the Fund.

(2) When applicable, the agreements between the Beneficiary and third parties should include provisions relating to the protection of intellectual property, prevention of conflicts of interest, audit and environmental impact.

Transparency and public relations

Article 24

(1) During the project implementation, the Beneficiary is obliged to implement the Transparency and Communication Plan, which is an integral part of the application documentation.

(2) The Beneficiary is obliged to follow the guidelines of the Fund and the Committee regarding the transparency and communication of the project with the public, in accordance with the Guidelines on Transparency and Communication of the Fund's projects.

(3) During the implementation of the project, the Beneficiary is obligated to mark all promotional materials for the project with the logo and the name of the Fund and to clearly point out that the project is implemented with financial support from the Fund.

(4) The equipment purchased through the project funded by the Fund must be clearly marked with the logo of the Fund, as well as with the note: "*Supported by the Fund for Innovations and Technology Development of the Republic of North Macedonia*".

Change of the project and reallocation of the funds from the project budget

Article 25

(1) Any change to the project should be justified and contribute to the reaching of the expected project results.

(2) The beneficiary is obliged to realize the costs with the dynamic and within the amounts presented in the project budget. The beneficiary has the right to reallocate funds in the total

amount of 10% (ten percent) of the total Project Budget for the entire duration of the project in order to achieve the expected project results. For the reallocation, the Beneficiary is obliged to notify the Fund within the framework of the quarterly or semester reports and the final report for the project.

(3) Any change of the Project Application (for example, changes in the Action Plan, key people of the project, etc.) and the Project Budget (in an amount higher than 10% (ten percent)) , should be previously approved by the Fund, after a submitted request by the Beneficiary.

(4) In case of reallocation of funds approved by the Fund, the Beneficiary shall be obliged to realize the costs in accordance with the revised Project Budget.

Retention of Documentation

Article 26

(1) The Beneficiary is obliged to keep the entire project documentation from the beginning of the project implementation. The mandatory documentation of the project contains:

- project documentation and documentation related to the Beneficiary;
- all official documents of communication between the Beneficiary and the Fund during the application period;
- notice for awarding funds;
- Contract for awarding funds;
- all official documents during the project implementation period and during the reporting obligation;
- original samples of all reports submitted to the Fund;
- notifications for the approval of reports submitted to the Fund;
- original samples of all invoices; and
- all other documents and including agreements with third parties and other evidence of payments related to the project.

(2) The Beneficiary is obligated to keep the documentation referred to in paragraph (1) of this Article for at least 10 (ten) years.

(3) All information regarding the contracts and procurement related to the project should be made available for review to the employees of the Fund and / or persons authorized by the Fund.

VI. SUPERVISION, MONITORING AND EVALUATION OF PROJECT RESULTS

Supervision

Article 27

(1) The purpose of the supervision is to follow the progress of the project and the implementation of the planned activities, to verify that the realized costs are in accordance with the approved Project Budget for the given period and in accordance with the procedures of the Fund, as well as to assess the achieved results after the completion of the project.

(2) The methods of supervision include:

- reviewing and approved reports submitted by the Beneficiary;
- field visits to the Beneficiary;
- evaluation of the achieved project results and business and financial analysis.

(3) The supervision is carried out by monitoring teams formed by the Fund and/or audit experts assigned by the Fund and/or external auditors from authorized audit companies selected with a decision by the Fund in an appropriate procedure.

Reports

Article 28

(1) The Beneficiary who is an enterprise or PHI whose average number of employees is up to 10 employees and whose annual income in the last two years is less than 50.000,00 (fifty thousand) EUR according to the financial statements for the last two fiscal years is obliged to submit reports to the Fund as follows:

- Semester Progress Reports (narrative part and financial part) which the Beneficiary is obliged to submit during the project duration within 14 (fourteen) days after the expiration of the last calendar day of the semester;
- Final report (narrative part and financial part) which the Beneficiary is obliged to submit within 60 (sixty) days after the last calendar day of the project; and
- In the following 3 (three) years after the completion of the project, not later than March 31st of the current year, a copy of the Balance Sheet and the Income Statement of the Beneficiary for the year subject to reporting submitted to the Central Registry of the Republic of North Macedonia.

(2) The Beneficiary who is an enterprise or PHI whose average number of employees is from 10 to 250 employees and whose annual income in the last two years is greater than 50.000,00 (fifty thousand) EUR and less than 10.000.000,00 (ten million) EUR according to the financial statements for the last two fiscal years is obliged to submit reports to the Fund as follows:

- Quarterly Progress Reports (narrative part and financial part) which the Beneficiary is obliged to submit during the project duration within 14 (fourteen) days after the expiration of the last calendar day of the quarter.
- Final report (narrative part and financial part) which the Beneficiary is obliged to submit within 60 (sixty) days after the last calendar day of the project; and
- In the following 3 (three) years after the completion of the project, not later than March 31st of the current year, a copy of the Balance Sheet and the Income Statement of the Beneficiary for the year subject to reporting submitted to the Central Registry of the Republic of North Macedonia.

(2) The semester, quarterly reports and the final report shall be completed in forms prepared by the Fund.

(3) The reports shall be reviewed by the monitoring teams and / or audit experts appointed by the Director of the Fund. In the event of identified irregularities in the reports, which can be corrected by the Beneficiary, the Fund shall notify the Beneficiary of the identified irregularities with a request to eliminate the irregularities and submit a revised report.

(4) In case the report is appropriately completed and submitted, the Fund approves the report and submits the approval to the Beneficiary.

(5) The monitoring team has the right to request from the Beneficiary additional information and documents related to the reports, as well as to make announced field visits to the Beneficiary in order to verify the information provided in the reports.

Field visits

Article 29

(1) The Fund shall supervise the implementation of the project through field visits to beneficiaries that will be conducted by monitoring teams appointed by the Director of the Fund and / or audit experts appointed by the Director of the Fund.

(2) The monitoring teams conduct mandatory field visits when:

- the Beneficiary is an enterprise or PHI with over 10 and up to 250 employees and annual income greater than 50.000,00 (fifty thousand) EUR but not more than 10.000.000,00 (ten million) EUR according to the financial statements for the last two fiscal years - at least one field visit per project within 12 months.
- the Beneficiary is an enterprise or PHI with minimum 10 employees and annual income which is not over 50.000,00 (fifty thousand) EUR according to the financial statements for the last two fiscal years - at least one field visit per project within six months.

The Fund has the right to conduct more field visits if necessary.

(3) Field visits include visit of the beneficiary's business premises and meeting with the key people of the project in order to assess the implementation of the project (e.g. adherence to the procedures, achievement of the expected results, adherence to the timeframe, adherence to the provisions of the Contract for Awarding Funds, etc.).

(4) The field visit will be announced. The monitoring team will send to the Beneficiary an advance notice of a field visit containing details of the location, time of visit, persons to be present, documentation and the purchased equipment that should be available for inspection. The notification for conducting a field visit shall be submitted at least 3 (three) days prior to the visit.

(5) For the conducted field visit, the monitoring team shall compile a report on the conducted field visit containing information of the visit, the persons who attended the field visit, the documentation that has been checked, the remarks identified by the team, the identified irregularities, the guidelines and deadlines for eliminating possible irregularities, etc.

(6) The monitoring team submits to the Beneficiary the report from the conducted field visit. In case of established irregularities, the Beneficiary is obliged to take measures in accordance with the guidelines and deadlines specified in the notification. The Fund will not make payments of the funds allocated under this Instrument for the next quarter until the Beneficiary removes the possible irregularities determined in the Field Visit Report.

Handling in case of identified irregularities

Article 30

(1) During the implementation of the projects, if the monitoring teams determines there are irregularities that they may not be authorized to assess, they may submit a proposal to the

Director of the Fund to convene a Committee meeting for decision making related to the identified irregularities.

(2) During the implementation of the projects, Audit Experts may also be included in the monitoring in accordance with the Rulebook on the Manner of Involvement and Work of Audit Experts in the Work of the Fund for Innovations and Technology Development and the provision of expert opinion.

(3) Upon completion of the project, Audit Experts may be engaged for evaluation of the results and / or conduct in-depth business and financial analysis of the funded projects in accordance with the Rulebook on the Manner of Involvement and Work of the Audit Experts in the Work of the Fund for Innovations and Technology Development and providing of expert opinion.

(4) The Audit Expert referred to in paragraph (2) and paragraph (3) of this article shall review the project documentation, in order to make a field visit with the Beneficiary (if necessary) and to submit a report and an expert opinion to the Fund within 14 working days from the date of receipt of the documentation.

Obligation of the Beneficiary to cooperate with the Fund

Article 31

(1) The Beneficiary shall adhere to the procedures to enable the Fund to easily supervise the implementation of the project.

(2) The Beneficiary shall enable the Fund or persons authorized by the Fund at any time to conduct an in-depth analysis of the project implementation, its activities and achieved results, as well as to audit the project and financial documentation related to the project. The Beneficiary is obliged to prepare and submit relevant documents related to the project to the Fund upon his request.

Rights and obligation with the project results

Article 32

(1) The beneficiary shall own the project results that will be created.

(2) The Beneficiary is obliged to take measures to ensure the commercial exploitation of the project results directly or indirectly by: using additional research not covered by the project, developing, creating or placing a product or service in the market, or using it for standardization

purposes, and is obliged to take these measures for the duration of the project until all obligations towards the Fund have been fulfilled, in accordance with the Contract for Awarding Funds.

(3) The Beneficiary may transfer ownership of the results of the project to another party, under the conditions provided in this article.

(4) The Beneficiary who has the intention to transfer ownership of the project results or to grant an exclusive license for use of the project results to another party must notify the Fund in writing before conducting of the intended transfer or the granting of the license, and to request a consent by the Fund before implementation. In the notice, the Beneficiary shall indicate the exact results of the project that it intends to transfer, or assign, and shall provide details of the new owner, or licensee, as well as the planned or potential commercial exploitation of the transfer results, and shall submit an elaborate analysis of the likely impact of the transfer or granting of license on market competition and its compliance with good ethical rules and security interests of the Republic of North Macedonia. The Fund may request additional information.

(5) The Fund may refuse to give consent for the planned transfer of ownership of the project results, or the planned granting of an exclusive license for use of the project results, in particular:

a) if the new owner, or the exclusive licensee, is a foreign citizen or a legal entity established outside the Republic of North Macedonia;
b) if the Fund finds that the planned transfer or licensing is incompatible with the principles of competition, good ethical principles, or with the security interests of the Republic of North Macedonia. The Fund shall notify the Beneficiary in writing of its decision upon the request referred to in paragraph (4) of this article within 60 days from the date of receipt of the notification, or from the date of receipt of any additional information the Fund might request. The Fund may impose additional conditions in its decision under which the planned transfer of ownership, or the planned granting of an exclusive license, may take place.

(6) The Beneficiary shall not transfer the ownership of the project results or grant an exclusive license for use of the project results to another party until it obtains a consent by the Fund, i.e. until it fulfills the additional conditions that the Fund may impose in order to carry out the planned transfer of ownership, or the planned granting of an exclusive license.

(7) The Beneficiary must ensure that the new owner and any subsequent one of the project results shall be obliged to comply with the above mentioned provisions of this article.

(8) The obligations of the Beneficiary under this article shall be valid for the duration of the project as well as until the obligations towards the Fund have been fulfilled in accordance with the Contract for Awarding Funds.

(9) If the Beneficiary has acted in a manner contrary to the provisions of this article, the Fund reserves the right to require from the Beneficiary to return the entire amount or part of the amount of awarded funds, paid principal and / or interest towards the Fund. For these obligations, the Fund reserves the right to calculate and charge legal penalty interest from the date of maturity until the date of payment in accordance with the Law on Obligations.

VII. TERMINATION OF FINANCING AND TERMINATION OF THE CONTRACT FOR AWARDING FUNDS

Conditions for suspension/discontinuation of financing and termination of the Contract for Awarding Funds

Article 33

(1) The Fund has the right to suspend/discontinue the Contract for Awarding Funds and/or financing, as well as to terminate the Contract for Awarding Funds, completely or partially, in the event of embezzlement and/or breach of obligations under the Contract for awarding funds and / or the provisions of this Rulebook, and in particular in the following cases:

1. If the Beneficiary fails to use the approved financial funds for their intended purpose, including the reallocation of funds in a larger percent than the determined percentage of funds from the total project budget, in accordance with Article 25 paragraph (3) of this Rulebook, without prior approval from the Fund;

2. If the Beneficiary with an intention to perpetrate fraud provides inaccurate data during the procedure for awarding funds and during the duration of the Contract for Awarding Funds that has a material impact on the project;

3. If the Beneficiary fails to introduce appropriate policies and procedures that will enable the Fund to supervise and evaluate the progress of the project;

4. If the Beneficiary, upon a request by the Fund, will not allow audit by an independent auditor and / or Audit Expert appointed by the Fund;

5. If the Beneficiary fails to provide the Fund / or persons designated by the Fund, to inspect the implementation of the project, its activities, the achieved results and all relevant project documents, or the accounts and / or to provide the relevant documentation to the Fund upon its request;

6. If the Beneficiary fails to notify the Fund for any significant change that has material impact on the project;

7. On the basis of a request from a Beneficiary or the monitoring team, and due to an inevitable obstacle from a technical or market perspective, the future results of the project are suspect.

Decision on the temporary suspension of funding

Article 34

(1) In the event any of the circumstances occurring from Article 32 of this Rulebook will arise, the Fund reserves the right to make a decision on a temporary suspension of financing, and / or request to return part or all of the funds paid to the Beneficiary until that moment.

(2) At the same time, the Fund shall, along with the decision for temporary suspension of funding, send a written notice to the Beneficiary informing the Beneficiary about the occurred breach of Contract for Awarding Fund with a request to the Beneficiary to remedy the violations within 14 (fourteen) days from the receipt of the notification.

(3) Upon request of the Beneficiary, the Fund may grant the Beneficiary additional thirty (30) days to remedy the violations. In certain cases, awaiting a decision by an appropriate authority regarding the Beneficiary's operations and which has an effect on the temporary suspension of funding, the deadline for removing those violations may be extended until the decision of that authority is final.

(4) In case the Beneficiary remedies the identified violations within the deadlines specified in paragraphs (2) and (3) of this Article, the Fund shall take a decision to withdraw the temporary suspension of financing.

(5) In case the Beneficiary does not remedy the identified violations within the deadlines specified in paragraph (2) and (3) of this Article, the Director shall inform the Committee, which will decide whether to terminate the Contract.

In any case, when deciding whether to terminate the Contract, the Committee is allowed to take into consideration the level of utilization of the project (the advancement of the project and implementation of the same).

Decision on Termination of the Contract for Awarding Funds

Article 35

(1) In the event of occurrence of any of the circumstances referred to in Article 32 of this Rulebook, the Fund reserves the right to terminate the contract and / or request to return part or all of the funds paid to the Beneficiary until that moment.

(2) The decision for termination of the Contract for Awarding Funds and financing is taken by the Committee.

(3) In the event of termination of the Contract, the Beneficiary is obliged to return to the Fund the entire amount transferred from the Fund to the Beneficiary, and particularly in cases related to the conditions referred to in Article 32, paragraph 1, lines 2, 4 and 5, the Fund shall reserves the right to request damage compensation.

(4) If the Contract for Awarding Funds is terminated for any reason under Article 32 and the allocated funds are not spent, the Beneficiary is obliged to return to the Fund the entire unspent amount of funds no later than 8 (eight) days from the day when the Fund requested it, otherwise the amount becomes due and the Beneficiary may have to pay a legal penalty interest for that amount in accordance with the Law on Obligations and as of the day of the delay until the final payment.

(5) In the event of the occurrence of the conditions referred to in Article 32, paragraph 1, line 7 of this Rulebook, the Fund shall request the Beneficiary to submit documentation to the Fund and request termination of the project and financing. Consequently, the Committee will determine whether there is justification in the evidence of the existence of an inevitable hindrance that puts in question the future results of the project, and will make the appropriate

decision. If the Committee decides that the conditions stated in Article 32 paragraph 1 line 7 of this Rulebook are fulfilled, the Beneficiary will not be obliged to return the allocated funds.

(6) The Fund has the right to request penalty interest, damage compensation and to initiate an appropriate procedure for collecting claims from the Beneficiary in accordance with the conditions stipulated in the Contract for Awarding Funds and in this Rulebook, as soon as possible, if the Beneficiary fails to fulfill the conditions stated in paragraphs (3), (4) and (5) of this Article, in order to make full repayment of the funds already paid to the Beneficiary.

VIII. FINAL PROVISIONS

Article 36

For all matters not regulated by this Rulebook, the provisions of the laws and regulations of the Republic of North Macedonia shall apply.

Article 37

With the entry into force of this Rulebook, the Rulebook for the support instrument - "Co-financed Grants for Small and Medium-sized Enterprises with a Tendency of Rapid Growth (“Gazelles”)” no. 01-412 / 11 dated 16.04.2018 and no. 01-1425/16 dated 04.07.2019, the Rulebook for the support instrument - "Co-financed Grants for Micro Enterprises" No. 01-412/ 12 of 16.04.2018 and no. 01-1425 / 17 of 04.07.2018 shall cease to apply.

Article 38

This Rulebook shall enter into force the following day after its publishing by the announcement board of the Fund, and be published after consent from the Government of the Republic of North Macedonia is received.

No.01-1672/9

Skopje, 14.11.2019

Chairman of the Managing Board of the

Fund for Innovations and Technology Development

CORRECTION OF A TECHNICAL ERROR IN THE RULEBOOK FOR THE SUPPORT INSTRUMENT - CO-FINANCED GRANTS FOR TECHNOLOGICAL DEVELOPMENT

In the Rulebook for the support instrument - Co-financed Grants for Technological Development adopted by the Managing Board of the Fund for Innovation and Technology Development no. 01 – 1672/9 dated 14.11.2019, on a session held on 24.12.2019, correction of a technical error is made in the same Rulebook, as follow:

- in Article 34 paragraph 1, instead of the word "Article 32", should be "Article 33" and

- in Article 35 paragraph 1, paragraph 3, paragraph 4 and paragraph 5 instead of the word "Article 32", should be "Article 33".

This correction is an integral part of the Rulebook for the support instrument - Co-financed Grants for Technological Development no. 01 – 1672/9 dated 14.11.2019.

No. 02-1775/7

Skopje, 24.12.2019

Fund for Innovation and Technology Development

President of the Managing Board

Monika Jovanova