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Explanatory Document on Development Projects, Research Projects and Feasibility Studies

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1. What support can you receive?

You can receive support for various innovation activities: feasibility studies, development projects and research projects. You choose the project type for which you submit a support application. Your project must aim to build knowledge and lead to the development of innovative solutions.
When awarding support, we give priority to projects with higher risk and greater potential impact in economic and/or social terms in Flanders.

Good to know:

- The innovation you have in mind may be either technological or non-technological.
- You can submit a project application for innovation support at any time of year.
- During the processing of your project application, there will be interaction with the VLAIO project adviser.
- To be eligible for support, the applicant must define specific and measurable project objectives (in accordance with the SMART principle) and develop a convincing business case.
- A project eligible for support implies that the activities in the project are also eligible for support. To receive support, both your project and the activities must be eligible. Further explanation of eligible activities can be found later in this document.
- The support percentage varies depending on the project type, from 25% to 70% of the accepted costs. The support percentages are discussed later in this explanatory document.
- For all research projects and development projects that receive a grant of more than EUR 500,000, we obtain written advice from external experts as part of the evaluation. For feasibility studies and development projects with a grant below EUR 500,000, evaluation by external experts takes place only where necessary. In those cases, we may obtain both oral and written advice.

1.1. Research versus development projects

Research and development projects are often mentioned together, but we distinguish between them according to the extent to which you acquire new knowledge and how challenging the project's implementation is. These aspects are addressed in the project objectives and the work programme.

1.1.1. Description of research projects (50% basic support)

Research projects support activities in which **new knowledge**, insights and skills are built up in a critical and systematic way. The results must be used at a later stage to develop new products, services or processes, or to make noticeable improvements to existing ones. This must be clearly included in the project objectives. A project (or part of a project) is regarded as research if it meets all the following conditions:

1. The project (or part of the project) represents a **clear or substantial step forward for the enterprise in terms of knowledge, insights and skills. In addition, it represents at least a demonstrable** – albeit possibly limited – **advance on the international publicly accessible state of the art (SOTA)** in the field or sector in which the enterprise operates or in which the results will be applied. The advance on the SOTA must not be only at the level of the application, but also at the level of the knowledge and skills being built up. You should formulate this knowledge-building as a specific SMART research question.
2. The project (or part of the project) involves significant challenges and risks. You should not include the following risks: commercial risks, management risks and uncertainties concerning

manpower, timing and budget. Make sure you also include a plan with measures to address substantive risks.

3. The approach to the project (or part of the project) is well-considered and planned and is aimed at an in-depth, scientifically substantiated understanding of the underlying phenomena. The answer to the research question must be validated.

In principle, a research project has a maximum duration of three years. A longer duration is possible, but in that case a clear and well-substantiated justification is required.

Points to note:

- Challenging knowledge-building that is new to the enterprise and/or Flanders, but is available elsewhere in the world, falls more readily under development.
- The approach must be clearly visible in the work plan, including a specific research method and a clear plan for feedback and validation. State in the project proposal that the enterprise has staff with the right expertise, both for the implementation of the project and for the absorption of the new knowledge.
- Elements that point towards research:
  - a large distance from the market (a low TRL level)
  - activities on a laboratory scale
  - collaboration with research partners
  - applicability in situations other than those for which it was originally intended
  - limited guarantee of success
- Elements that point towards development:
  - optimisation
  - miniaturisation
  - screening
  - transfer from another domain
- Elements that point towards engineering: activities without significant substantive risks and without the need for additional knowledge, including an almost market-ready product or a trial-and-error approach.

1.1.2 Description of development projects (25% basic support)

Development projects focus on creating new knowledge for the company, not on developing knowledge that is new compared with the international publicly accessible state of the art. This is what distinguishes them from research projects. Development projects start from existing knowledge and skills and use these to create plans, designs and prototypes that lead to new, improved or modified products, processes or services. This may involve scientific, technical, business-related or other knowledge.

In principle, a development project has a maximum duration of three years. A longer duration is possible, but in that case a clear and well-substantiated justification is required.

1.1.3 Research or development?

Projects that contain both research and development must be submitted as research projects.

Make sure that the language and description of your project proposal are aligned with the criteria used by VLAIO. These criteria differ significantly from the criteria you use to defend a project in a business

context. If you don't have much experience with this, get your project proposal reviewed by someone else, such as a VLAIO business adviser, a colleague or someone in your network. We advise business owners to write their grant applications themselves. The application forms are designed in such a way that, by answering the questions, you provide sufficient information to ensure a high-quality assessment.

The following points are crucial for substantiating the research and development content of your project:

- Focus on the new, ground-breaking **knowledge** you are building up, rather than on the new product, service or business case. (Ask yourself: what underpins the USP and the valorisation potential?)
- Focus on **how** the knowledge is built up, and not only on the tools used for that purpose (such as software, AI, CFD, LCA, pilot set-ups, clinical tests, citizen science, data collection, etc.). The use of a particular tool does not guarantee a research activity, but it can help to describe the approach clearly and systematically.
- Focus on the **specific substantive steps** in the knowledge-building process (what determines the research content?) and not on the operational flow. Therefore, do not merely describe activities as 'researching', 'exploring', 'expanding' or 'validating'; instead, state specifically what you are doing and how you are approaching it: what new algorithm, model, paradigm, etc. is being developed or added to existing knowledge, and what underlying substantive method is being used to build it up (theory, calculation method, analysis technique, etc.).

For projects with multiple partners or mixed projects involving both research and development tasks, you must clearly describe the substantive role of each partner and/or task. Does it involve, for example, validation, providing data and cases, or a sounding-board role? Or does the partner or task effectively contribute to the specific knowledge-building?

Merely 'collaborating' with a research organisation is not enough: the substantive role of the enterprise in that collaboration is decisive. The role of each research partner must also be clear.

For service innovation, projects with high social potential and, more generally, projects with a less technological or non-technological angle, you must formulate the specific research questions precisely in line with the three conditions for research projects.

Limited activities that are not research activities in themselves, such as a specific test set-up, the preparation of a limited number of crucial test pieces, etc., may in certain cases nevertheless count as research activities, provided that they are necessary for the research and remain limited in scope to what is needed. In that case, we regard them as supporting development tasks for carrying out the research tasks.

1.2. Feasibility studies

Feasibility studies are aimed at reducing uncertainties in relation to an important and sufficiently ambitious **eligible and innovative follow-up trajectory.** This may include a research or development project, an ICON project, an innovative investment or an ambitious innovation trajectory outside the VLAIO support frameworks. A feasibility study does not guarantee follow-up support. Small research and development projects that aim to achieve results in the short term are therefore certainly not feasibility studies. A feasibility study has a maximum duration of one year. You may submit no more than one feasibility study per innovation objective.

The innovation at which this trajectory is aimed must demonstrably have potential for sufficient valorisation in Flanders. This valorisation must be substantiated at least qualitatively, but may still contain uncertainties that have not yet been clarified at the start of the feasibility study.

The study focuses on defining and uncovering gaps in knowledge and on addressing strategic, technological and business choices. At least a significant part of the project must experimentally investigate challenging technical and/or scientific aspects. Other themes may also be addressed, such as business aspects related to testing innovative business models, service innovation and questions concerning intellectual property. Clearly demonstrate that the feasibility study aims to achieve a knowledge leap that leads to further innovative activities and contributes to knowledge-building that enables a better assessment of the risks and opportunities of a follow-up trajectory.

The following are not eligible:

- Projects aimed solely at idea generation.
- Projects aimed at a market study or short-term problem-solving.

1.3. Cumulation VLAIO support with other government support

When calculating the accepted support, we take account of other government support for the same costs, such as other grants. The same project activities (the eligible basis) can qualify for support only once within all programmes monitored by VLAIO. The support percentages laid down by the General Block Exemption Regulation may not be exceeded under any circumstances.

When submitting a project proposal, you declare that you will not apply for or receive any other government support for this project. 'Other government support' also includes the partial exemption from payroll tax withholding under the Young Innovative Company (YIC) scheme.

2. Who awards this support?

VLAIO stimulates innovation in the Flemish Region in various ways. On the one hand, we provide services to enterprises, research organisations and other actors engaged in innovation. On the other hand, we also provide financial support through the Fund for Innovation and Entrepreneurship (FIO).

The FIO Decision Committee decides whether to award or refuse a grant. VLAIO is responsible for processing and following up project applications and supported projects on behalf of the FIO. The contract for an approved grant, the grant agreement, is concluded with the FIO.

Support is awarded by the FIO in accordance with the General Block Exemption Regulations and is based on:

- For research projects: the Flemish Government Decree of 12 May 2017 regulating support to enterprises for knowledge-intensive research and development in Flanders (Belgian Official Gazette, 20 June 2017);
- For development projects and feasibility studies: the Flemish Government Decree of 12 May 2017 regulating support to enterprises for development and innovation in Flanders (Belgian Official Gazette, 22 June 2017).

3. What added value does your project have for Flanders?

The Fle mish Government's investment in the R&D efforts of enterprises must generate sufficient added value for Flemish society. A project may of course have a positive impact on regions outside Flanders, but when assessing the application, VLAIO looks first and foremost at the added value for Flanders.

To assess this, we mainly take account of the **economic impact** of the innovation.

3.1. Economic impact

The economic impact is determined by:

- employment and investments with a leverage factor of at least 10, or
- growth in labour productivity of at least 30%

The economic impact is directly linked to the project activities. You must choose between employment and investments or growth in labour productivity; a combination of the two is not accepted.

The business case for a research or development project must contain a convincing and substantiated description of the possible or intended economic impact, both qualitatively and quantitatively.

For a feasibility study too, you must always describe the intended economic activity after completion of the follow-up trajectory, with a qualitative and substantiated estimate of the economic impact. Your choice is based on employment and investments or on growth in labour productivity. Outline the potential and explain the ambitious nature of the follow-up trajectory. The application may still contain uncertainties that the feasibility study needs to clarify.

3.1.1. Calculation based on employment and investments

VLAIO uses two indicators to determine the economic impact:

1) additional **staff costs** (the total cost for the company, including overheads)
2) **investment costs** for activities in which the project results are used

Together, these elements form the leverage calculation.

Staff costs linked to employment include all new hires resulting from the completed project during the valorisation period of five years after the end of the project. New hires during the project and the retention of employment – staff members who would otherwise left the company during the valorisation period – are valued less highly. In the calculation of the economic value, these employment costs are eligible for only 50%.

Investment costs include, among other things, buildings, production lines, installations and machinery that will form a lasting part of the infrastructure, or research equipment that does not form part of the standard equipment. These are investments made after completion of, and as a result of, the project.

Provide us with a substantiated **estimate** of the possible added value on the basis of credible scenarios. Where necessary, support those scenarios with additional dossier documents, such as letters of intent or contractual partnerships. You may also include additional employment and investments at

subcontractors or suppliers in Flanders, provided that there is a sustainable and demonstrable collaboration. In any event, ensure that the proposed scenarios are sufficiently substantiated.

At the bottom of the project application template, you will find an example of a table in which this is clearly worked out. The table starts from the market and calculates turnover and added value on the basis of the life cycle of the product, process or service, to show what this means for remuneration and/or investments in Flanders. Important: clearly explain the **assumptions** on which the table is based and justify why they are realistic. An existing enterprise in a more or less familiar business must make maximum use of publicly available data or historical figures in the enterprise, such as the ratio between turnover and employment; if you deviate from this, you must clearly justify why.

Only projects that can realistically lead to at least a leverage factor of 10, in principle five years after the end of the project, are eligible for support. For the leverage calculation, we start from the net grant received by the enterprise. For projects in which a Flemish research organisation is a partner, and not a subcontractor, the support for the costs of that Flemish research partner is not included in the leverage calculation. The turnover generated by the project innovation does not contribute to the leverage factor.

3.1.2. Calculation based on growth in labour productivity

You may also choose to take growth in labour productivity into account. This approach is intended for enterprises that find it very difficult, or impossible, to grow in terms of employment because of the tight labour market. Other forms of productivity, such as CO_2, raw material and water productivity, are not eligible.

Only enterprises that employ at least 10 FTEs at a Flemish establishment at the time of the application may rely on growth in labour productivity. Freelancers are not included when determining the number of FTEs.

An additional condition is that the growth in labour productivity must not be accompanied by a reduction in staff through dismissals. Natural changes in the workforce, such as retirements or replacing senior profiles with several junior profiles, are accepted. Natural staff turnover is generally estimated at an annual variation of approximately 2.5% of the number of FTEs. In exceptional cases (including small enterprises) this may be departed from.

The development of the workforce forms part of the evaluation of the project. For the calculation of labour productivity during the valorisation period, you should use the number of employees, expressed in FTEs.

In the application, you must substantiate the extent to which the expected growth in labour productivity is the result of the project innovation and not of other factors, such as cheaper purchases or the use of purchased new machinery that leads to fewer staff. The growth in labour productivity must also be anchored in Flanders.

The productivity measure is labour productivity (LP) within the enterprise submitting the application. Labour productivity is calculated as gross added value per FTE. Gross added value (GAV) is determined on the basis of the most recently filed annual accounts or more recent interim figures, if these deviate significantly. These figures must be attested. The table below summarises the calculation method. The formulas refer to the codes in the annual accounts:

LP = GAV / FTE (Flemish establishments only)

GAV = operating income - goods for resale and raw materials - services and miscellaneous goods - operating grant	
Full-format accounts	Abbreviated accounts
GAV = 70 + 71 + 72 + 74 - 60 - 61 - 740	GAV = 9900 - 76A - operating grant

FTE = average number of employees in FTEs (code 1003)

Growth in labour productivity counts only for establishments in Flanders. Foreign establishments or Belgian establishments outside the Flemish Region are not eligible when determining labour productivity. In large companies with different business units, the parameters for the relevant business unit are used. This business unit must consist of at least 10 FTE employees, excluding freelancers.

Only projects that can realistically lead to growth in labour productivity of at least 30% no later than five years after the end of the project may be eligible for support. The growth is compared with labour productivity at the time of the project application.

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

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

Labour productivity may be increased by increasing operating income and/or reducing purchase costs. Start from the sample table in the application template, which shows which elements in the formula for gross added value (GAV) are affected by the project. Important: clearly explain the assumptions on which the table is based and justify why these assumptions are realistic. Existing enterprises in a more or less familiar business must make maximum use of publicly available data or historical figures in the enterprise, such as the relationship between production costs, production volumes and pricing. Any deviations must always be clearly justified.

In summary:

OPTION 1 – Economic impact based on EMPLOYMENT AND INVESTMENTS	OPTION 2 – Economic impact based on GROWTH IN LABOUR PRODUCTIVITY

• The business case must be able to substantiate:
(1) An increase in employment
OR
(2) The retention of employment*.
** Only applicable if the substantiated business case can show that, without the project's implementation and results, a scenario would arise in which staff would be made redundant.*
 	
• When monetising the economic added value, the wage cost of the staff is included:
  • at 100% for additional employment as a result of the project.
  • at 50% for the retention of employment.
 	
• In addition to the cost of employment, non-recurring investments after the project may be included when calculating the economic added value.
 	
• A minimum leverage factor of 10 must be achieved (sum of economic added value through employment and investments ≥ 10 × grant).
 	
• The valorisation period is five years as standard, but may be extended to 10 years if justified.
	• The business case must substantiate that:
	  • The growth in labour productivity is due to the innovation targeted in the project and not, for example, to cheaper purchases or the use of purchased machinery.
	  • The growth in labour productivity is sustainably anchored in Flanders.
	
	• Labour productivity = gross added value (GAV) / FTE.
	  • The GAV and FTEs in this formula relate to the enterprise in Flanders, and therefore not to establishments in other Belgian regions or abroad.
	  • Expectation: a minimum 30% increase in labour productivity over a period of five years after the end of the project.
	
	• NOT combinable with economic impact based on employment and investments.
	
	• Aimed at enterprises that cannot, or can only with great difficulty, grow in terms of employment because of labour shortages.
	
	• Applicable only to established enterprises in Flanders with at least 10 FTEs.
	
	• Must NOT be accompanied by dismissals.
	
	• The valorisation period is fixed at five years.

3.1.3. Economic impact in multi-partner projects

If several business partners submit a project, the valorisation potential is considered at project level. Each business partner must substantiate the added value of the project for Flanders. A combination of employment/investments and growth in labour productivity is permitted here: some business partners choose the approach based on employment and investments, while others choose growth in labour

productivity. The total added value – achieving a leverage factor of 10 and/or growth in labour productivity of 30% – is always assessed jointly. This means that all partners that chose employment/investments are assessed together, while all partners that chose growth in labour productivity are also assessed together. A shortfall in one group cannot be offset by a shortfall in the other group, and vice versa.

If the same partner carries out several supported projects and the results together give rise to added value, the total support will be compared with the total added value in Flanders in each successive decision (cumulation). Applicants submitting several projects around the same innovation must always justify the added value for Flanders in the same way, either through employment and investments or through growth in labour productivity. For a new project application linked to a previous project, an enterprise may submit impact based on labour productivity, provided that the impact of the previous project is recalculated in terms of labour productivity. Each of the projects must meet the minimum requirements for labour productivity.

Valorisation is an essential part of your project. You must signal significant changes in the reporting, including during the valorisation period.

3.1.4. Extension of the valorisation period

The valorisation period must correspond to the normal life cycle of the results. By default, this is 5 years and begins at the end of the funded project. The valorisation period may be extended if employment and investment provide clear grounds for considering the business case over a longer period. You must explicitly justify this extension, up to a maximum of 10 years, in the application document. If you opt for growth in labour productivity, the valorisation period remains limited to 5 years. In that case, an extension is not possible.

The valorisation phase is an essential part of your project. You must report any significant changes in your reports, including during the valorisation period.

3.2 Social impact

Every project must have economic impact. In addition, the project results may also create social value.

Social impact is an important added value of the project and is assessed as a separate criterion. In doing so, we look beyond Flanders and assess the impact at international level.

Areas in which social value may be created include, for example (but are not limited to):

- Environment, biodiversity and water management
- Circularity
- Energy and climate
- Health and care
- Education and competences
- Mobility and smart cities
- Sustainable food and sustainable food strategies

Describe in your support application how your project contributes to the creation of social value. If you can also substantiate the social added value in a verifiable and quantified manner, this may earn

you an advantage in the assessment (see the evaluation criteria). Projects with a negative social impact are not eligible for support.

4. Who can apply for support?

4.1. Enterprises with legal personality

Any enterprise, from an SME (definition only in Dutch) to a large enterprise or Flemish establishment of a multinational, with an operating site and operational research and development activities in the Flemish Region, is eligible for support. Enterprises that undertake to establish an operating site with operational research and development activities in the Flemish Region are also eligible. The award of support will then depend on the actual establishment of that site. An important condition is that the project results are valorised in Flanders in due course.

An enterprise is an entity that carries out an economic activity and has legal personality. Enterprises in formation, start-ups or spin-offs in the incubation phase must meet the start-up conditions (including the actual incorporation of the company) no later than four months after support is awarded in order to receive it.

Under the European rules, an enterprise must not be in difficulty at the time support is awarded. More information on this can be found on the web page: 'Undertakings in difficulty are not eligible'. We recommend carrying out the UID check on the VLAIO website in advance.

In addition, the undertaking must be capable of exploiting the results to a sufficient extent in Flanders, thereby creating sufficient added value in the form of economic impact, possibly supplemented by social impact and the development of a knowledge network. This does not preclude the project results also being partly applied abroad; export of the innovative products and services is not a problem.

Enterprises in a monopoly or dominant position are not eligible for support. This also applies to projects that strengthen such a position.

4.2 Enterprises in the non-profit sector

Private-law and public-law non-profit organisations can receive innovation support under the same conditions.

Conditions:

- The organisation has legal personality and carries out an economic activity through a Flemish establishment (i.e. offers services on a free market that are remunerated on market terms).
- The activities must be sufficiently broad and structurally anchored in Flanders.
- The non-profit organisation must be able to demonstrate that it has sufficient private resources to finance its share of the project.

4.3 Enterprises with public-law legal personality

Enterprises with public-law legal personality can receive support only if:

- They collaborate with enterprises with private-law legal personality.
- They bear no more than 70% of the eligible costs.

In addition, the conditions for an enterprise with private legal personality as described above also apply. The valorisation perspective must lie outside any public remit of the organisation.

4.4 Collaborations

4.4.1 What collaborations are possible?

Collaborations involving several business partners, research partners and subcontractors are possible.

Multi-partner project

Several enterprises can apply for a project together. Each enterprise then carries out part of the project and has its own valorisation. In that case, all participating enterprises are business partners for the project. When support is awarded, they become contracting parties and sign the grant agreement with the FIO. The following rules apply to enterprises that form part of a multi-partner project:

- each partner bears its share of the costs and the risk of the project;
- the ownership rights to the project results are divided among the partners;
- each partner must valorise the project results in Flanders;
- a collaboration agreement is required between business partners, setting out their mutual rights and obligations;
- the applicants appoint a project coordinator who is responsible, among other things, for interaction with VLAIO, coordination of project implementation and delivery of the project-specific reporting;
- general company information (number of FTEs, turnover) and information about the track record and any financial conditions of the various business partners are included in the decision letter, which is sent to all business partners;
- special requirements apply in the case of collaboration with enterprises with public-law legal personality (see 4.3, enterprises with public-law legal personality).

Project with a company as subcontractor

Within a project, you may outsource the performance of certain parts to *enterprises acting as subcontractors*. The tasks of subcontractors may vary: carrying out routine tests, building all or part of a prototype, programming all or part of something, etc. Subcontractors help carry out the project but do not participate in the project strategy. The client reimburses 100% of their costs. More information on the cost categories and how these must be justified can be found in the Guide to the VLAIO cost model. Enterprises outside the Flemish Region that do not have their own valorisation may also be engaged as subcontractors, provided that the majority of the activities in the project (at least 50% of the total project costs) are carried out in Flanders.

Project with a research partner

You may also carry out a project together with *one or more research organisations as a research partner*. In that case, this involves substantive collaboration between the enterprise and the research organisation. The research results within this project may be subject to intellectual property rights. The business partner(s) and the research partner(s) draw up a mutual collaboration agreement to regulate the ownership rights. The research partner does not sign the agreement with the FIO and is reimbursed 100% by the business partner(s). The business partner(s) is (are) responsible for all

contractual obligations. The research partner has no obligation to valorise in Flanders. However, each research partner must prepare a separate budget and separate financial reporting.

Project with a research organisation as subcontractor

Within a project, you may also collaborate with *one or more research organisations as subcontractor*. In that case, the enterprise pays the market price for the services provided by the research organisation or reimburses the full project costs, increased by a reasonable margin. The research organisation does not sign the agreement with the FIO and is reimbursed 100% by the business partner(s). The business partner(s) remain(s) responsible for all contractual obligations. The research organisation has no obligation to valorise in Flanders. More information on the cost categories and their justification can be found in the Guide to the VLAIO cost model.

4.4.2 Collaborations outside Flanders

Collaborations with research organisations or enterprises outside Flanders are possible in various forms:

- An enterprise may use a research organisation or an enterprise outside Flanders as a subcontractor. The same rules apply here as for Flemish research partners or subcontractors. Please note: a foreign enterprise that has its own valorisation (for example the development of its own intellectual property or exploitation of results) or that bears its own risk is not eligible for support.
- In all cases, a maximum of 50% of the project budget may relate to costs for activities outside Flanders. This applies to subcontractors as well as to business partners or research partners.

In addition, an enterprise may also collaborate with enterprises outside Flanders in a joint, cross-border project, each for its own account. This is preferably done within existing international instruments. If these do not offer suitable possibilities, an ad hoc solution may be sought. An enterprise is free to enter into such a collaboration, but the costs of foreign enterprises are not eligible for subsidy. Non-Flemish enterprises must bear their own costs, with or without support from their own government. In addition, the exploitation rights of the Flemish enterprises must remain safeguarded. Contact VLAIO before submitting a support application for an international project.

4.4.3 Distribution of ownership rights

In the case of collaboration with a research organisation, there are various ways of distributing the ownership rights. The European regulations on State aid for research, development and innovation determine the principles for collaboration between enterprises and research organisations. An important starting point is that enterprises must not receive an advantage through the research organisations that distorts the market and can be regarded as indirect State aid. In a project in which the research organisation is a subcontractor, the enterprise reimburses the research organisation (see above). The enterprise thereby acquires full ownership rights to the project results. In a substantive collaboration with a research partner, the enterprise reimburses the services provided at actual cost and an arrangement is drawn up concerning the ownership rights to the project results. These arrangements may take the following forms:

- All ownership rights are allocated to the enterprise, with fair compensation for the research organisation upon exploitation of the project results;
- A division of the ownership rights: the enterprise and the research organisation each have ownership rights to different partial results, with clear arrangements on (possibly

autonomous) exploitation by domain. If a division of the project results is not possible, this domain allocation for (autonomous) exploitation may also take place within a system of shared ownership rights;
- The ownership rights to the project results remain with the research institution, and the enterprise receives at least a right of use to the necessary project results;
- An arrangement for undivided joint ownership rights to the project results between the enterprise and the research organisation.

These examples are not exhaustive; other combinations are also possible, provided they do not conflict with the objectives of the innovation support. Also make clear arrangements on the distribution of the research organisation's project results. It is essential that the enterprise has the necessary freedom to realise the planned valorisation.

The collaboration partners must make the basic arrangements on this, i.e. their intentions, known when submitting the project application to VLAIO. The research organisation must itself ensure that it applies a correct market price for the service provided. In the case of subcontracting, we recommend explicitly stating in the quotation that the services provided by the research organisation will be remunerated at market price.

5. What can you receive support for?

Innovation always involves two aspects: renewal on the one hand, and its application on the other. Enterprises can receive support if they achieve relevant project objectives, supplemented by any socially relevant objectives. This may involve new or improved products, processes or services, or a combination of these.

5.1 What is eligible for support?

Eligible activities must involve knowledge-building. They are therefore based on activities involving structured knowledge-building or activities that directly support that knowledge-building. Eligible activities form only part of all activities within an enterprise. For example, activities immediately before commercialisation, where little risk remains, are not eligible for support. There is an exception to this for development projects: costs related to the protection of intellectual property. The condition here is that these costs are incurred during the project period and that the applicant concerned is an SME.

Projects with a military or dual-use purpose (webpage only in Dutch) are also eligible for VLAIO support, including offensive weapon systems.

5.2 What is not eligible for support?

Activities are not eligible for support if they fall outside the project period or take place before the enterprise's date of incorporation (by notarial deed).

In addition, the following activities are not supported, unless they directly support knowledge-building:

1. Engineering activities, routine improvements and technology implementation.
   - Putting existing knowledge/techniques into practice or using them without this being accompanied by clear knowledge acquisition or a significant challenge – this therefore does not involve any intrinsic risk of failure.

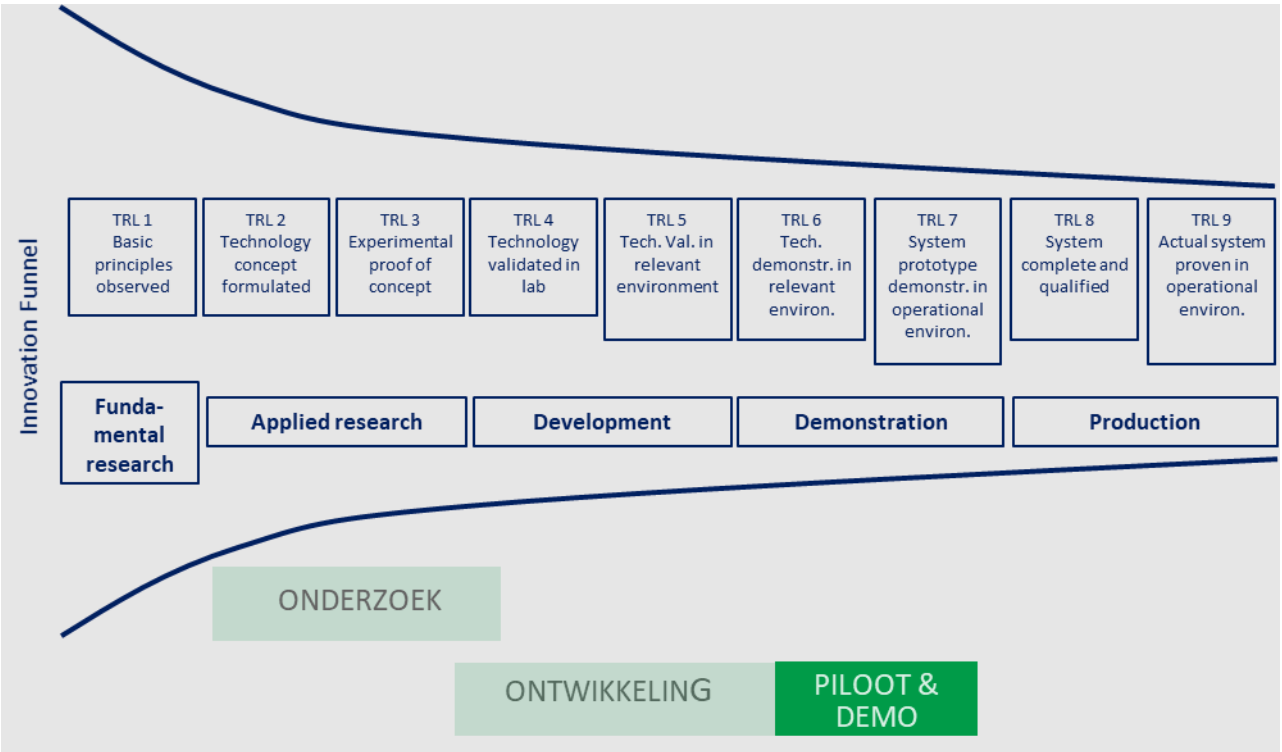
- Routine or periodic changes to existing products, processes or services and other ordinary activities, even if these constitute improvements.
- Activities that do not contribute to a clear increase in knowledge within the enterprise and that are carried out according to procedures customary within it. If these activities form the core of an R&D company project, the project will not receive support.

2. General support and operational activities, e.g. personnel management, financial management, logistics, etc., unless that profile is responsible for pure project management.
3. Training and general knowledge acquisition that are not specific to the project.
4. Activities aimed at making the innovation(s) production-ready and bringing it (them) to the market. Market research and marketing activities that go beyond refining specifications and user needs. All activities to comply with standards, labels, accreditations, registrations or other statutory obligations.
5. Activities for the preparation and execution of investments in production installations. The development of, and investments in, research installations required for the implementation of the R&D company project are, however, eligible.
6. Drawing up a business plan is not eligible for support as standard; an exception to this is preparation of a business plan that supports the development of a new product/service/process in a multi-partner project. Within such a project, three person-months aimed at preparing the business plan are eligible for support.

5.3 How far along the trajectory can you receive support?

5.3.1 Regular projects

Development projects can receive support up to and including Technology Readiness Level (TRL) 7 (demonstrators, pilots, scale-ups). The activities leading to TRL 8 are included as eligible activities. Research projects are typically situated within TRL levels 2, 3 and 4.



- After the intensive building of necessary knowledge and insights, there is often a phase in which the results must be scaled up or demonstrated in more realistic conditions. In that phase, the final technological risks are ruled out. The commercialisation phase can then begin: this typically involves demonstrators, pilots and scale-ups. Although the uncertainties are much more limited at that point, the costs involved are often high. If these activities form part of the knowledge-acquiring development activities, they are eligible for support within the framework of development projects.
- The staff input and the related overhead/operating costs and investment costs (including those depreciated within the project) linked to a pilot/demo installation can be supported under the same conditions as the other development activities.
- The costs you incur by involving subcontractors in the project are eligible for support.
- For a project that is partly or wholly aimed at the later phases of the support trajectory (pilot and demo), the project duration may be extended by one year, subject to justification. Make sure that, even after this extension phase, there is still a follow-up trajectory within the company before the project results can be brought to market. This trajectory must be clearly described in the project proposal.
- Clinical studies (phase 0, phase I and phase IIa) may be regarded as pilot projects (as referred to in the previous paragraph); the same rules therefore apply to eligibility for support. Phase IIb studies can be supported if you can demonstrate that further clinical trials still have to start after the supported project has ended; there must therefore still be a follow-up trajectory. The following are not eligible for support: the final phase of a clinical study before EMA/FDA approval, such as phase III studies, or earlier clinical studies in the case of accelerated regulatory approval.

5.3.2 Projects submitted within an interregional or international collaboration

International and interregional R&D projects often focus on the later phases of the development trajectory. They must involve activities whose main purpose is to make further technical improvements to products, procedures or services that have not largely been fixed. These activities are supported as development.

6. How much support is provided?

6.1 Determining the basic support percentage

The basic support percentage for development projects is 25%. The basic support percentage for research projects is 50%. The project type depends on the **extent of knowledge acquisition and the challenges** involved in project implementation. Projects involving a clear step forward in knowledge and significant challenges receive higher support. These aspects are addressed in the project objectives and the work programme.

At the start of the project, the support percentage is determined and laid down in the project agreement.

- Activities not eligible for support are eliminated from the total activities.
- Development projects are supported as standard at a basic support percentage of 25%.
- Research projects are analysed: VLAIO checks whether the project must be divided into sub-activities with different basic percentages. For such research projects, the basic support

percentage is determined according to the ratio of development activities (25%) to research activities (50%).
- For feasibility studies, the basic support percentage is 40%.

6.2 Total level of the support percentage

The grant is calculated as a percentage of the accepted project budget. The structure of this budget and the accepted costs are explained in detail in the Guide to the VLAIO cost model.

The basic support percentage may be increased by the following cumulative supplements:

6.2.1 Regular projects

- A small enterprise receives 20% additional support for a research or development project and 10% additional support for a feasibility study;
- A medium-sized enterprise always receives 10% additional support;
- A research or development project receives 10% additional support if several independently supported enterprises collaborate within a project in which:
  - At least one partner is an SME.
  - None of the enterprises bears more than 70% of the costs of the collaborative project.
  - The collaboration present in the project will be assessed on the substantive quality and meaningful nature of the collaboration.

The collaboration supplement applies only to multi-partner projects and does not apply to feasibility studies. Collaboration between enterprises and research organisations is not translated into a collaboration supplement, but may be rewarded in the assessment of the criteria 'additionality', 'expertise and resources' (for research and development projects) and 'potential to achieve the objectives' (for feasibility studies).

The support percentage is therefore at least 25%. The total support percentage is limited to **50%** for development projects and feasibility studies and to **60%** for research projects.

	Development project	**Research project**	**Feasibility study**
Basic support percentage	25%	25% to 50% depending on the share of research	40%
Supplement by enterprise type	20% (small enterprise); 10% (medium-sized enterprise)	20% (small enterprise); 10% (medium-sized enterprise)	10% (SME)
Collaboration supplement	10% for collaboration between independent enterprises	10% for collaboration between independent enterprises	None
Total support	**Max. 50% per business partner**	**Max. 60% per business partner**	**Max. 50% per business partner**

6.2.2 Interregional or international collaboration

In an interregional or international context, the collaboration supplements and the caps on support amounts are increased.

	Development project	Research project
Basic support percentage	25%	25% to 50% depending on the share of research
Supplement by enterprise type	20% (small enterprise); 10% (medium-sized enterprise)	20% (small enterprise); 10% (medium-sized enterprise)
Collaboration supplement	15% in the case of international cooperation between independent enterprises or interregional cooperation between independent enterprises, at least one of which is an SME.	15% in the case of international cooperation between independent enterprises or interregional cooperation between independent enterprises, at least one of which is an SME.
Total support	**Max. 60% per business partner**	**Max. 70% per business partner**

6.3 Minimum and maximum support volume

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

The maximum support per feasibility study per business partner is EUR 50,000. If the feasibility study is carried out by several partners, in a consortium or in a cluster context, the support is capped at EUR 500,000 per study. The lower and upper limits of the minimum and maximum support per business partner remain in place.

An enterprise may receive a maximum of EUR 8 million in innovation support per calendar year. This concerns support to an enterprise resulting from internal costs, outsourcing and its share in the costs of research partners. On top of the EUR 8 million, an enterprise may receive a further EUR 4 million in additional company support each year, provided that the projects involve collaboration with SMEs or are part of an international collaboration. If an enterprise belongs to a group of affiliated enterprises, the EUR 8 million plus EUR 4 million limit on innovation support applies to the entire group.

7. How does an application proceed?

7.1 Guidance and preliminary discussion (optional)

You can receive guidance in preparing the application. VLAIO business advisers have a remit to help SMEs in particular and to offer specialist guidance. You can always contact them for a no-obligation preliminary discussion. More information and contact: VLAIO business advisers | VLAIO.

Enterprises familiar with VLAIO can also contact VLAIO directly at bedrijfsinnovatiesteun@vlaio.be. If you wish, you can request a preliminary discussion with one of our project advisers.

7.2 Submitting an application

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

The application may be prepared in Dutch or English. You can submit your application electronically on a rolling basis via the VLAIO website or the e-counter for entrepreneurs. You will receive an acknowledgement of receipt within two working days.

7.2.1 Start of the project: start date

The start date is **no earlier than the first day of the month after the month in which you submit the support application.** If your company is still being incorporated at the time of the decision, the start date is linked to the incorporation date.

For European collaborative projects, the start date may shift depending on the European call arrangements.

7.2.2 Project budget

The Guide to the VLAIO cost model explains in detail how the budget is structured and what the acceptable costs are for development projects, research projects and feasibility studies. In essence, the budget comprises:

- the staff costs of the company and research partners, based on manpower and actual wage costs;
- the overhead costs of the company and research partners;
- the operating costs of the company and research partners;
- external services and investments.

Use the Excel template for the costs per partner. You can find the template on our website.

7.2.3 Admissibility

After receipt, VLAIO checks the support application against the admissibility conditions laid down in the Flemish Government Decree on Company Support for Development and Innovation and the Flemish Government Decree on Company Support for Research and Development (only in Dutch).

A support application may be declared inadmissible if:

- The support applicant or the project partners do not comply with government obligations or permits;
- The support applicant or the project partners have shown incorrect conduct in previous applications;
- The support application is virtually identical to a support application that was previously declared inadmissible or refused by VLAIO. Exception: the earlier refusal was the result of budgetary constraints;
- The support application does not contain sufficient information to be assessed on the basis of the criteria referred to in Article 28;
- The support application, on a prima facie assessment, does not meet the minimum requirements to be eligible for support, as referred to in Articles 6, 7, 8 and 9;
- The support application does not comply with the arrangements referred to in Article 14;

- A contribution by a research organisation does not comply with the provisions referred to in Article 18.

In addition, we check whether the support application meets the criteria below, which must remain valid throughout the entire evaluation period.

- The applicant is:
  - an enterprise (or there is at least a clear initial move towards an enterprise) with operational research and development activities in the Flemish Region; or
  - a non-profit or public-law organisation with legal personality and with operational research and development activities in the Flemish Region, or at least a clear initial move towards this, which carries out economic activities.
- The declarations of the company and research partners have been correctly signed.
- The application has been prepared in Dutch or English.
- The information requested in the application form is present.
- Rules concerning the start date and the minimum/maximum support volume are complied with.
- The maximum project duration is 36 months for both development projects and research projects.
- The maximum number of pages for **development projects:**
  - with requested support of <= EUR 500,000 is max. 30 pages + 5 extra pages per additional business partner, not counting subcontractors.
  - with requested support of > EUR 500,000 is max. 40 pages + 5 extra pages per additional business partner, not counting subcontractors. In exceptional cases, for very large and complex projects, the limit may be exceeded in order to add tables and figures. The proportion of text must remain limited to max. 40 pages.
- The maximum number of pages for **research projects**:
  - Project description: max. 40 pages. In exceptional cases, for very large and complex projects, the limit may be exceeded in order to add figures and tables. The proportion of text must remain limited to max. 40 pages.
  - Impact: max. 10 pages + 5 extra pages per additional business partner, not counting subcontractors;
- The required annexes, including the project budget / quotations / financial information, are present.
- An 'Undertaking in Difficulty (UID)' is not eligible for support. The web page contains more information about exceptions and conditions.

For a feasibility study, the same admissibility check is carried out. Here, the following also applies:

- The application document requests the calculation of the net working capital (NWC) in order to guarantee the co-financing capacity (the share of the project funded from the applicant's own resources). Further explanation of this calculation can be found in the application template for feasibility studies.
  - The calculation must be substantiated by the most recent profit and loss account and balance sheet.
  - If the calculation of the NWC shows that the amount is insufficient, the co-financing may additionally be substantiated with long-term debt capital and capital. The related agreements and/or deeds will be requested additionally.
- The applicant is not an 'Undertaking in Difficulty (UID)' at the time of submission.

- The maximum number of pages is limited to 10 + 2 extra pages per additional business partner.

An application that does not meet these criteria or contains insufficient information for processing to start will be declared inadmissible. This means that the dossier will not be processed further in that form. The applicant will be informed of this as soon as possible and will then have the option of submitting a new application at a later date.

7.4 Evaluation procedure

7.4.1 How do we evaluate your project?

Projects are always evaluated according to the assessment and selection criteria of the programme under which the project was submitted. If you submitted a project application as a (possibly mixed) research project, it will be evaluated according to the criteria applicable to that type of project (see Annex 1). If, after evaluation, the project appears to meet the requirements more as a development project, development support may be awarded without you having to submit a new project application. In that case, the arrangements for development support apply.

For each project, VLAIO appoints a project adviser and a financial adviser.

For feasibility studies and for development projects of less than EUR 500,000, we use a basic process. In this process, the focus is on the interaction between the applicant and the VLAIO project adviser, through an explanatory meeting with an optional company visit. The basic process may be expanded in order to give the applicant(s) the maximum opportunity, for example in the case of complex projects, questions concerning worthiness of support, low-quality information provided, etc. This may be done, among other things, through targeted and flexible use of external experts (orally / in writing) and by requesting additional information (always within 12 working days after the explanatory meeting).

Development projects with a support amount exceeding EUR 500,000 and research projects are first discussed in detail with the applicants through an explanatory meeting with an optional company visit. During this meeting, additional oral and written information will be requested if necessary. The applicant then has a maximum of 12 working days to provide the additional information and/or the revised application. If this does not happen, a decision may be taken to continue with the evaluation procedure on the basis of the information available in the original project application. In a second phase, the (possibly amended) project application is assessed with written advice from external experts. You are given the opportunity to respond to this advice.

Experts are strictly bound by confidentiality with regard to the information provided. When selecting external experts, care is taken not to involve potential competitors or interested parties. Applicants may also provide a limited list naming experts to be avoided, which may include a maximum of 15 persons, enterprises or research groups, but not entire research organisations. The names of the experts are not disclosed to the applicant. If the applicant comes to explain the project proposal orally, the experts are introduced just before the start of the meeting, not earlier. This allows the applicant still to refuse the consultation if an unknown conflict of interest exists.

A report, prepared on the basis of all available information and the advice of external experts, serves as the basis for the decision.

The award of support may also depend on specific conditions that must be met at the start or during implementation of the project and may be organisational, substantive or financial in nature.

7.4.2 Assessment and selection criteria

Support applications are evaluated as specific **projects within their specific business context**. We therefore use a demand-driven approach, in which projects arise bottom-up at the initiative of the enterprises. We also assume that the greatest impact can be achieved by supporting enterprises that wish to make a **transformation** through innovation (a transition, breakthrough, diversification or modernisation), thereby building a sustainable competitive position and increasing their **competitiveness**. Aspects such as **innovativeness** (new solutions) and **challenges** (risks) are also brought to the fore in this context. The evaluation is based on an **overall assessment** of the project's contribution to the enterprise's transformation process and its impact on the Flemish economy and the enterprise itself.

The decision on support for a project takes account of:

- the quality of the project proposal, including
  - the knowledge leap for the enterprise
  - the risks and challenges of the intended innovation
- the potential impact, both for the enterprise and for Flanders
- the additionality of the support

The information in the application document must make it possible to form a proper judgement on the various aspects. In addition to the above aspects, a general **business-economic and financial analysis** is also carried out. During this analysis, we examine whether the business partners have sufficient financial capacity, whether they meet other government and permit obligations and whether they carried out previous projects correctly, including with regard to the provision of information, substantive/financial obligations and reporting.

Research and development projects

The evaluation criteria for research and development projects can be found in Annex 1.

The assessment is based on an overall appraisal. For each criterion, an appraisal is given in which 'indications in favour' and 'indications against' are weighed against each other. This results in a score of 'critical' (= exclusion from support), 'reasonable' (= score -1), 'good' (= score 0) or 'very good' (= score +1).

For all projects within the development and research programmes, support can be awarded only if a minimum total score is achieved. A critical evaluation of one of the criteria always leads to a negative evaluation of the application. The selectivity of the support (i.e. the minimum score required in order to qualify for a grant) is determined on the basis of, on the one hand, (1) the overall quality requirements for a project and (2) the available budgetary scope. The selectivity applied at the time the project is submitted can be found for each grant instrument under the application procedure tab.

If several enterprises participate in a project, the appraisals may be an average of the appraisals for the individual enterprises, where appropriate taking account of their relative importance.

Feasibility studies

The evaluation criteria for feasibility studies can be found in Annex 2.

The assessment is based on an overall appraisal. For each main criterion, an appraisal is given in which 'indications in favour' and 'indications against' are weighed against each other. This results in a score of 'critical' (= exclusion from support), 'rather weak' (= score -1) and 'good' (= score 0).

A critical evaluation of one of the criteria or three rather weak evaluations always leads to a negative evaluation of the application.

If several enterprises participate in a project, the appraisals may be an average of the appraisals for the individual enterprises, where appropriate taking account of their relative importance.

7.4.3 Financial capacity of the company

Applicants must have sufficient financial capacity to implement and valorise the project. They must at least be able to carry out the project. This means that they must have the financial capacity for the enterprise to operate normally while at the same time bearing their own share of the project costs. For that reason, when support is awarded, we check whether there are any contra-indications in this respect. This analysis has three possible outcomes:

- No contra-indications regarding the financial capacity of the enterprise.
- The enterprise is clearly unable to bear this project.
- The enterprise is subject to specific **financial conditions** regarding the available financial resources, such as a capital increase or a restructuring of debts. The grant and the advance payments will then be paid only if those conditions are met.

For existing enterprises more than three years old, the financial analysis is primarily based on the data in the filed annual accounts and the data available through Graydon CreditSafe. This may be supplemented by any information that VLAIO considers necessary, for example a current cash flow plan in the case of a *cash burner*. For start-up enterprises, or in the event of a significant deviation from ongoing business operations, the analysis will be carried out on the basis of an overall business plan, with due attention to financial planning.

Furthermore, the partners must have the necessary permits to carry out the activities during the project. In general, we base this on the applicants' declarations. In specific cases, conditions may be imposed.

7.5 What must you do if your research or development project is approved?

7.5.1 Agreement with FIO (best efforts obligation)

If your project is approved, we draw up a grant agreement between your enterprise and any business partners, on the one hand, and the Fund for Innovation and Entrepreneurship (FIO), on the other. VLAIO acts on behalf of the FIO and monitors the projects.

The grant agreement consists of:

- the innovation aid general terms and conditions.

You accepted the innovation aid general terms and conditions when submitting the support application. You can find them on the 'next steps' web page for the grant, in the 'Documents' section at the bottom of the page.

- the grant decision, with the reference documents and annexes.
- amendments to the grant agreement subsequently confirmed in writing by the FIO (addenda).

You will receive an email with the decision letter and the grant decision. This contains the essential project information: budget, support amount, project objectives and any special conditions imposed in the context of the project. The email also contains a link to the e-portal with an overview of all deadlines: reporting, payment and any special conditions. Always confirm the start of your project in the e-portal. Once any (possibly suspensive) start condition(s) has (have) been met, the first advance payment will be paid.

The main obligations in the grant agreement have the character of a best efforts obligation. The business partners, as beneficiaries, confirm that they will make the necessary efforts to achieve the described project objectives through research and/or development activities. To that end, the beneficiaries deploy the resources accepted in the decision. As explained in the innovation aid general terms and conditions, in the event of non-compliance with conditions and provisions, the FIO may suspend, revise and recover the grant. In addition, the beneficiaries also undertake to apply (valorise) the results with a view to achieving maximum added value in Flanders. This obligation remains applicable until five years after the end of the project (valorisation period).

If you are not starting the project, send an email reporting this to the project adviser and bedrijfsinnovatiesteun@vlaio.be within one month after the grant decision has been sent – otherwise the grant agreement will automatically enter into force.

7.5.2 What constitutes proper project implementation?

Proper project implementation is the responsibility of the beneficiary. The beneficiary, or in the case of collaboration between several business partners, the lead applicant, must submit all project-specific reporting on time. Only for the impact reports during the valorisation period does each business partner submit its own impact report.

Monitoring and control of implementation are carried out mainly digitally, via the e-portal or by email, but may also take place through direct contact. Monitoring is based to a significant extent on trust and on timely, correct reporting. If the project implementation or reporting is not carried out correctly, this will lead to actions as described in Articles 9 to 11 of the innovation aid general terms and conditions (suspension, revision and recovery of the grant). The way the project is implemented and the reporting is provided is also an element in the assessment of new project applications.

In addition to the reporting, VLAIO may request information at any time regarding the project implementation and/or the application of the results. These questions are addressed to the project coordinator (lead applicant), unless there are exceptional circumstances, for example if they relate to an individual party to the grant agreement.

All communication from VLAIO takes place electronically wherever possible. As indicated above, information regarding conditions and payments is made available via the e-portal. Other communication takes place by email and/or via the beneficiary's digital mailbox, e-Box Enterprise. If,

for whatever reason, communication cannot take place via digital channels, communication will take place by (registered) letter.

7.5.3 Duty to notify

An important aspect is **the duty to notify** (Article 7 of the innovation aid general terms and conditions). If there are unforeseen and significant changes during the implementation of the project, or significant matters after the end of the project that affect the further valorisation of the results, contact your project adviser immediately. Every significant **change in the implementation** of the project and/or in **the valorisation prospects**, and every change in the **start date** of the project or **delay** in the project, must be reported immediately.

During implementation, the project may deviate to some extent from the original plan; this is acceptable as long as the agreed resources are used for the innovation objective. One example of an acceptable change is an adjustment to the work plan without departing from the main lines, in particular without changing the innovation objective to be achieved. These minor changes can be explained in the progress reports and you should also coordinate them with the project adviser. The manual accompanying the cost model contains the rules on possible adjustments to the project budget (the version stated in the grant decision for your project). Requests for **extensions of the project** (including due to delays in implementation) should be reported in the special section of the next progress report. In such a case, you only need to inform the project adviser if it concerns the final reporting.

All requests for adjustments to the agreement must be submitted to the VLAIO project adviser in advance and before the project's initially scheduled end date. If approved, this will lead to an adjustment of the agreement (addendum). A notification must be made as soon as possible, either officially in writing (letter or email) or via the special section in a progress report if the timing aligns with the point when the reason for the notification is identified. If notifications are not made, or are not made on time, this may have serious repercussions, such as suspension of payments, revision and even recovery of the grant. A notification is always responded to in writing (or by email). The response may consist of:

- brief feedback stating that the notification has been noted, but that no further action is required;
- a request for additional information;
- a proposal for adjustments to the project.

In the latter case, an addendum is added to the agreement and, if necessary, changes are also made in the e-portal: the dates for reporting, payments and any special conditions. If you do not receive a reply, always check whether we have received the information properly.

If you inform us by letter, send your letter for the attention of the person named in the decision to award support, *Fonds voor Innoveren en Ondernemen - Koning Albert II-Laan 15 bus 331 - 1030 Brussels*, quoting the project number.

The **duty to notify** also applies in the event of **changes affecting the beneficiary/beneficiaries** (i.e. all company and research partners within the consortium), including in the event **of changes in the** shareholder structure.

This may occur both during implementation of the project and during the valorisation period and may concern the transfer of the project's implementation and the transfer of the intellectual property rights

built up and/or the exploitation of the results. You must submit these changes to VLAIO for approval. Provide the following information:

- Impact on the project, both implementation and valorisation prospects.
- In the event of transfer of the project to a new company number: information about the new party (name, company number, address, contact person, account number) + declaration by the new party that it assumes all rights and obligations under the agreement.

VLAIO may request additional information, depending on the situation and therefore not to be provided a priori. Non-exhaustive list:

- Available expertise and resources at the new party
- Financial information of the new party
- Detailed overview of costs incurred (interim settlement)

In the event of **bankruptcy**, you must inform VLAIO immediately.

7.5.4 Collaboration agreement

Collaborations with several business partners or research partners require a mutual collaboration agreement, which must not conflict with the grant agreement.

The collaboration agreement must regulate at least the following matters:

- Appointment of the project coordinator;
- Arrangements such as services or products to be delivered, cost calculations, payment arrangements, etc.;
- Arrangements on intellectual property (ownership and usage rights, method of protection, exploitation strategy, etc.);
- Procedure in the event of any mutual disputes.

In the case of collaboration with research organisations, the collaboration agreement must comply with the applicable regulations, in particular the State aid regulations. This is the responsibility of the collaborating partners.

When processing the application, VLAIO may request access to mutual agreements and may impose this through project-specific conditions. We do this mainly where the arrangements between partners play an essential role in assessing the application possibilities. Submit the signed collaboration agreement to VLAIO within four months after the grant decision has been sent.

See also Article 4.3 of the innovation aid general terms and conditions. Further useful information on drawing up a collaboration agreement between business partners and research partners can be found in the VLAIO publication 'Ons patent boekje' ('Our patent booklet'), Chapter 5 (only in Dutch) and the annexes to that chapter.

7.5.5. Payment of the grant

The grant is paid by default in annual advance payments. In some cases, special conditions may be imposed with a specific timing, for example a hire after six months. If those special conditions do not coincide with the annual reporting, we may decide to deviate from the annual advance payments and work with more (and therefore smaller) advance payments linked to these special conditions.

The first advance payment is paid after you have confirmed the start of the project in the e-portal and have met any special start conditions. If you submit the reporting on time, VLAIO will check as soon as possible whether it meets the substantive requirements. The advance payments will then be paid as set out in Article 5 (Payment arrangements) of the grant decision and the indicative payment schedule in the e-portal.

The business partners are paid directly and individually. Since research partners are not direct beneficiaries, the business partners pay their total invoice. That cost forms part of the eligible costs of the enterprises, on which the grant is received.
Failure to comply with the conditions in the grant agreement will lead to suspension of the payments.

At the close of the project, the final support amount is determined on the basis of the accepted costs. The final instalment is determined taking account of the sum of the advance payments already made. If the final support amount is lower than the sum of the advance payments already made, the difference will be recovered.

Under certain conditions, the FIO may suspend payment of the support and may even revise and recover the support if the conditions and provisions in the agreement are not met. All details can be found in the 'innovation aid general terms and conditions'. The various versions of the document 'innovation aid general terms and conditions', relevant according to the time of submission, can be found on the web page concerning 'Next steps' in the 'Documents' section at the bottom of the page.

7.5.6 Reporting

You upload the reporting in the e-portal. Additional information can be emailed to bedrijfsinnovatiesteun@vlaio.be. Important: state the project number in the subject line and copy in your contact person at VLAIO.

Which forms should you use?

For your report, use the forms available on the website, or the digital forms (substantive final report + impact reports). Answer the questions concisely with the most essential information. In exceptional cases, you may add an annex with further clarification. You can complete the reporting in Dutch or English.

How do you document the services performed?

The project reporting consists by default of short monitoring sheets and a report at the end of project implementation. Each year, you must submit **a progress report** (reporting on the progress of the project) and **a performance table**. The performance table, which shows the person-months performed per person, is essential for the financial monitoring of the project. In the performance table, the number of months must be reported to one decimal place. Important: every party that is a beneficiary, including any research partner(s), must register the services performed in the context of the project from the start of the project. VLAIO may request access at any time, during project implementation and in the five years thereafter, by means of inspection. The services performed must be **registered very regularly and accurately** during the implementation of the project. The actual time spent per person may be documented using a time recording system (if available in the company) or via a separate table kept specifically for the project, e.g. an extract from an Outlook calendar.

State on a daily basis which activities related to the project were carried out and when, and how many hours performed correspond to them.

For interim evaluations or to satisfy special conditions, we may ask you to provide specific reports or supporting documents.

How do you invoice the services?

External services performed by persons (and related to the project) may be submitted by means of invoicing. The invoices must be drawn up in accordance with the statutory requirements. State on the invoice:

- which services are being performed for the project – the explicit link with the project proposal must be clear, for example by using the HBC.xxxx.xxxx number;
- the number of hours of services;
- the hourly rate;
- and the date on which the services are performed.

If the invoices of internal employees are generated from an internal time recording system, you may refer to this system for their services.

If you are unsure whether the time recording system used meets the requirements, check this in advance with VLAIO's inspection service via inspectie@vlaio.be.

When do special conditions apply?

If you have special start conditions or other special conditions, these must be met at the start of, or during, the project or the grant agreement. These may include specific financial conditions or employment conditions, but also interim substantive and/or financial evaluations. For this, we usually request a more extensive **interim report**. In an interim evaluation, an overview of the costs incurred may also be requested. Specific reporting rules may be imposed for projects involving international collaboration. This is stated in the grant decision.

What if you do not provide the information on time?

If you do not provide the report or information on time, VLAIO may send a reminder on behalf of the FIO and costs incurred in the context of the project will no longer be eligible for grant funding.

- If the report/information is subsequently delivered and approved, the suspension is lifted and the costs incurred in the meantime become eligible for grant funding again retroactively.
- If the report/information is not delivered, a formal notice of default will be sent, which, in addition to suspension of payment, may lead to revision and even recovery of the grant and early termination of the grant agreement (see also Articles 9 to 11 of the innovation aid general terms and conditions).

A subcategory of special conditions is the resolutive condition. If you do not meet the resolutive condition, this may even lead to early termination of the grant agreement without notice of default. This therefore means that the costs, from the date of the condition, are no longer acceptable unless a positive score is obtained for satisfying that condition. Example of such a condition: interim evaluation

with specific milestones to be achieved. If you do not achieve those milestones, the grant agreement will be terminated early.

7.5.7 Calculation of the final grant amount

At the end of the project, there will be an important evaluation including a substantive and financial evaluation. On the basis of **the final report** and **the financial report**, the definitive grant amount is determined, possibly after a meeting and/or an on-site visit. The grant awarded, as stated in the grant decision, is a maximum amount granted on the condition that the beneficiary adheres to the grant agreement as planned and actually incurs the expected costs. At the time the project was approved, the eligible costs and services were defined (Article 2 of the grant decision). On the basis of the financial report, the actual costs incurred are verified and the final amount of the grant is determined. Although the implementation of the project has then ended, the agreement itself has not been dissolved. The **contractual provisions remain applicable.** The valorisation provisions, for example, continue to apply until **five years after the project (valorisation period).** The end date of the grant agreement is stated for each project in the preamble to the grant decision, and in any addenda to the grant agreement.

For research and development projects, you must submit two impact reports during the valorisation period: one report two years after the end of the project and one report five years after the end of the project. In addition, we may request information at any time regarding the application of the project results. Non-compliance with the provisions of the agreement, such as the notification and information obligations, may also lead to revision and recovery of the grant during this period.

The beneficiary receives **an end-of-project letter** setting out the final support amount and the further reporting obligations during the valorisation period.

VLAIO may also carry out a broader survey in the form of a questionnaire to monitor the results achieved through projects it has supported.

7.5.8. Contractual obligations when valorising the project results

The business partners, as beneficiaries, undertake to make all efforts that may be expected of them to protect and valorise the results after implementation of the project, with a view to achieving maximum added value in Flanders (economic and social impact), as set out in the approved project proposal. If you do not comply with this obligation, VLAIO may revise and recover the support.

The valorisation potential of project results may change over time for a variety of reasons. At the end of the project, an evaluation will be made together with the beneficiary. At this time, the valorisation prospects (previous estimate as stated in the approved project proposal) are also reviewed and the (possibly adjusted) valorisation plan is assessed. An update of the valorisation achievements and of the further valorisation perspectives will also be requested and assessed two years after the end of the project and five years after the end of the project.

If the project has technically failed despite proper project implementation, VLAIO will not recover the support.

If valorisation is not meaningful, or if less valorisation will be achieved in Flanders than was initially envisaged due to changed circumstances (either internal to the beneficiary or external in the market) that were not yet known during implementation of the project, you must explain this thoroughly. VLAIO will evaluate this.

If this situation occurs repeatedly, this will be taken into account when assessing future project applications (track record).

In the above situations (technical failure, non-meaningful valorisation), knowledge may have been built up in the form of other useful insights and/or results than those originally provided for in the approved project proposal. This built-up knowledge is also regarded as a project result of the implemented project.

In the specific case where valorisation is done exclusively by entities established outside the European Economic Area, this will always lead to actions as described in Articles 10 and 11 of the innovation aid general terms and conditions (revision and recovery of the grant). This also applies to situations where activities in Flanders are discontinued or scaled down and the results are (further) valorised outside of Flanders.

In the case of revision and recovery of a grant, in the most extreme case the support is recovered in full. In addition, VLAIO has the option of imposing sanctions involving suspension or discontinuation on other ongoing projects of the same enterprise.

7.6 Appeal against a negative decision

If you do not agree with the decision, you can challenge it through an **organised appeal**.

The organised appeal must be submitted to VLAIO within 30 working days after the decision date. It must be based on clear, specific and verifiable elements in the submitted project application and supplements which, according to the applicants, were not correctly assessed. New insights gained since the project was submitted do not fall within this.

When lodging an organised appeal, the project objective must remain unchanged. If the business partners believe they would be able to arrive at a project eligible for support with a changed project objective, they must submit a new project application and cannot make use of an organised appeal.

8. Ethics

8.1 Complaint

If you are dissatisfied with the way VLAIO has handled your project, you may submit a complaint in writing, orally or electronically at any time. Complaints are handled within 45 days after receipt.

You may submit a complaint about a negative assessment of an application only after an organised appeal has been submitted and handled.

8.2 Confidentiality

The staff members of VLAIO and all other persons who become aware of a support application or its follow-up are bound by confidentiality. All information provided in the context of the project application and the evaluation, whether orally or in writing, must:

1. be treated as strictly confidential;
2. be disclosed to third parties only if this is in the direct interest of the enterprise submitting the support application, or if this is a functional part of the handling of the application or of an ongoing project at VLAIO;

3. never be used or disseminated for personal gain or with a view to obtaining a personal benefit.

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

The above principles are regulated by decree.

For staff employed by VLAIO, the staff regulations and the individual employment contracts of the staff also apply. External experts sign a separate confidentiality agreement for each individual project proposal they handle.

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 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).	**For development projects** • 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.	• 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)			
OR • 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 ≥ 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 ≥ 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 ≥ 80%

II. IMPACT			
5. Social 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	• 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

II. IMPACT			
		compared to other business establishments due to a high 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.).	establishments due to, for example, high innovation capacity, unique 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	• As GOOD + for at least 1 business partner, the valorization realized in Flanders clearly exceeds the requirements.

II. IMPACT			
		previous project application, new geopolitical or macro-economic 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		• 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	

III. ADDITIONALITY			
OR • support leads to more collaboration.		• to a larger project OR • support leads to more collaboration.	

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	• 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.

II. IMPACT		
• innovation is focused on extinction activities. 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.		AND • 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	• 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.

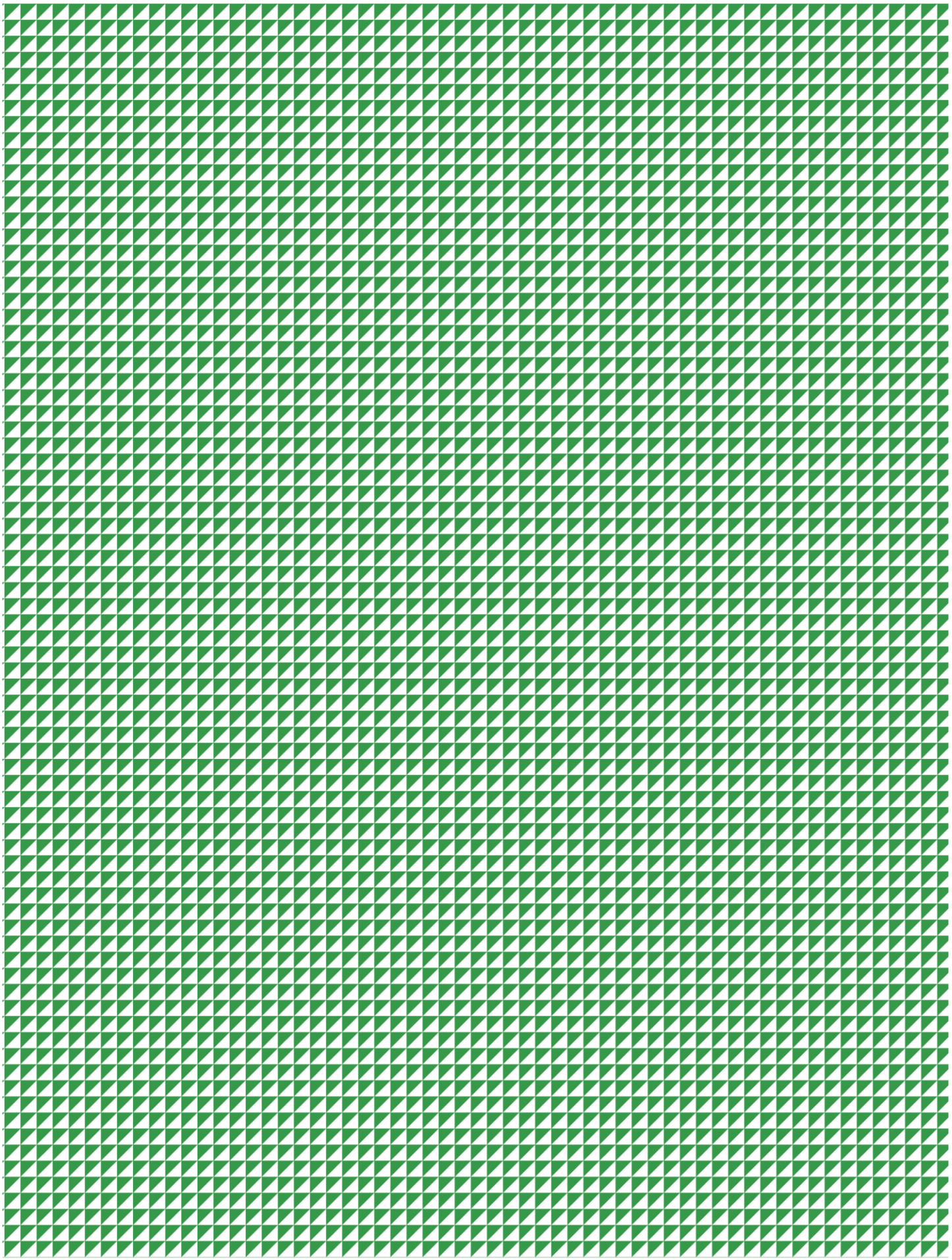
III. POTENTIAL TO REACH THE IMPACT		
and resources to successfully carry out the follow-up trajectory.		
IV. OBJECTIVES		
CRITICAL	**WEAK**	**GOOD**
• The objectives of the project are unclear or unrealistic. OR • the project is insufficiently focused on defining a supportable follow-up trajectory. OR • 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	• 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		
technical and/or scientific aspects of the intended follow-up trajectory. 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	• 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		
supportable follow-up trajectory or the valorization objective.		

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



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