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Explanatory Document on Research & Development Projects and Feasibility Studies

VERSION JANUARY 2026

This document is a translation from an original in Dutch. In case of dispute, the Dutch-language version shall have sole legal validity.

Overview of the key changes compared to the previous version from July 2025.

The impact of growth in labor productivity has been relaxed from 50% to 30%. This is clarified in the section 'Explanation of added value for Flanders' and has been amended in Appendix 1: Selection criteria for research and development projects – II. IMPACT - 4. Added value for Flanders.

A few textual improvements and clarifications have been made, but no changes, including in Appendix 1: Selection criteria for research and development projects – II. IMPACT – 6. Anchoring in Flanders.

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Situation

This explanatory document covers the general characteristics of business innovation support projects. Three project types - development projects, research projects and feasibility studies - are categorized according to the intended innovation activities. Within these project types, specific modalities are defined.
A company chooses the project type for which it wishes to file a support application. The project types and their modalities are explained in this document.

VLAIO stimulates innovation by providing financial support through the Fund for Innovation and Entrepreneurship (FIO in Dutch) and by providing services to companies, research organizations and individuals who innovate.

Through business innovation support, Flemish companies have access to direct financial support for projects aimed at increasing knowledge and developing innovative solutions. Higher risk and greater potential impact projects that benefit Flanders economically and/or socially are given priority.

The main features of business innovation support are:

- Business innovation support is accessible to all companies with (future) operating locations as well as operational research and development activities in the Flemish region. The condition is that the companies eventually apply (valorize) the results of the projects in Flanders.
- Collaboration with companies and research organizations both domestically and abroad may be possible under certain conditions.
- There is no preference for industries, application areas or fields of expertise.
- Projects with military affinity or that (may) aim for project results with military affinity may be eligible under certain conditions. More information on the conditions and modalities regarding projects with possible military affinity can be found on VLAIO's website (available only in Dutch).
- The intended innovation can be either technological or non-technological.
- For projects that are eligible for support, the applicant must define specific and measurable project objectives and develop a compelling business case.
- A project that is eligible for support implies that the activities surrounding it are also eligible. Further explanations about activities that are eligible for support can be found later on in this document.
- The basal subsidy rate varies from 25 to 60% of accepted costs depending on the project type. The modalities and surcharges are discussed later on in this explanatory document.
- Applications for innovation support can be submitted at any time throughout the year and are processed individually.
- The processing of a project application is interactive. The interaction between the applicant(s) and VLAIO (project advisor) is key.
- Development projects that require more than €500,000 and research projects are always evaluated together with external experts who are consulted in writing. For feasibility studies and development projects that require less than €500,000, this can be done without external experts. If necessary and in order to maximize opportunities for the applicant(s), oral or written advice may be sought from external experts.
- The decision on whether or not the support will be awarded under business innovation support is made by FIO's Decision Committee. The processing and follow-up of project applications and

supported projects is done by VLAIO, acting for FIO. FIO is the contractor in the support agreement for an innovation support project.

Support awarded by FIO under business innovation support is decided on the basis of:

- The Decree of the Flemish government of May 12, 2017 to regulate support to companies for research and development with a knowledge-based character in Flanders (B.S. 20.06.2017) when it comes to research projects;
- The Decree of the Flemish government of May 12, 2017 to regulate support to companies for development and innovation in Flanders (B.S.22.06.2017) when it comes to development projects or feasibility studies.

The awarding of support based on the aforementioned decisions is in line with the General Block Exemption Regulation[1]. These funding decisions are known to the EU Commission under the indicated State Aid (SA) reference number. The rules stipulated in the General Block Exemption Regulation are fully applicable to support granted based on one of the aforementioned decisions.

General features of the regulation

Applicants

Any legal company, from an SME (definition) to a Flemish branch of a multinational, as long as it has an operating location with operational research and development activities in the Flemish region, is eligible for support. Companies that set up an operating office with operational research and development activities in the Flemish Region are also eligible, with the actual support remaining conditional on its effective establishment.

A company is an entity that carries out an economic activity and has a legal personality. In case of a start-up or spin-off in an incubation phase, the support is accompanied by the start-up condition to provide proof of establishment (and thus of the legal personality), sufficient financing and assumption of all commitments within the framework of the project, at the latest 4 months after the support has been granted.

In addition, the company must be able to exploit the results to a sufficient extent in Flanders and thus create sufficient added value in the form of an economic and/or social impact (and of building an expertise network). However, this does not preclude some of the project results from being applied abroad. Export of the innovative product(s) is not a problem.

Under European law, a company may not be facing difficulty at the time of the support being granted. Explanations of what exactly facing difficulty means and how VLAIO takes it into account during the evaluation can be found on the web page: "Companies facing difficulty are not eligible".

[1] Commission Regulation (EU) No. 651/2014 of June 17, 2014 declares certain categories of support compatible with the internal market based on Articles 107 and 108 of the Treaty and all subsequent amendments EU (Official Journal of June 26, 2014, L 187/1).

Companies active in the non-profit sector:

Private and public organizations that are active in the non-profit sector may be eligible for support for their research and development activities within the business innovation support scheme under the same conditions as other organizations.

Generally, the following applies:

- A legal personality is required and the organization must demonstrate that it is engaged in an economic activity (= offering services in a free market that are remunerated at market conditions) through a Flemish establishment in a way that can be expected to be sufficiently structural (for an extended period of time).
- Non-profit organizations, like all other companies applying for business innovation support, must be able to demonstrate that they have sufficient private resources to finance their share of the project.
- If an organization is admissible as a company, it can claim SME support regardless of its legal form. As for companies with a shareholder structure, they can be reviewed on their independency or being part of a group of affiliated companies. This includes examining the voting rights of members (and dependence of those members on other companies), the extent to which one or a few companies exercise control over that company, and the extent to which the company is under centralized management. Related companies are consolidated in the same way as is common for companies with a shareholder structure.

Companies incorporated under public law:

Support may be granted to companies with a legal personality under public law only for a project in which there is effective collaboration with companies with a legal personality under private law, as long as the cooperating company with a legal personality under public law does not bear more than 70% of eligible costs. Pure public administrations are excluded from business innovation aid. The enterprises involved in the cooperation must qualify as independent parties, i.e. as either independent enterprises in relation to each other or non-partner nor linked enterprises to each other as listed in Annex I of the General Exemption Regulation. In addition to the aforementioned condition of effective collaboration, fulfillment of the requirements that must also be met by a company with a private legal personality is necessary - albeit that, for an applicant with a legal personality of a public nature, this is reviewed with specific attention. The most important requirements are:

- Having sufficient co-financing (with own/private funds) for the project;
- Achieving a sufficient economic impact;
- Valorization perspective lies outside any public mission of the organization.

Business partners, research partners and subcontractors

The main applicant must always be a Flemish company (as defined above under “applicants”). This main applicant may apply as the sole partner or may do so in collaboration with one or more other companies and/or research organizations.
VLAIO considers each applicant, whether the main or co-applicant, a ***business partner*** in a project.

In case of an application filled out by multiple business partners, the applicant companies jointly bear the risk and costs of the project. Companies outside Flanders with their own valorization may be engaged as business partners. However, they themselves cannot receive Flemish support. International collaboration can (but need not) be through participation in projects within international networks or collaborations encouraged by the European Commission. Before starting an application for support for international projects, the applicant should contact VLAIO.

If multiple companies cooperate in a project and at least one of them is an SME and/or a foreign company, increased support may be granted (for further explanation, see "Value of the Support").

Furthermore, the implementation of the project may also involve collaboration with research organizations as a ***research partner***. The research organizations may be based within or outside of Flanders. However, the business partners that bear the full costs are also eligible for support.

Collaboration with other companies and research organizations as a ***subcontractor*** may also be established. The subcontractor's costs are borne in full by the business partner(s) and are also eligible for support, given the costs are made and billed within the project period. Companies based outside the Flemish Region that do not have their own valorization can be engaged as subcontractors as long as the majority of the activities in the project are carried out in Flanders.

A further explanation of the differences between working with a research organization as a research partner versus a subcontractor can be found later on in the Collaboration section.

Only business partners can act as support recipients in the aforementioned business innovation support programs. Organizations that rely on programs that support research organizations in carrying out non-economic activities (independent research and/or dissemination of results from such research) can be funded through the business partner(s), but do not themselves have direct access to business innovation support. Research organizations include knowledge institutions such as universities and colleges, Strategic Research Centers and other organizations admitted to channels of support to research organizations for carrying out non-economic activities.

Additional requirements for main/co-applicants:

- Not having a legal monopoly

Companies that, by virtue of a legal provision, have an absolute monopoly within the territory of the Flemish Region or within a substantial part of it, are not eligible for support for their projects unless the project for which they apply falls outside the implementation area of this monopoly. This is a concern for organizations with a legal personality under public law or those performing one or more services of general interest as part of a public mission. Pure public administrations are excluded from business innovation aid.

A monopoly exists when there is no competition in the given market and/or there are no substitutes or alternatives available for the products and/or services offered by the company in question.

- Not having a dominant position

A company has a dominant position if it is able to prevent the maintenance of effective competition and if it thereby has the ability to behave to an appreciable extent independently of competitors, customers or suppliers. A company holds a dominant position if it has a market share of more than 50% of the valorization market to which the project relates.

In such a case, it is assessed whether this dominant position within the valorization market affected by the project, and in particular within the territory of the Flemish Region or within a substantial part of it, may be sufficiently anti-competitive to constitute a sufficient reason to refuse support, by analogy with a legal monopoly.

Collaboration

A project may be carried out by a single company or multiple business partners, research partners and subcontractors.
A collaboration may take on the following forms:

- A project can be applied for by several companies together, where each company carries out part of the project and has its own valorization (= multi-partner project). This way, all companies are business partners during the project and, in case of the support being granted, become contractors. They must therefore sign a support agreement with FIO. The following rules apply to companies that are part of a multi-partner project:
  - They guarantee their share of the costs and share the risk of the project.
  - They each have their own share of property rights to the project results and are obliged to sufficiently valorize the project results in Flanders.
  - A collaboration agreement is required between business partners that regulates the mutual rights and obligations.
  - Applicants shall appoint a project coordinator whose responsibilities include interacting with VLAIO, coordinating the project execution and submitting project specific reports
  - General company information (#FTE, revenue) as well as information on the track record and any financial terms of the various business partners can be included in the decision letter. This decision letter is sent to all business partners.
- Special requirements apply to a collaboration between companies incorporated under public law (cf. supra).
- During a project, the execution of certain parts can also be outsourced to companies as subcontractors. The tasks of subcontractors can be of various kinds, both knowledge input and routine: performing routine tests, building parts of a prototype, taking on part of programming, etc. Subcontractors do not participate in the strategy of the project and are therefore exchangeable. Their costs are fully reimbursed by the client. More information on cost headings and accounting for costs can be found in the VLAIO Guide to the Cost Model.
- A project can also be conducted in collaboration with one (or more) research organizations as research partners. This involves a substantive collaboration between the company and research organization, and project results that are generated from the research are susceptible to intellectual property rights. In this case, the company reimburses the services provided at actual costs and, in addition, agrees on a mutual collaboration agreement between the company partner(s) and the research partner(s) to regulate participation and ownership rights. However, the research partner is not a signatory to the agreement with FIO and will be fully reimbursed by the business partner(s). All contractual obligations are the responsibility of the business partner(s). The research partner has no obligation to valorize in Flanders. A separate budget and financial report should be prepared for the research partner(s).

- A project can also be carried out in collaboration with one (or more) research organizations as subcontractors. For the performance of the research organization, the company pays the market price or must fully pay for the costs plus a reasonable margin. The research organization is not a signatory to the agreement with FIO and must be fully reimbursed by the business partner(s). All contractual obligations are the responsibility of the business partner(s). The research organization has no obligation to valorize in Flanders. More information on the cost headings and cost justification can be found in the VLAIO Guide to the Cost Model.

Cross-border collaboration, i.e. working with research organizations or companies based outside of Flanders, is possible in various forms:

- A company may call on a research organization or a company outside of Flanders. The same rules apply as for Flemish research partners or subcontractors. Please note that a foreign company that has its own valorization (evidenced by building its own intellectual property or exploitation of results) or bears its own risk is not eligible for support.
- The invoices received by the business partner for carrying out the project constitute a supportable cost. If the company is associated with a Flemish business partner outside of Flanders, this company must contribute its costs in the same way a Flemish company should and no profit surcharges are acceptable. In any case, **a maximum of 50% of the project budget per business partner** may relate to costs related to **activities outside Flanders**.
- A company may also collaborate with companies outside Flanders in a joint, cross-border project, each for their own account. This can be done primarily within formal arrangements such as EUREKA, ERA networks and other international instruments. If appropriate opportunities are not provided, a temporary solution may be sought. A company is free to set up such collaboration, but the costs of foreign companies will not be eligible for support. Non-Flemish companies must either cover their own costs or receive support from their own government. In addition, the exploitation rights of Flemish companies must remain guaranteed.

Allocation of intellectual property rights when collaborating with a research organization

There are several options for the distribution of property rights when collaborating with a research partner. The European regulations for State Support for Research, Development and Innovation set the principles for collaboration between companies and research organizations. What is essential here is that companies do not receive an advantage from the research organizations that distorts the market and can be regarded as indirect support (which constitutes unlawful state support). Two forms of collaboration with a research organization are distinguished:

- The first involves **subcontracting** by a company while the research organization acts **as a subcontractor**. For the performance of the research organization, the company pays the **market price** or must reimburse the full costs plus a reasonable margin.
- The second form involves a **content collaboration** between the company and research organization. The research organization acts **as a research partner** while project results are generated from the latter's research and are susceptible to intellectual property rights. In this case, the company reimburses the **real costs** for the performance delivered and additionally agrees to the participation of ownership rights of these project results. This participation may take on the following forms:

- All property rights lie with the company with a fair compensation to the research organization upon exploitation of the project results;
- Division of property rights, where the company and the research organization each have property rights to a different part of the results with the assignment of domains for (autonomous) exploitation. In case it is impossible to split the project results, this allocation of domains for (autonomous) exploitation can also be done within a regime of shared property rights;
- Ownership rights to the project results lie with the research institution with at least a right of use of the project results needed by the company;
- An arrangement of undivided common property rights to the project results lie with the company and the research organization.

The aforementioned options are just examples. Various combinations of the proposed situations, as well as other options where the ownership rights to the project results from activities of the research organization are shared are acceptable as long as they do not conflict with the objectives of innovation support, and participation in the project results coming from the research of the research organization is arranged. What is essential is that the company has at least the necessary freedom to realize the envisioned valorization.

The collaboration partners must disclose the basic agreements in this regard when submitting the project application to VLAIO. However, it is primarily up to the research organization to ensure the proper application of the market price for a service rendered by that research organization. In case of subcontracting, it is recommended to mention in the tender, if applicable, that the performance to be delivered by the research organization will be remunerated at market price.

Eligible activities and support percentage

Innovation always carries two aspects: modernization on the one hand and its application on the other. Support is granted to companies who carry out projects that aim to realize economically or socially relevant project objectives. This may involve new or improved products, processes or services, or a combination thereof.

For **eligible activities**, it is essential that during the realization of the objective, knowledge is accumulated. The activities of structured knowledge accumulation or those that directly support knowledge accumulation form the basis of the granted support. Eligible activities represent only a portion of a company's activities. Activities that are performed before commercialization - that come with fewer risks - are not eligible for support. An exception to this are development projects that require support for the costs related to the protection of intellectual property. The condition for this, however, is that these costs were incurred during the project period and that the applicant is an SME.

Non-Eligible activities include activities that are performed before the project's start date or a start-up's activities before the incorporation date (by notarized deed) of the company. The following activities will also not be supported unless they directly support knowledge accumulation:

1. Engineering activities, routine improvements and implementation of technology.
    - Putting into practice or using existing knowledge/techniques without clear knowledge acquisition or a significant challenge.

- Routine or periodic changes to existing products, processes or services and other current work, even if they include improvements.
- Activities that do not contribute to a clear increase in knowledge within the company and are carried out according to procedures that are common within the company. If such activities are the core of an R&D business project, the project will not receive support.

2. General support and operational activities (such as human resources management, financial management, logistics, etc.).
3. Education and general knowledge acquisition that is not specific to the project.
4. Activities aimed at making the products, processes or services studied or developed during the project, including the creation of a final design, user interfaces, product documentation and manuals ready for production and bringing them to market.
5. Market research and marketing activities that go beyond determining the orientation during the research and development process itself.
6. All activities aimed at complying with standards, labels, accreditations, registrations or other legal obligations;
7. Activities aimed at the preparation and implementation of investments for production facilities. Expansion of and investments in research facilities that are necessary to carry out the R&D business project are eligible.
   Developing a business plan is not eligible. An exception is the development of a business plan that supports the development of a new product/service/process in a multi-partner project (involving at least 2 companies). Within such a project, 3 man-months that are focused on developing the business plan are eligible for support.

Determining the support percentage

For **development and research projects,** we adhere to **the following basal subsidy rates**: 25% for development projects and 50% for research projects. The project type depends on the **level of knowledge acquisition and challenges** during the project's implementation. Higher support percentages go to projects that create a clear step forward in knowledge as well as significant challenges (Annex 3: Determination of research content). The support percentage is determined at the start of the project (during the evaluation phase) and listed in the project agreement. The determination of the support percentage is done as follows:

- Non-Eligible activitiesare eliminated.
- Development projects are supported by default at a basal subsidy rate of 25%.
- For research projects, we first need to determine whether the project should be divided into sub-activities with different basic percentages. For such research projects, the basal subsidy rate is determined according to the ratio of development activities (25%) versus research activities (50%).

For **feasibility studies**, the basal subsidy rate is 40%.

Research versus development projects

The distinction between research and development projects is based on the degree of **knowledge acquisition** and the degree of **challenges** during the implementation of the project (Annex 3). These aspects are addressed in the project objectives and work program.

DESCRIPTION OF RESEARCH PROJECTS (50% BASIC SUPPORT)

Research projects essentially consist of activities that accumulate **new knowledge**, insights and skills in a critical and systematic way. The purpose of this knowledge accumulation is to use it at a later stage in the development of new products, processes or services or to remarkably improve existing products, processes or services. It is essential that these elements are reflected in the project objectives. (Part of) a project is considered a research project if both of the following conditions are met:

1. The project allows for a clear or substantial step forward for the company in terms of knowledge, insights and skills, and at least demonstrable - but possibly limited - progress compared to the **internationally accessible state-of-the-art (SOTA)** in the domain or sector in which the company operates or will valorize the results. Here, progress in regard to the SOTA should be at the level of knowledge and skill accumulation, not just at the level of application.

and

2. The project involves significant challenges and risks. Risks that are not taken into account include those of a commercial nature, management risks and uncertainties about manpower, timing and budget.

and

3. The approach of the project is critical and planned, and is aimed at a deeper, science-based understanding of the underlying phenomena.

In general, a research project has a maximum duration of 3 years. An extension is possible only after a thorough and substantiated motivation.

Projects that include both research and development should be **listed as a research project.**

DESCRIPTION OF DEVELOPMENT PROJECTS (25% BASIC SUPPORT)

Development projects include activities of acquiring and using existing (scientific, technical, business and other) knowledge and skills for the purpose of creating plans, designs and prototypes of **new, modified or improved products, processes or services**.

Development projects essentially include acceptable R&D activities (i.e. there should always be sufficient challenges), but do not meet the definition for research projects. For additional information on the level of knowledge accumulation and challenges, please refer to the section below "Until when can support be granted" regarding TRL levels.

In general, a development project has a maximum duration of 3 years. An extension is possible only after a thorough and substantiated motivation.

Feasibility studies

Feasibility studies are aimed at preparing a significant and ambitious **supportable** and innovative follow-up trajectory (VLAIO research, development and/or ICON projects, innovative investments, and/or ambitious innovation trajectories outside the VLAIO support frameworks), without the awarding of the feasibility study guaranteeing follow-up support. Small research and development projects aimed at short-term results are not feasibility studies.

The innovation envisioned by the follow-up trajectory must have potential for sufficient valorization in Flanders. This valorization needs to be worked out at least qualitatively, but may still contain uncertainties that have not been clarified at the start of the feasibility study.

The project should at least - and to a significant extent - explore challenging technical and/or scientific aspects experimentally. In addition, other topics such as business aspects surrounding the testing of innovative business models, service innovation and any intellectual property issues may also be covered. However, it must be clearly demonstrated that the feasibility study seeks knowledge accumulation that leads to further innovative activities, and that it contributes to a better assessment of risks and opportunities when weighing these up before launching the investment in a further substantial trajectory.

Projects that solely pursue the generation of ideas or a short-term market study or problem solution are not eligible. The pursued follow-up trajectory must be sufficiently ambitious.

A maximum duration of 1 year is imposed per study

A company cannot submit a second feasibility study for the same innovation goal.

Eligible activities and subsidy rate

The support percentage consists of a basal subsidy rate, possibly increased by (**cumulative**) surcharges:

For regular projects:

- A small business receives 20% extra support (for a research or development project);
- A medium business receives 10% extra support;
- A research or development project may receive 10% extra support if there is effective collaboration between multiple independent grantees within the project (subcontracting to subcontractors is not included, nor can this allowance be granted for feasibility studies), where:
    - None of the companies bears more than 70% of the costs of the collaboration project and at least one partner is an SME.
    - In order to grant the support, the collaboration will be assessed in terms of its substantive quality and meaningfulness.

Independent parties as referred to in the concept of effective cooperation[2] are to be understood as either independent enterprises in relation to each other or non-partner nor linked enterprises to each other as listed in Annex I of the General Exemption Regulation. Collaboration between companies and research organizations is not translated into a collaboration surcharge. However, good collaboration with research organizations can be honored when assessing the criteria of "additionality" and "potential to achieve the objectives" (i.e. "expertise and resources" in the application template).

[2] Effective cooperation (cf. art. 2 point 90 General Block Exemption Regulation) means collaboration between at least two independent parties to exchange knowledge or technology, or to achieve a common objective based on the division of labour where the parties jointly define the scope of the collaborative project, contribute to its implementation and share its risks, as well as its results.

This means the support percentage is at least 25%. The **maximum support percentage** will be limited to **50%** for development projects and feasibility studies, and to **60%** for research projects.

In summary, this equals the following overview:

	Development project	Research project	Feasibility study
Basal subsidy rate	25%	25 to 50% according to proportion of research	40%
Company type surcharge	20% (small business); 10% (medium business)	20% (small business); 10% (medium business)	10% (SME)
Collaboration surcharge	10% when independent companies collaborate	10% when independent companies collaborate	none
Total subsidy	**Max. 50% per business partner**	**Max. 60% per business partner**	**Max. 50% per business partner**

For projects submitted in an interregional or international partnership:

- A small business receives 20% extra support (for a research or development project);
- A medium business receives 10% extra support;
- 15% surcharge for an actual international collaboration between at least 2 independent companies, or 15% surcharge for an actual interregional collaboration between at least 2 independent companies of which at least 1 is an SME.For the definitions of 'effective collaboration' and 'independent parties,' cf. supra).

This means the support percentage is at least 25%. The **maximum support percentage** will be limited to **60%** for development projects, and to **70%** for research projects.

In summary, this equals the following overview:

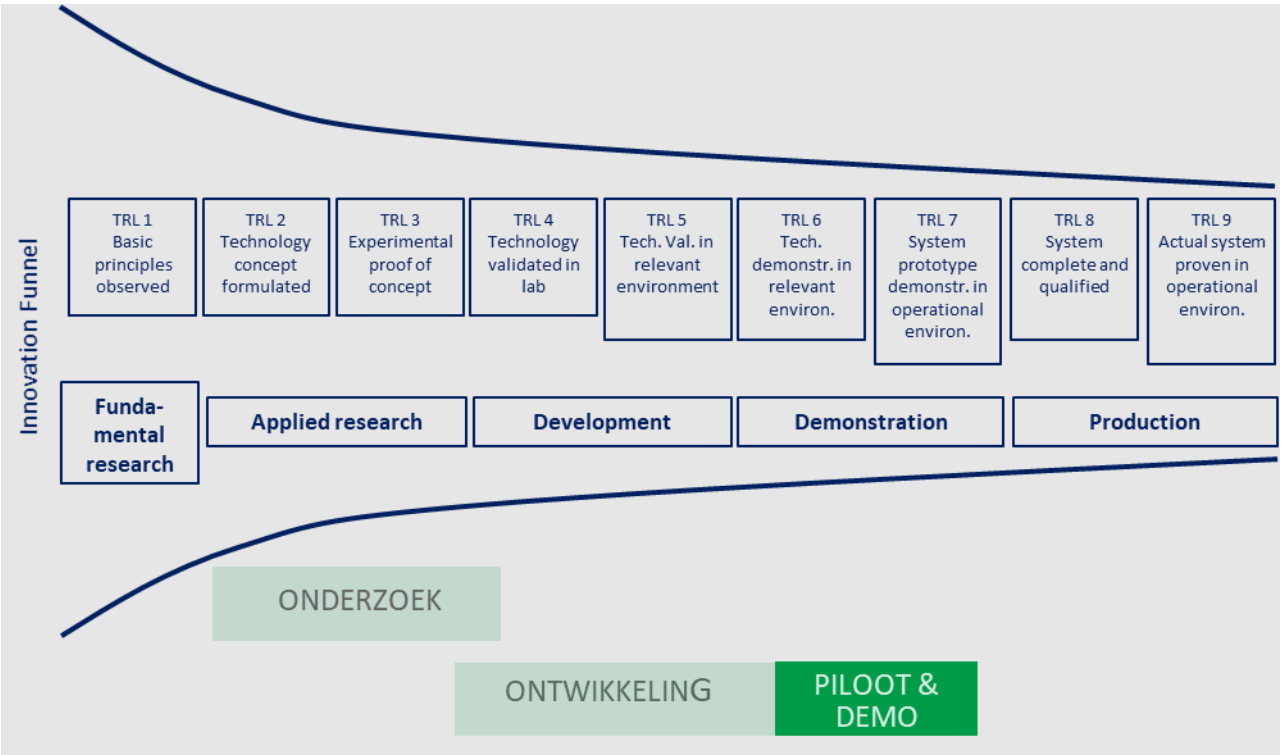
	Development project	Research project
Basal subsidy rate	25%	25 to 50% according to proportion of research
Company type surcharge	20% (small business); 10% (medium business)	20% (small business); 10% (medium business)
Collaboration surcharge	15% for international collaboration between independent companies or 15% for interregional collaboration between independant companies of which at least one is an SME	15% for international collaboration between independent companies or 15% for interregional collaboration between independant companies of which at least one is an SME
Total subsidy	**Max. 60% per business partner**	**Max. 70% per business partner**

In case the Flemish support is combined with already granted EU support to cover the same costs, the already granted EU support is deducted from the Flemish support, and an additional 10% surcharge is granted. This is done while maintaining the maximum support percentage of 60% or 70% for development and research projects, respectively.

How far into the process can support be granted?

For regular projects:

Development projects can be supported until Technology Readiness Level (TRL) 7 (demonstrators, pilots, scale-ups).



- After the intensive accumulation of the necessary knowledge and insights, there is often a costly phase in which the results still need to be scaled up or demonstrated in more realistic conditions to eliminate the final technical risks, before the commercialization phase can begin. This typically involves demonstrators, pilots and scale-ups. Even though the uncertainties are already much more limited at this point, great costs are often incurred. When this costly phase forms a whole with the knowledge-acquiring development activities and links back to them - and still contains sufficient risks - it is eligible for development project support.
- The manpower, associated indirect and direct costs and (**write offs** within the project of) material major costs associated with a pilot/demo installation can be eligible for support on the same terms as the other development activities.
- Any costs due to input from subcontractors with a view to performing those later phases are also eligible.
- An extension phase (from TRL 6 to TRL 7 (including activities in preparation of TRL 8)) can be part of a broader development project or can be requested as a separate development project.
- For a project aimed (in part) at the later stages of the support pathway (pilot and demo), the project duration, with proper motivation, can be extended by 1 year.

Patient studies and clinical trials

- Clinical trials can be considered **pilot projects** (as mentioned in the previous paragraph). The same rules therefore apply to the granting of support: there is both a limitation of the maximum

supportable TRL level (TRL7; for clinical studies Phase 0 - Phase I - Phase IIa) and a limitation of the maximum support amount (**€3 million)**. . Phase IIb studies can be supported if it can be demonstrated that clinical trials are yet to start after the supported project ends. This means there must be a follow-up trajectory. It is emphasized that no support can be given to the final phase of a clinical trial before EMA/FDA approval (such as Phase III studies).

For projects submitted in an interregional or international collaboration:

Given that a large number of international and interregional R&D projects focus on the later stages of the development trajectory, activities leading to TRL 8 in international and interregional projects are co-included as Eligible activitiesas long as they are activities whose main objective is to make further technical improvements to products, processes or services that are not largely established already. Support for these activities will be awarded in the form of subsidies using the support percentage for development projects submitted in interregional or international collaboration.

Project budget

Acceptable costs incurred during development and research projects and feasibility studies and how the budget is constructed are explained in detail in the VLAIO Guide to the Cost Model on VLAIO's website. In essence, the budget includes staff costs of the business and research partners (based on manpower and real wage costs), operating costs of the business and research partners, external performances and investments.

To report the costs per partner, use the excel template which can also be found on VLAIO's website.

The amount of support

The amount of support is calculated as a percentage of the accepted project budget. The structure of this budget and what costs are acceptable are explained in detail in the VLAIO Guide to the Cost Model on VLAIO's website.

As mentioned above, the support percentage consists of a basal subsidy rate, possibly increased by one or more surcharges.

Cumulation with other government support within the same project

The calculation of accepted support will take into account other government support (such as other subsidies) for the same costs (i.e. the same eligible basis can only be eligible once within all programs succeeded by VLAIO). In no case can the support percentage as stipulated by the General Block Exemption Regulation be exceeded.

Staff members for whom grantees use the specific measure of partial tax exemption for a Young Innovative Company (YIC)[3] cannot be included in a project budget for feasibility studies, research and/or development

[3] The Young Innovative Company definition applies to companies that meet the following requirements:
- it is a small company;
- it has existed for less than 10 years;
- it was not established as part of a concentration, restructuring, expansion of a former activity or acquisition of such activities;
- it has incurred R&D expenses that represent at least 15% of the total costs of the previous taxable period.

projects as of January 1, 2022 (more information on alternative measures for partial tax exemption is available on VLAIO's website, only in Dutch).

General aspects of processing a project application

Guidance and preliminary meeting (optional)

An applicant may seek guidance in preparing the application. VLAIO's business consultants are there to help SMEs and offer specialized guidance. You can always contact them for a free preliminary meeting regarding development projects and feasibility studies. More information and the contact form can be found on the VLAIO-website (available only in Dutch).

Companies that are already familiar with how VLAIO operates may also contact us directly at bedrijfsinnovatiesteun@vlaio.be. If desired, a preliminary meeting for projects can be requested with one of our consultants.

Submitting an application

The application may be written in Dutch or English. Applications can be submitted any day of the year.

We recommend consulting the selection criteria for development or research projects and feasibility studies while planning the project.

Within 2 business days of receipt, a notification will be sent to you.

Admissibility

VLAIO will review the support application following the admissibility conditions stipulated in the "The Decree of the Flemish government of May 12, 2017 to regulate support to companies for research and development with a knowledge-based character in Flanders (BVR Bedrijfssteun O&I in Dutch)", mentioned in articles 3, 5 and 17 (available only in Dutch).

An application for support may be declared inadmissible based on any of the following elements as listed in the aforementioned decree:

- The support applicant or any partners do not have sufficient financial capacity to implement the project or succeed;
- The support applicant or project partners do not comply with government obligations or permits;
- The support applicant or project partners have demonstrated incorrect behavior in response to previous applications;
- The support application is identical to another application previously declared inadmissible or refused by VLAIO, except if the previous refusal was due to budgetary constraints;
- The support application does not contain sufficient information to be assessed based on the criteria mentioned in Article 28;

- The projects do not meet the minimum requirements for eligibility in a prima facie assessment to be considered as one or more of the supportable projects; these are listed in Articles 6, 7, 8 and 9;
- The application does not comply with the modalities mentioned in Article 14;
- A contribution by a research organization does not meet the provisions mentioned in Article 18.

In addition, the application will be checked for compliance with the following criteria: These criteria must be met throughout the duration of the evaluation:

- The applicant is (i) a company (or there is at least a clear impetus for one), with operational research and development activities in the Flemish Region or (ii) a non-profit or public law organization with a legal personality and with operational research and development activities in the Flemish Region (or at least a clear impetus for such) and carries out economic activities.
- The statements of the business and research partners are properly signed.
- The application is written in Dutch *or* English.
- The information requested in the application form is complete.
- The rules as formulated in the Annexes to the application have been respected, especially regarding the language and scope of the application.
- Rules regarding the start date and minimum/maximum support amount;
- Maximum project duration of 36 months for development and research projects (unless justified thoroughly).
- Maximum number of pages for **development projects**:
  - For a project proposal with requested support <= €500,000: max. 30 pages + 5 additional pages per additional business partner (not counting subcontractors);
  - For a project proposal with requested support > €500,000: max. 40 pages, + 5 additional pages per additional business partner (not counting subcontractors); in exceptional cases - for very large and complex projects - the limit can be exceeded to add tables and figures. The proportion of text should be limited to max. 40 pages.
- Maximum number of pages for **research projects**:
  - Project description: max. 40 pages. In exceptional cases - for very large and complex projects - the limit can be exceeded to add tables and figures. The proportion of text should be limited to max. 40 pages.
  - Impact: max. 10 pages + 5 additional pages per additional business partner (not counting subcontractors);
- Required attachments, including project budget/quotes/financial information, must be present.
- A "Company In Difficulty (OIM in Dutch)" is generally ineligible. A number of exceptions apply (see the same web page for a detailed explanation on the exceptions and conditions).

When a feasibility study is submitted, the aforementioned eligibility check is also performed and the following rules are added:

- The application document requests the calculation of Net Working Capital (NBK in Dutch) to ensure co-financing capacity (share of the project at its own cost). A further explanation of this calculation is provided in the feasibility study application template. The calculation is supported by the latest income statement and balance sheet.
  - If the calculation of the NBK shows that the amount is insufficient, the co-financing can be additionally substantiated with long-term debt and capital, for which the related agreements and/or deeds will be requested.

- The applicant is not a "Company In Difficulty" at the time of filing.
- The maximum number of pages is further limited to 10 pages + 2 additional pages per additional business partner.

An application that does not meet these criteria or contains insufficient information will be declared inadmissible. This means that the file will not be regarded further. The applicant will be notified of this as soon as possible. The applicant will have the option of submitting a new application at a later date.

Maximum support percentage

The maximum support per research and development project is €3 million. The lower limit is €25,000 for development projects and feasibility studies and €100,000 for research projects.

For subprojects in the later stages of the development trajectory (with results at TRL 6 to TRL 7 (including activities in preparation of TRL 8)), the maximum support is limited to €3 million

For each feasibility study, the maximum support per business partner is €50,000. If the feasibility study is carried out by multiple partners (in consortium or cluster context), the support will be a maximum of €500,000 per study (keeping the limit of the maximum support per business partner in mind).

A company can be granted a maximum of €8 million in business innovation support per (calendar) year. This refers to support to a company as a result of its internal costs, subcontracts and share of the costs of research partners (max. deployment of 30 FTEs/year). In addition to the €8 million, a company can receive an additional €4 million per year in operating support, provided that the projects are in collaboration with SMEs or an (international) partnership. When a company belongs to a group of related companies, the €8+4 million business innovation support limitation applies to the entire group.

Start date

The start date is **at the earliest the first day of the month following the month of submission of the support application.**

If a project is decided on with a suspensive condition, the start date can be at the earliest the first day of the month following the month in which the condition was fulfilled. Naturally, the affected business partner on whom the suspensive condition was imposed does not have unlimited time to fulfill it. In practice, VLAIO expects such a condition to be completed within 4 months of the decision. For European collaboration projects, the start date may shift depending on the modalities of the European call.

Evaluation procedure

For each project, VLAIO designates a project advisor and a financial advisor to handle the application.

For development projects with a support amount of less than €500,000 or feasibility studies, a basic process which focuses on the interaction between the applicant and VLAIO (project advisor) is used. If relevant, for example for complex projects, important questions of support-worthiness, low quality of information provided, and to give the applicant(s) maximum opportunities, this basic process can be extended. This can be done through the targeted and flexible (oral/written) use of external experts, requesting additional information on paper, etc.

Development projects with a support amount of more than €500,000 and research projects are thoroughly discussed with the applicants during the first phase. This conversation may be accompanied by a visit to the company. If necessary, additional verbal and possibly written information will be requested during this meeting. The applicant then has a maximum of 12 business days to provide the additional information and/or a revised application. If not, a decision may be made to proceed with the evaluation process within the scheduled time frame based on the information made available in the original project application. The (modified) project application is reviewed during a second phase with advice from external experts.

Experts are strictly bound by confidentiality regarding the information provided. In selecting external experts, care is taken not to engage potential competitors or stakeholders. Applicants may also provide a limited and nominative list of experts to be avoided (maximum 15 individuals, companies or research groups, not entire research organizations). The names of the experts will not be disclosed to the applicant. In case the applicant comes to present the project proposal, it goes without saying that the experts will be introduced at the time of the meeting (but not before).

Based on all available information (including the advice of external experts), a report will be prepared on the basis of which the decision is made. The full report will be sent to the applicants along with the decision.

The support granted may also be made contingent on the fulfillment of specific conditions at the start of or during the project implementation. These conditions may be organizational, substantive or financial.

Projects are always evaluated according to the criteria of the program in which the project was submitted. In case a project application was submitted as a (mixed) research project, it is evaluated according to the applicable criteria (cfr. Annex 1). If, after evaluation, the project appears to be satisfactory but can be considered a development project, a decision can be made to grant development support without the need to submit a new project application. In that case, the modalities applicable to development projects logically apply (25% basic support, etc.).

Explanation of added value for Flanders

The money that the Flemish government invests in companies for R&D efforts must generate sufficient added value for Flemish society (the Flemish taxpayer who *in fine* co-finances the project). A project may of course have a positive impact on regions outside Flanders, but when assessing the application, VLAIO will look first and foremost at the added value for Flanders.
To be able to assess this, primary consideration is given to the **economic impact** resulting from the innovation, either by:

- employment and investment or
- a growth in labor productivity[4]

An applicant must choose between one of the two options. Combined impact descriptions will not be accepted.

[4] This is an experiment that will take effect from May 1, 2024 and will be continuously evaluated. Other forms of productivity, such as CO_2productivity, resource productivity, water productivity, etc. do not qualify.

For a **research or development project**, the business case must include a compelling and substantiated prediction of the economic impact (qualitative and quantitative) that will occur in the five years following the project's end:

- results in an economic impact through employment and investment, achieving at least a leverage of 10 or
- results in growth in labor productivity of at least 30%.

The concepts of leverage and labor productivity are specifically defined in the following paragraphs.

A **feasibility study** must always describe the economic activity in the intended follow-up trajectory through a qualitatively elaborated and substantiated economic impact, either based on employment and investment or labor productivity. The potential must be outlined and make the ambitious nature of the follow-up trajectory clear, but it may still contain uncertainties that the feasibility study clears up.

General agreements on impact evaluation

As a general rule of thumb, the valorization period should correspond with the normal life cycle of the results. By default, a valorization period of 5 years is assumed (starting at the end of the supported project). If there are clear reasons to consider the business case over a longer period of time, this can be taken into account (max. 10 years). The extension of the valorization period should be explicitly argued in the application document. This extension only applies to economic impact through employment and/or investments.

If a project is submitted by multiple business partners, the valorization potential is considered at the project level. Each business partner should substantiate the added value of the project for Flanders. Some business partners may opt for the employment and investment-based approach and while the other business partners opt for labor productivity growth. The total added value (i.e. achieving a leverage of 10 and/or 30% growth in labor productivity) is always assessed jointly for the group of business partners who have chosen one approach or the other. The failure of one group of companies to achieve the minimum leverage cannot be compensated for by a higher than minimum required growth in labor productivity by the other group and vice versa.

If several supported projects are carried out by the same partner - for which the joint results give rise to added value - the total subsidy will be compared with the total added value in Flanders (cumulation) during each successive decision. Applicants submitting multiple projects for the same innovation must always account for the added value to Flanders in the same way, either through employment and investment or growth in labor productivity. The choice made when the innovation is first submitted determines any subsequent trajectories[5].

Valorization is a very important aspect of the project. Therefore, the applicant should always report significant changes in prospects or realization in the reports, including during the valorization period.

[5] An exception can be made during the transition period following the introduction of labor productivity. A previous project, after all, did not have the ability to capitalize on labor productivity. A company may submit an impact based on labor productivity during a new project application that is associated with a previous project, provided the impact of the previous project is recalculated to labor productivity. However, each individual project must meet the minimum criteria.

CALCULATING ECONOMIC IMPACT BASED ON EMPLOYMENT AND INVESTMENT

To structure discussions about economic value creation in Flanders, VLAIO relies on two indicators to determine the economic impact: additional **staff costs** (in the broadest sense) and **(depreciation on) investment costs** for activities in which the project results are used. These are the constituent elements of the leverage calculation. Only costs incurred after the end of the project are eligible.

Staff costs linked to employment retention are valued less. For the calculation of value creation, a maximum of 50% of the costs linked to staff retention can be taken into account. Staff costs linked to new hires during the project also fall under this rule.

Investments made after completion and as a result of the project are eligible for calculating economic value creation. This may include buildings, production lines, installations and machinery that will permanently be part of the infrastructure or research equipment that is not standard equipment.

As mentioned above, the period within which economic value is calculated is by default 5 years after completion of the project. This period may be extended, subject to substantiated justification, up to a maximum of 10 years after the end of the project. The credibility of the argument provided is assessed during the evaluation.

A **substantiated estimate** of the potential for added value using credible scenarios will be requested. Effects at subcontractors or suppliers in Flanders, with whom a lasting and demonstrable collaboration exists, may also be taken into account. It is important that the hypotheses adopted are adequately substantiated. Furthermore, risk is taken into consideration (e.g. projects with a very high potential but low success rate).

A clear approach to substantiate this is a table that starts with the market and calculates revenue and value added based on the product/process/service life cycle. From there on out, it is possible to determine what that means in terms of remuneration and/or investment in Flanders. It is important to clearly describe the assumptions on which the table is based and to justify why these assumptions are realistic. For an existing company within a more or less known business, maximum use should be made of publicly available data or historical figures (e.g. ratio of sales to employment) and, when deviating from this, it should be clearly justified why.

Only projects that can realistically lead to at least a leverage of 10 within 5 years after the end of the project can be considered for support. The calculation of leverage is based on the net subsidy received by the company. This means that in case of collaboration with a Flemish research organization (if the research organization is a partner in the project, not a subcontractor), support for the costs incurred by the Flemish research partner is not taken into account when calculating the leverage. The leverage is thus calculated as follows:

$$Hefboom = \frac{L_{Tot} + I_{Tot}}{S - S_{OZP}}$$

With

- L_{Tot}: the cumulative eligible labor costs during the valorization period
- I_{Tot}: the cumulative eligible investments during the valorization period
- S: the total subsidy

- S_{OZP}: the amount of subsidy associated with knowledge institutions as research partners

The revenue realized from the project innovation does not contribute to the leverage.

CALCULATING THE ECONOMIC IMPACT BASED ON GROWTH IN LABOR PRODUCTIVITY

Introduced as an experiment, this alternative approach to quantifying added value for Flanders focuses on the niche of companies that are unable to grow in employment due to labor market tightness. A tightness caused by a difficult-to-recruit profile also qualifies for this.

Eligibility conditions:

- The Flemish location to which the growth in labor productivity relates must employ at least 10 FTEs at the time of application. Freelancers are not taken into account, either for determining the lower limit of 10 FTEs or for calculating labor productivity.
- The growth in labor productivity must not be accompanied by a reduction in staff through layoffs. Natural variations in staffing levels (e.g., retirements, replacement of a senior profile taking up another position by more than one junior profile, etc.) are accepted . Such natural turnover is generally estimated at an annual variation of around 2.5% of the number of FTEs[6] .
- The growth in labor productivity must be related to the project innovation. This must be substantiated.
- The growth in labor productivity must be anchored in Flanders and only relates to the company's lacation in Flanders.
- For large companies consisting of different business units, the growth in labor productivity can be determined by the parameters of the business unit where the innovation will take place. This business unit must consist of at least 10 FTE employees (no freelancers). It is the responsibility of the company to make a reasoned and realistic estimate.

Labor productivity (AP) within the applicant company is calculated as gross value added per FTE.

Gross value added (BrTW) is defined on the basis of the most recently filed annual accounts or more recent, but certified interim figures, if these deviate significantly. The calculation method is summarized in the table below, with the formulas referring to the codes in the annual accounts.

AP = BrTW / FTE **Limited to Flemish locations**
BrTW **=** **operating income - trade goods and raw materials - services and miscellaneous - operating subsidy**

[6] This is a guideline value, and it should be noted that, especially for small companies, natural staff variation during a given year may exceed this guideline value (e.g., one retirement in a company with 20 FTEs already represents a variation of 5%).

Full schedule	Condensed schedule
BrTW = 70 + 71 + 72 + 74 - 60 - 61 - 740	BrTW = 9900 - 76A - operating subsidy
FTE = average number of employees in FTE (code 1003)	

A growth in labor productivity (nominal) of at least 30% is expected, starting from the beginning of the project until no later than 5 years after the end of the project.

If several companies in a multi-partner project choose labor productivity, joint labor productivity is calculated as a weighted average of individual labor productivity with the number of FTEs as the weighting factor, following the formula:

$$AP_{Project} = \frac{FTE_{Bedrijf1} \times AP_{Bedrijf1} + FTE_{Bedrijf2} \times AP_{Bedrijf2} + \cdots}{FTE_{Bedrijf1} + FTE_{Bedrijf2} + \cdots}$$

Growth in labor productivity can be achieved by increasing operating income and/or reducing purchase costs.

A clear approach to substantiate this is a table based on the relevant terms in the formula for BrTW that will be affected by the project. It is important to clearly describe the assumptions on which the table is based and to justify why these assumptions are realistic. Where available, maximum use should be made of publicly available data or historical figures within the company (e.g., relationship between production costs, production volumes, and pricing) and, if deviations are made, these must be clearly justified.

A summary overview of the 2 options for determining added value for Flanders can be found in Annex 4.

Social impact

In addition to the economic value creation mentioned above, project results can also create social value. Social impact is considered an important added value of a project and assessed following separate criteria (see Annex 1). This assumes a global impact (i.e. not limited to Flanders).
Areas where social value can be created include (but are not limited to):

- Environment, Biodiversity & Water Management
- Circularity
- Energy & Climate
- Health & Care
- Education & Competencies
- Mobility & Smart Cities
- Sustainable Nutrition & Sustainable Food Strategies
- Other

We request that - if your project has a social impact - you choose one of the aforementioned domains in the template and **always provide a qualitative evaluation of the social value creation** of the project.

If the social value creation is also substantiated in a verifiable/quantified manner, extra points can be obtained for this in the assessment (see evaluation criteria in Annex 1). Projects with a negative social impact are not eligible for support.

Evaluation and selection criteria

Support applications are evaluated as solid **projects within their specific business context**. Therefore, a demand-driven approach is used, with projects emerging bottom-up (at the initiative of the companies). It is also noted that the greatest impact can be achieved by supporting companies that want to make a **transformation** (a transition, a breakthrough, a diversification, a modernization) through innovation and thus build a sustainable competitive position and increase their **competitiveness**. This includes aspects such as **innovativeness** (new solutions) and **challenges** (risks). The evaluation is based on a **global appreciation** of the project's contribution to the company's transformation process, and its impact on the company itself and on the Flemish economy.

The decision regarding the granting of support for a project takes into account:

- the **additionality** of the support,
- the **potential impact**: both for the company and for Flanders,
- the **quality** of the project proposal,
- the **knowledge accumulation** for the company,
- the **risks and challenges** of the intended innovation.

It is important that the information in the application document allows for proper judgment. In addition to the aforementioned aspects, a general **business and financial analysis** will also be conducted. This involves examining whether the business partners have sufficient financial capacity, whether they comply with other government and permit obligations and whether the business partners have implemented previous projects correctly, including in terms of the provision of information, substantive and financial obligations and reporting.

Research and development projects

The dimensions described above are translated into a set of evaluation criteria (see Annex 1).

Assessment is based on an overall appreciation. This means an appreciation is given on each criterion where “indications for” and “indications against” are weighed against each other, which then results in a score: “critical” (= exclusion of support), “fair” (= score -1), “good” (= score 0) or “very good” (= score +1).

For all projects within the development and research programs, the granting of support is only possible if a minimum total score is achieved. The selectivity of support (i.e. the minimum score required to qualify for support) is determined on the basis of (1) overall quality of the project and (2) available budget. The selectivity used at the time of project submission is published on the VLAIO website.

If several companies participate in a project, the appreciations can be an average of the appreciations for the individual companies, taking into account their relative importance if necessary.

Feasibility studies

The dimensions described above are translated into a set of evaluation criteria (see Annex 2).

Assessment is based on an overall appreciation. This means an appreciation is given on each criterion where "indications for" and "indications against" are weighed against each other, which then results in a score: "critical" (= exclusion of support), "previously weak" (= score -1) and "good" (= score 0). By doing so, it is logical that each main criterion in the consideration must score satisfactorily on its own for the project to be considered for support.

If several companies participate in a project, the appreciations can be an average of the appreciations for the individual companies, taking into account their relative importance if necessary.

The selection criteria for development and research projects are further explained in Annex 1 and for feasibility studies in Annex 2.

Financial capacity

In addition to the selection criteria described above, it is important that applicants have sufficient financial capacity to implement and valorize the project. At a minimum, the partners must be able to implement the project. This means they must have the financial capacity to operate the business normally while bearing their own share of the costs. Therefore, when support is granted, consideration is given to whether there are any counter-indications to this. This analysis has three possible outcomes:

- There are no counter-indications regarding the company's financial capacity.
- The company is clearly unable to carry this project.
- Specific **financial conditions** such as a capital increase or rescheduling of debt are imposed regarding available financial resources. The support and advances will then be paid only if those conditions are met.

For existing companies with sufficient history, the financial analysis is done primarily on the basis of the data in the filed financial statements and the data available through Graydon. However, this can be supplemented with any information VLAIO deems necessary such as a current cash flow plan in the case of a cash burner.
For start-up companies or in case there is a strong deviation from the ongoing business operations, the analysis will be done on the basis of an overall business plan, with due attention paid to the financial planning.

Furthermore, the partners must have the necessary permits to carry out the activities during the project. Generally, this will rely on the declarations of the applicants, but conditions may also be imposed in specific cases.

Organized appeal

Business partners may counter a decision through an organized appeal, except for a review of the support based on formal determinations such as, among other things, failure to submit timely reporting or failure to forward payments from a research partner.

The organized appeal must be submitted to VLAIO within a period of 30 working days from the decision and be based on clear, verifiable elements. These include specific elements in the submitted project application and additions before the decision that the applicants felt were not properly appreciated.

In case of an endorsement of an organized appeal, the project objective must remain unchanged. If the business partners believe that they would achieve a supportable project with a modified project objective, they cannot use an organized appeal to do so, but must submit a new project application.

Complaints

If an applicant is dissatisfied with VLAIO's method of treatment, they may file a complaint in writing, orally or electronically at any time. These complaints will be addressed within 45 days of receipt.

Complaints about a negative review of an application may be filed only after an organized appeal of the decision has been filed and heard.

Confidentiality

VLAIO's staff members (as well as any other persons who become aware of a request for support) are obliged - for information from or about companies, institutions or individuals about ideas, innovations or research results, as well as for opinions formulated - to:

1. work in a strictly confidential manner;
2. communicate with third parties only if it is in the direct interest of the company, organization, institution or person requesting the support, or if it is a functional part of the processing of the application or of an ongoing file at VLAIO;
3. never use or distribute them for your own benefit or for personal gain.

These obligations continue to apply even after the end of employment with the Flemish government or appointment as a member of the decision-making committee at FIO or as an external expert, or after the end of the performance of any other assignment at the request of VLAIO.

The aforementioned principles are regulated by decree.

All staff employed by VLAIO are subject to the staff regulations and individual staff employment contracts. External experts sign a separate confidentiality agreement for each individual project proposal they handle.

Rights and obligations associated with the awarding of support

All information and agreements regarding the implementation and follow-up of supported projects can be reviewed in the explanatory document "implementation and monitoring of development and research projects", which can be found on our VLAIO website. Some basic principles will be briefly explained below.

Agreement (resource commitment)

The support agreement between FIO and the business partners consists of the General Terms and Conditions of Innovation Support, the Support Awarding Decision including the Reference Documents referenced therein and all Attachments, as well as subsequent amendments to the Support Agreement confirmed in writing by FIO.

The General Terms and Conditions of Innovation Support, which the applicant accepts when submitting an application for support, are published on the support's "next steps" web page in the "Documents section" at

the bottom of the page. Essential elements of the agreement include the budget, amount of support, project objectives and any special conditions that may be imposed in the context of a project.

The principal commitments in the support agreement are resource commitments. The Business partners as grantees hereby pledge to make the necessary efforts to achieve the described project objectives through research and development activities. To this end, the grantee shall use the funds as accepted in the decision. In addition, the grantee also undertakes to apply (valorize) the results, with a view to realizing maximum added value in Flanders. This commitment remains applicable until 5 years after the end of the project (valorization period).

Collaboration agreement

If multiple business partners collaborate in the project or if there are research partners, a mutual collaboration agreement is required. The collaboration agreement must be drafted in execution of the agreement with the FIO and should not contradict it at any point.

The collaboration agreement must address at least the following issues[7:]

- Designation of the project coordinator;
- Modalities such as services or products to be provided, cost calculations, payment modalities, etc.;
- Agreements on intellectual property rights (ownership and usage rights, mode of protection, exploitation strategy, etc.);
- Procedure in case of any disputes.

In case of collaboration with research organizations, the collaboration agreement must be in compliance with the regulations applicable to it, in particular state support regulations. This is the responsibility of the collaborative partners themselves.

If the agreements between partners play an essential role in the assessment of the application possibilities, VLAIO will request access to the mutual agreements during the processing of the application. Except for justified exceptions, a signed collaboration agreement must be submitted to VLAIO within 4 months of the awarding of the support.

Payment of support

Payment of support is done in annual advances. In some cases, special conditions may be imposed that include specific timing, for example, recruitment after 6 months. If those special conditions do not coincide with the annual reporting, VLAIO may decide to deviate from the annual advances and work with more (and thus smaller) advances linked to the special conditions.
Regardless of the number of payments, the first advance will be paid after the start of the project is confirmed by the applicant online and any special conditions are met. At the end of a project, the final amount of support will be determined based on the accepted costs. Taking into account the sum of advances already paid, the final bracket will be determined. If the final amount of support is less than the sum of advances already paid, the difference will be recovered.

[7] See also article 4.3 General Terms and Conditions Innovation Support. Further useful information related to the establishment of a collaboration agreement between business partners and research partners can be found in the VLAIO publication Our Patent Chapter 5 and its annexes, see: https://www.vlaio.be/nl/publicaties/ons-patent-boekje-hoofdstuk-5.

Business partners are paid directly and individually. Since research partners are not direct grantees, business partners will pay their invoices. Such costs are part of the acceptable costs incurred for which support is received.

The FIO may suspend the disbursement of support under certain conditions and may even review and recover the support if the conditions and provisions in the agreement are not met. Further details on this can be found in the document "General Terms and Conditions Innovation Support". The various versions of the "General Terms and Conditions Innovation Support" document, relevant to the time of submission, can be found on the "Next steps" web page in the "Documents" section at the bottom of the page.

Reporting

Standard project reporting consists of short follow-up sheets and a report (through a digital webform) at the end of the project implementation. In addition, specific reports or evidence may be requested during mid-term evaluations or to complete special conditions. To follow up on valorization commitments, two impact reports are requested for research and development projects during the valorization period: one after 2 years from the end of the project and one after 5 years from the end of the project. One impact report is required for feasibility studies 2 years after the end of the project.

In case of unforeseen and significant changes during implementation, a notification must be made urgently. Small changes to the budget, small shifts in budget between partners, or a delay in project execution can be notified within the progress reports.

Annex 1: Selection criteria for research and development projects

I. QUALITY (project implementation)			
1. Clarity and realism innovation objective			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• The innovation objective is too unclear/incomplete or insufficiently verifiable OR • The success rate of the innovation objective is virtually non-existent.	• The description of the innovation objective is acceptable but flawed in terms of clarity and/or completeness and/or verifiability AND • The innovation objective has a real chance of success.	• The innovation objective is clear, complete and verifiable. Where possible, objectives have been quantified. AND • The innovation objective has a real chance of success.	
2. Knowledge accumulation/challenges			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• The project lags behind the state-of-practice in the industry. OR • The project consists mainly of engineering or routine improvements. OR • The knowledge is commercially available and can be easily applied/adopted. OR • Development is already in a later stage (TRL 8-9). OR	**For research projects (incl. mixed)** • Knowledge accumulation among the submitting Flemish companies is rather limited. OR • Limited contribution to international state-of-the-art in the sector or limited scientific challenges. OR (If applicable) only activities in the higher TRL levels (5-7). **For development projects**	**For research projects (incl. mixed)** • The project makes a clear and significant contribution relative to the international state-of-the-art in the sector. It contributes to increased knowledge accumulation in the Flemish company and involves significant scientific challenges. The activities are not purely limited to the higher TRL levels (5-7). **For development projects**	**For research projects (incl. mixed)** • Like Good + The project has a distinctly innovative character (compared to other projects in the sector).

I. QUALITY (project implementation)			
• The project is based on pseudoscience or is purely focused on placebo effects. OR • The project builds on products/services that have insufficient scientific evidence, and this project does not add sufficient scientific evidence. • Knowledge accumulation among the submitting Flemish companies is insufficient.	• Knowledge accumulation among the submitting Flemish companies is rather limited. OR • The challenges (technological, technical or scientific) are limited. OR • (If applicable) a significant proportion of activities are already in a later stage (TRL>7).	• The project contributes to significant knowledge accumulation and absorption within the Flemish company and is accompanied by sufficient challenges (technological, technical or scientific). The knowledge is not commercially available. The activities are not already in a later stage (i.e. no later than TRL 7).	
3. Relevance and quality of the project to achieve the innovation objective (including the valorization objective)			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• There are significant deficiencies in the approach (e.g. overall approach insufficiently clear, challenges insufficiently identified, approach insufficiently aligned with challenges) that clearly limit the success rate of the scientific objectives. OR • There is a clear mismatch between the project's implementation and the valorization objective. The project does not contribute (or only to a very limited extent) to the valorization objective. OR	• There are some shortcomings in the approach (e.g. in terms of clarity, in terms of identifying and addressing challenges, in terms of the quality of the work program), but this poses a limited risk to the success rate of the scientific objectives. OR • A significant part of the project contributes to the intended valorization but there are also partial aspects that do not (sufficiently) contribute to the valorization objective. OR	• The project approach was described sufficiently clearly. AND The approach is well aligned with achieving the scientific objectives (including in terms of addressing challenges). AND The approach is tailored to achieve the (long-term) valorization objective. AND The predetermined timing is sufficiently realistic.	

I. QUALITY (project implementation)			
• The predetermined timing is unrealistic AND limits the success rate of valorization.	• The predetermined timing is too optimistic and poses a limited risk to the success rate of valorization.		
4. Required expertise and resources			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• Key expertise, resources or infrastructure required to implement the project are not present and there is no prospect of them. OR • Negative financial analysis of the company (including co-financing capacity).	• The most crucial expertise and resources are in place, but there are a number of deficiencies in the expertise/resources present and no feasible remedial plan was presented so the project cannot be implemented optimally.	• The most crucial expertise and resources are in place. Any deficiencies in expertise/resources were identified and a feasible plan for timely remediation was presented. • Established R&D actor - The consortium has all the necessary expertise, resources (including financial resources) and infrastructure to properly execute the project.	• The consortium has all the necessary expertise, resources (including financial resources) and infrastructure to properly execute the project. This occurred thanks to recent efforts (hiring, financial resources) that are substantial relative to the company's R&D capacity.
5. Budget			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• Deployed resources are clearly disproportionate to the intended activities.	• Deployed resources have limited justification or are less well matched to the intended activities.	• Deployed resources (manpower, equipment, facilities) are well motivated and match the tasks to be performed.	
6. Track record project execution			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**

I. QUALITY (project implementation)			
• Weaknesses in the track record in terms of implementation of VLAIO projects among business partners.	• At least one of the business partners has a weaker track record of implementing VLAIO projects.	• The business partners have a good track record of implementing VLAIO projects. OR • N/A: First project submission to VLAIO	

II. IMPACT			
1. Strategic interest of the project for the business partners			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• The strategic interest is unclear, insufficiently substantiated or unrealistic.	• The project will result in only a limited increase in competitiveness or sustainability for the company (or most of the business partners in a multi-partner project). OR • The strategic interest is presented too optimistically.	• With this project, the company (or the majority of the business partners in a multi-partner project) can achieve a significant increase in the company's competitiveness or sustainability*. The project fits within the roadmap of each business partner involved. This was clearly and convincingly substantiated. * responding to broader societal expectations.	• As GOOD + this project will allow the company (or at least one of the business partners in a multi-partner project) to realize an <u>important</u> strategic step forward, such as a new technology platform with wide application potential, major diversification, the company becoming substantially greener, or a major increase in the level of ambition in terms of innovation maturity (e.g. first time for structural R&D*). * this is not the same as asking for first-time innovation support from VLAIO.
2. SWOT: opportunities/threats (external):			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**

II. IMPACT			
• No or too limited market prospects: due to small market, quickly shrinking market, too strong competition, obstructive (expected) regulations that limit valorization and for which no realistic action plan for remediation was presented, significant negative social impacts that limit valorization.	• Limited market prospects (due to a shrinking market, saturated market, high competition, unclear regulations or regulations that are changing with some risks for valorization, (negative) social impacts with some risk for valorization, etc.).	• A real market (niche) of sufficient size is accessible to the company. Normal competitive environment. Regulations and possible social impacts do not pose a risk to valorization.	• Like **GOOD +** • a clearly large market, OR • clear advantages (USP) over competition, OR • incentive framework conditions such as (expected) regulation and policy. OR • clear positive social impacts that create valorization opportunities
3. SWOT: strengths/weaknesses of the business partners in relation to the project (internal):			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• The company (or most of the business partners in a multi-partner project) has no real prospect of gaining a position in the market as a result of, among other things: • insufficient prospects for sufficient capital OR • not having the necessary competencies (or no prospect of having them) OR • an inadequate plan of action for valorization or	• The company (or at least 1 of the business partners) has a low probability of achieving a normal/good position in the target market (taking into account available competencies, knowledge of the market, feasibility of scientific follow-up, feasibility of raising required capital, feasibility of strategic alliances, FTO and IPR aspects, cybersecurity, data security, etc.).	• The business partners have a good chance of achieving a normal/good position in the target market (taking into account available competencies, knowledge of the market, feasibility of scientific follow-up, feasibility of raising required capital, feasibility of strategic alliances, FTO and IPR aspects, cybersecurity, data security, etc.).	• The business partners have a good chance of achieving a strong position in the target market (taking into account available competencies, knowledge of the market, feasibility of scientific follow-up, feasibility of raising required capital, feasibility of strategic alliances, FTO and IPR aspects, cybersecurity, data security, etc.).

II. IMPACT			
insufficient market knowledge OR • unfeasibility of scientific follow-up OR • unfeasibility of required strategic alliances or • lack of freedom to operate OR • insufficient attention to cybersecurity and data security.			
4. Added value for Flanders (= OR the ratio of the expected monetized economic added value for Flanders is relative to the support over the entire valorization period OR the growth in labor productivity (AP in Dutch) in Flanders)			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• The expected economic added value for Flanders is insufficient: • there is little chance of reaching a leverage of 10. • Growth in AP is <30% OR • The business case whose leverage or AP was calculated is unsubstantiated or unrealistic. OR • Some or all of the growth in labor productivity is realized through layoffs.	• The business case is sufficiently documented and offers sufficient potential to: • achieve a leverage of 10 OR • Achieve a minimal growth in AP: the growth in AP $\geq$ 30% and < 50%	• The business case on which the leverage was calculated is substantiated and credible AND a leverage of 15 is achievable. OR • The business case based on which the growth in AP was calculated is substantiated and credible AND The growth in AP $\geq$ 50% and < 80%	• The business case on which the leverage was calculated is substantiated and credible AND a leverage of 25 (or more) is achievable. OR • The business case based on which the growth in AP was calculated is substantiated and credible AND The growth in AP $\geq$ 80%
5. Social impact			

II. IMPACT			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• Socially unacceptable (in terms of environment, health, etc.) OR • Ethically unacceptable.		• N/A OR • Positive social impact is not extensive enough and/or insufficiently substantiated and/or not verifiable.	• Valorization of this project will be associated with a significant and verifiable positive social impact (not overshadowed by significant negative social impact); this impact was well substantiated in the application. OR • Valorization of this project provides a substantial verifiable positive contribution to Flemish societal policy objectives (not overshadowed by a significant negative social impact); this contribution was well substantiated in the application.
6. Anchoring in Flanders (including integration into the Flemish innovation ecosystem)			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• There are solid indications that economic added value will not be realized in Flanders.	• The company (or a significant proportion of the company partners in a multi-partner project) has limited anchoring in Flanders and the project has limited positive impact on this anchoring.	• The business partners are well established in Flanders. OR • The business partners are currently only limitedly anchored in Flanders but the project will contribute substantially to a better anchoring of employment and investments in Flanders (such as new collaboration(s) within Flanders, strengthening the internal competitive position compared to other business establishments due to a high	• The business partners are well established in Flanders AND the project will contribute substantially to a strengthening of the embedding in the Flemish ecosystem (including the value chain) through 1) collaborations with Flemish players or, 2) strengthening the internal competitive position compared to other foreign business establishments due to, for example, high innovation capacity, unique

II. IMPACT			
		innovation capacity, unique know-how or high labor productivity, the project being decisive in whether or not an important new research project will be carried out in Flanders, etc.).	know-how or high labour productivity. The project is decisive in whether or not an important new research project will be carried out in Flanders,…
7. Valorization track record Flanders			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• Despite positive project results of previous VLAIO projects (scientific/commercial), the company (or at least 1 major business partner in case of multi-partner project) realized the valorization requirements for Flanders only to a very limited extent.	• Despite positive project results from previous VLAIO projects (scientific/commercial), the company (or at least 1 of the business partners in the case of multi-partner project) only partially realized the valorization requirements for Flanders.	• The business partners have largely or fully achieved their previous valorization requirements for Flanders OR • The business partners are new customers or the valorization period of the first applications has not yet started OR • The previous valorization requirements for Flanders could not be fulfilled because of disappointing (scientific/commercial) results or clearly unfavorable environmental conditions (e.g. extreme tightness on the labor market, new legislation that was unknown at the time of a previous project application, new geopolitical or macro-economic	• As GOOD + for at least 1 business partner, the valorization realized in Flanders clearly exceeds the requirements.

II. IMPACT			
		circumstances, etc.). The applicants' arguments are credible.	

III. ADDITIONALITY			
1. Stimulating effect of the support			
CRITICAL	**REASONABLE**	**GOOD**	**VERY GOOD**
• No stimulating effect of the support. Has not met a single one of Europe's minimum requirements: • SME OR • project cannot be implemented without support OR • support leads to deeper research OR • support leads to faster completion of project OR • support leads to more R&D at the corporate level OR • to a larger project OR • support leads to more collaboration.		• For each of the business partners there is sufficient evidence that at least one of the minimum European requirements regarding the stimulating effect of the support has been met: • SME OR • project cannot be implemented without support OR • support leads to deeper research OR • support leads to faster completion of project OR • support leads to more R&D at the corporate level OR • to a larger project OR • support leads to more collaboration.	

III. ADDITIONALITY			

Annex 2: Selection criteria for R&D feasibility studies

The indications listed in the tables below are not exhaustive. A critical evaluation of one of the criteria or three previously weak evaluations always lead to a negative evaluation of the project.

I. **ADDITIONALITY** □ NOT SUPPORTABLE □ SUPPORTABLE	
Stimulating effect of the support This criterion evaluates the extent to which the support has a stimulating effect and is necessary for the company to carry out the project.	
INDICATIONS AGAINST	**INDICATIONS FOR**
• No stimulating effect of the support. Has not met a single one of Europe's minimum requirements.	• For each of the business partners there is sufficient evidence that at least one of the minimum European requirements regarding the stimulating effect of the support has been met: • Submitted by SME. OR • support deepens, accelerates or broadens the project. OR • the project triggers an increase in innovation spending and/or innovation capacity accumulation. OR • the project and/or the intended follow-up trajectory cannot be carried out under current conditions without support.

II. **IMPACT**		
CRITICAL	**WEAK**	**GOOD**
• The business case is not sufficient: is unclear, does not include a USP, contains gaps, is insufficiently substantiated or is overly optimistic. OR • innovation is focused on extinction activities.	• One or more criteria for the GOOD score are not met.	• The business case for the intended follow-up trajectory has been developed clearly. AND • the USP of the intended innovation has sufficient potential. AND

II. IMPACT		
OR • there is insufficient expected added value for Flanders. OR • the intended follow-up trajectory is socially unacceptable OR • anchoring of the added value in Flanders is insufficient.		• market potential was substantiated. AND • the intended innovation has a significant impact on the applicant's position in the market. AND • there is clear potential growth (additional employment/investment) thanks to the follow-up trajectory. AND • the anchoring of added value in Flanders is clear.

III. POTENTIAL TO REACH THE IMPACT		
CRITICAL	**WEAK**	**GOOD**
• Too limited market prospects (due to a small or quickly shrinking market, strong competition, prohibitive or unclear regulations, blocking property rights of others, etc.). OR • insufficient knowledge of the market, regulations, customer expectations, competition, barriers. OR • the company has a weak starting position in the market and does not compensate that with a sufficient plan of action or track record of previous successful marketing of innovations. OR • there is insufficient perspective that the company will have the appropriate expertise and resources to successfully carry out the follow-up trajectory.	• One or more criteria for the GOOD score are not met.	For the intended innovative development in the follow-up trajectory, the following applies: • The real accessible market for the company was substantiated and is sufficiently large. AND • there are no restrictive regulations or they are clearly explained. AND • the starting position and competitive landscape are clearly explained. AND • the starting position in the target market is favorable and substantiated.

III. POTENTIAL TO REACH THE IMPACT		

IV. OBJECTIVES		
CRITICAL	**WEAK**	**GOOD**
• The objectives of the project are unclear or unrealistic. OR • the project is insufficiently focused on defining a supportable follow-up trajectory. OR • the objectives of the project are not in line with the intended follow-up trajectory and the business case to be realized. OR • the intended objective is already commonplace or elaboration is already in a later stage (TRL 8-9). OR • the potential level of new knowledge or challenges in the intended follow-up trajectory is too limited for the company, or the knowledge is commercially available and can be easily applied. OR • new knowledge is gained but not sufficiently absorbed by the company, meaning the follow-up trajectory and subsequent marketing will be hampered. OR • the project consists primarily of activities other than the examination of the challenging technical and/or scientific aspects of the intended follow-up trajectory.	• One or more criteria for the GOOD score are not met.	• The objectives of the project are clear, solid and verifiable. AND • the project aims to define and expose the knowledge gaps and the technological and/or scientific risks and challenges of the follow-up trajectory. These risks and challenges have been clearly explained. AND • the objectives are aimed at examining the feasibility of a supportable follow-up trajectory. AND • the knowledge accumulated by the company is described in a clearly way.

IV. OBJECTIVES		
OR • the project does not deviate sufficiently from common business practice.		

V. POTENTIAL TO REACH THE OBJECTIVES		
CRITICAL	**WEAK**	**GOOD**
• There are shortcomings in the approach (e.g. inadequately tailored to challenges, quality of the work program limits success rate of the project, implementation risks are not identified, etc.) and the company cannot provide a good track record that instils confidence that the project will be well executed. OR • important expertise, (financial) resources or infrastructure required to carry out the project is not sufficiently present. A collaboration does not compensate for this, nor is there sufficient prospect of filling it in in any other way. OR • there is insufficient capacity within the company to implement the project while generating the necessary ongoing revenue. OR • mismatch between project implementation and valorization objective. The project does not contribute (or only very limitedly) to the preparation of an innovative, ambitious and supportable follow-up trajectory or the valorization objective.	• One or more criteria for the GOOD score are not met.	• The approach is clearly described, linked to objectives and logically constructed. AND • the deployment of people and resources is substantiated and realistic. AND • the division of labor between the partners is explained in concrete terms. AND • the company's capacity and internal expertise is described and it is demonstrated how the applicants will secure the new knowledge internally.

V. POTENTIAL TO REACH THE OBJECTIVES		

VI. TRACK RECORD		
CRITICAL	**WEAK**	**GOOD**
• The intentions for follow-up projects from previous feasibility studies were not sufficiently realized.	• The company has already submitted a previous feasibility study which resulted in limited innovative follow-up.	• The company has a good history of converting previous feasibility studies into innovative follow-on projects OR • This application is the applicants' first feasibility project

Annex 3: Determination of research content

When preparing an application for a research project, justifying the differences from development activities is an important aspect. The following are some recommendations for doing this.

The basics

1. Carefully read this **explanatory document** and the **template for the project application** before you start writing.
2. In order to characterize project activities as research, you must address the 3 main criteria:
   - Construction of **new, boundary-pushing knowledge** compared to the accessible international state-of-the-art (SOTA) **)** in the field or sector in which the company operates or will valorize the results. This is knowledge that cannot be sourced or known or that is not accessible. It is best to formulate this accumulation of knowledge as a concrete (SMART) research question. Challenging knowledge accumulation that is new to the company and/or Flanders, but available elsewhere in the world, is seen as development.
   - A **planned and critical approach**. It should lead to a deeper insight and understanding of how and why something works, correctly validating the answer to the research question. This approach should be clearly visible in the work plan (concrete research method, clear plan for feedback and validation). Also make it clear that the company has staff with the appropriate expertise, both to implement the project and to absorb the new knowledge.
   - A **high level of substantive challenges and risks**. Operational risks are not part of research activities. Be sure to also provide a plan for dealing with substantive risks.
3. **Other indications** for research can be useful to support a project proposal but are **often not decisive**. Indications for research include a large distance to the market, a low TRL level, lab-scale activities, collaboration with research partners, a broader scope outside the intended application, limited guarantee of success, etc. Indications against include an almost market-ready product, optimization, miniaturization, screening, transfer from another domain or trial and error without significant substantive risks nor a need for additional knowledge accumulation.

Avoiding pitfalls

1. The **language and description** of your project proposal should start **with the criteria used by VLAIO.** These are very different from what you use to defend a project in a business context. If you have little or no experience in this, have your project proposal proofread by someone else (e.g. VLAIO's business consultants, a more experienced colleague or acquaintance). Specifically, for substantiation of research content, the following points of interest are crucial:
   - Focus on the new, boundary-pushing **knowledge** being built (which determines the research content) rather than the new product, service or business case (which substantiates the USP and valorization potential).
   - Focus on **how** the knowledge will be built (which determines the research content) and not just what tools are used in the process (e.g. software, AI, CFD, LCA, pilot, clinical trials, citizen science, data collection, etc.). The use of a particular tool does not in itself guarantee a research activity but it can help substantiate the description of the critical and planned approach.
   - Focus on the **concrete substantive steps** of knowledge accumulation (which determine research content) rather than operational flow. So don't "investigate," "explore," "extend," "validate," but concretely name what you will do and how you will do it: what new algorithm, model, paradigm, etc. is created or added to existing knowledge and with what underlying substantive method is it built (theory, computational method, analytical technique, etc.).

2. In projects with **multiple partners or mixed projects** in which both research and development tasks take place, make the **substantive** role of each partner and/or task clear. Is it about validation, providing data and cases, a sounding board? Or does the partner/task contribute to the concrete activities of knowledge accumulation? "Collaborating" with a research organization is not enough; the company's substantive role in that collaboration is decisive. Make sure the role of each research partner is clear.

For **service innovations**, **projects with high societal potential** and generally for **projects with a less or non-technological approach**, it is important to formulate the concrete research questions according to the 3 main criteria for research.

Limited activities that are not research activities per se may possibly be counted among the research activities, provided that they are absolutely necessary for the research and do not go beyond what is necessary (e.g. a specific test setup, preparation of a limited number of crucial specimens, etc.).

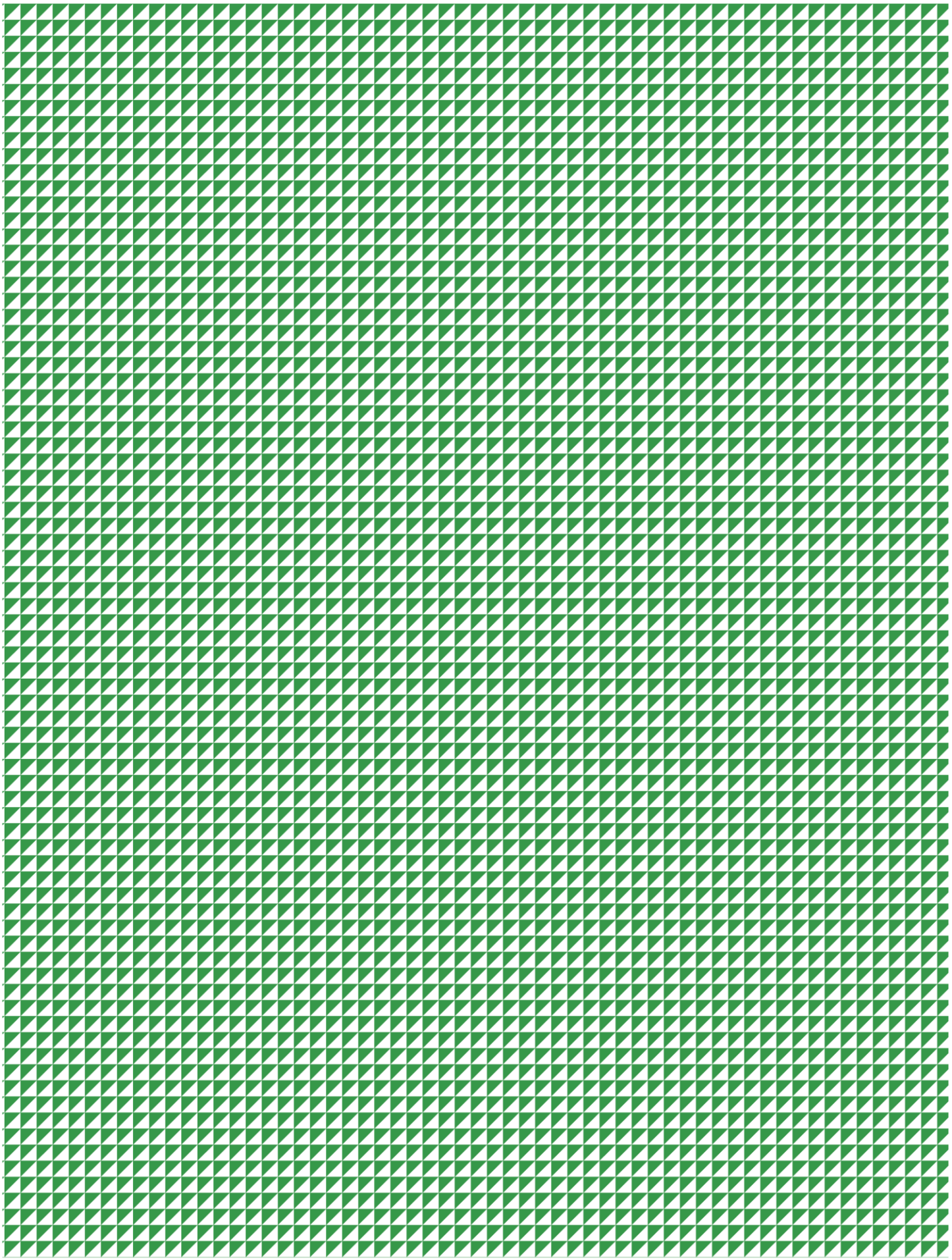
Tips

1. Make sure the description of the project is **concise, concrete and focused**.
   - Limit each paragraph to **what is requested** in the template. Read the instructions in the template carefully so that no information is missing and make sure there are no unnecessary repetitions.
   - Keep **relevant info together**. The listing of knowledge steps and overall risks and challenges should be clear from the executive summary and introductory chapters. Reserve the description of work packages and tasks for concrete approaches, specific risks and their management. The rationale and USP of the intended application do not belong in the work plan, nor in the description of the SOTA or approach. They belong in the motivation of the project and in the justification of the valorization potential.
   - Keep the **description as concise as possible** (e.g. concrete solution method, starting point SOTA, delta vs. SOTA, concrete role of a partner, concrete activity for a task). Clearly indicate when a result is successful or not.
   - In multi-partner projects, a **good final editing** is indispensable for consistent terminology and descriptions throughout the project proposal, avoiding repetition, and aligning high-level and concrete-level descriptions.
2. Specifically describe **where the concrete elements of knowledge accumulation go beyond the accessible SOTA**.
3. Go through the **scoring system** (see Annex 1) critically before submitting a project proposal. The scoring system is also a good guide when writing your project proposal (Have I covered all evaluation criteria?) and helps you set realistic expectations during the evaluation (Does my project meet VLAIO's criteria?).
4. Make good use of the **explanatory meeting** with your project advisor after submission. The questions and advice you will receive during this meeting will primarily serve to make your project proposal stronger before a decision is made by the HBC. After the decision, you can always ask for a **follow-up meeting** if you don't understand the decision.

Annex 4 : Summary added value for Flanders

OPTION 1 - Economic impact based on **EMPLOYMENT AND INVESTMENT**	**OPTION** 2 - Economic impact based on **GROWTH IN LABOR PRODUCTIVITY**

• The business case must either
(1) Be able to substantiate an increase in employment or
(2) Employment retention *.
 	
***** *Only applicable if it can be argued, based on a substantiated business case, that without the implementation of the project and the results from the project, a scenario arises where staff will be laid off.*
 	
• In monetizations of the economic added value, the wage costs of the staff counts:
  • For 100% for additional employment as a result of the project.
  • for 50% for continued employment.
 	
• In addition to the costs of employment, non-recurring post-project investments can be included when calculating the economic added value.
• **A minimum leverage of 10 is to be achieved (sum of economic added value through employment and investment ≥ 10 x support).**
• The valorization period is 5 years, but can go up to 10 years if requested.
	• The business case should substantiate that:
	  • The growth in labor productivity is due to the innovation envisioned in the project and not due to cheaper purchases or the use of purchased machinery.
	  • Labor productivity growth is sustainably anchored in Flanders.
	
	• Labor productivity (AP) = Gross value added (BrTW)/FTE.
	  • The BrTW and FTE in this formula refer to the company in Flanders (not to locations in other Belgian regions or abroad).
	  • Forecast: at minimum 30% increase in labor productivity over a 5-year period after the end of the project.
	
	• NOT to be combined with economic impact based on employment and investment.
	• Aimed at businesses that are unable or find it very difficult to grow in employment due to labor shortages.
	• Applicable only to established companies (in Flanders) with at least 10 FTE.
	• May NOT involve layoffs.
	• The valorization period is set to 5 years.



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