

# FLANDERS INNOVATION & ENTREPRENEURSHIP

Acting on behalf of the Hermes Fund

Flanders Innovation and Entrepreneurship

Ellips building

Koning Albert II-laan 35 bus 12

1030 Brussel

Tel. +32 (0)2 432 42 00

Fax. +32 (0)2 432 43 99

Website:

<https://www.vlaio.be/nl/subsidies-financiering/innovatiemandaten>

E-mail: [Baekeland-IM@vlaio.be](mailto:Baekeland-IM@vlaio.be)

## Handbook for Innovation Mandates

version December 2018

**Postdoctoral mandates in cooperation with a company, or  
directed towards the creation of a new spin-off company**

## Introduction

This Handbook describes what is meant by an **innovation mandate** and how individual researchers and companies can benefit from the available funding.

This handbook contains general information about the funding programme. It should be read together with the additional information available on the website, including the application forms, the description of the selection criteria, examples of mutual cooperation agreements, etc. Regular consultation of the website is highly recommended.

If you have further questions, please send them to: [Baekeland-IM@vlaio.be](mailto:Baekeland-IM@vlaio.be).

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

## 1. Purpose

Innovation mandates provide support to postdoctoral researchers who wish to deploy active efforts to achieve the effective transfer, the exploitation and the utilisation of their research findings, either through a collaboration with an existing company, or a new spin-off company to be established.

The ultimate goal is to bridge the gap between academia and industry and to help the researchers to make the transition into the business world. During the implementation of the mandate, the mobility of researchers between academia and industry is encouraged.

The projects which are implemented in this funding programme are Strategic Basic Research projects. They present a risk level that is too high to allow their execution as an industrial R&D project. Consequently, there is a strong input from the knowledge centres, but with a valorisation finality that belongs to the business world. The projects eligible for funding are focused on the development of basic research, on ensuring the exploitation of the results within companies, and on the economic valorisation of research.

## 2. General terms and conditions

Funding is granted on a project basis to individual researchers affiliated with a knowledge centre to allow them to conduct strategic basic research in close collaboration with a company.

Essentially here, a postdoctoral researcher acts as the candidate mandate holder, with the guidance of one (or more) academic promoters and one (or more) industrial mentors.

The academic promoters monitor the scientific quality and progress of the project. The industrial mentors are responsible for the strategic orientation of the research and guide the candidate on valorisation issues. They participate in determining the research tasks that are necessary to ensure that scientific research results can be transferred to industry. In the second phase, the company is the applicant and is responsible for the cofinancing of the project (more detail on the subject further in this Handbook).

For innovation mandates aimed at establishing a spin-off company, it is possible for potential financiers and/or venture capital funds to provide the business guidance. The mandate stops the moment the company is established.

Ideally, a project proposal should be defined and developed in consultation with all partners.

The mandate holder is employed by the knowledge centre or possibly by the company in Phase 2. The activities can take place at both the knowledge centre and the company.

### 3. Different types of mandates

Within an innovation mandate, the cooperation may involve an existing company, or efforts may be made to establish a spin-off company. As a result, there are various types of mandates:

- 1) Innovation mandates leading to **the establishment of a spin-off** company (hereinafter called spin-off mandates). The main objective of this type of innovation mandates is to establish a spin-off developing an industrial activity in Flanders.

The mandates are 100% funded by the Agency for up to 2 years. The mandate stops the moment the spin-off is established.

Prior to the submission, the Tech Transfer department of the university should be consulted. A prior and thorough involvement of this Tech Transfer department will be important in the assessment leading to funding.

There will be a collaboration with an industrial mentor (possibly several) who will be involved in a coaching capacity (this can also include venture capital funds and consultancy firms).

- 2) Innovation mandates involving cooperation with **existing companies**. These innovation mandates may consist of 2 phases:
  - Exceptionally, a **first phase** of up to 12 months can be supported by a 100% subsidy to the university/knowledge centre. This is a stage during which more research is required to assess the feasibility in a business context. All the parties together will define milestones, and the thereto related scientific objectives, which should be achieved within one year at the latest.
  - A **second phase** of up to 24 months, in which a company is the applicant and is responsible for the strategic orientation of the research, and provides co-financing. In Phase 2, the funding is granted as direct state aid to companies.

Mandates **starting with Phase 1** shall proceed to Phase 2 after 6 months or after 12 months at the latest. The total project can run over 24 months or a maximum of 36 months. Phase 2 should come immediately after Phase 1 (no discontinuity for the mandate holder). Where the mandate does not proceed to Phase 2, it stops after Phase 1 (Phase 1 cannot be extended).

It is also possible for a mandate to be cofinanced by a company from the start, i.e. it starts **directly in Phase 2**. These projects are also granted for **two (2) or three (3)** years. For 3-year projects an interim assessment can be conducted at the latest after two years (cf. Industrial R&D projects). In particular, if the company also contributes its own knowledge / models / tools, an immediate start with Phase 2 is highly recommended.

The application should clearly indicate which type of mandate has been chosen. There are different application forms corresponding to the different types of mandates.

### ***Transition from Phase 1 to Phase 2***

In the case of mandates starting with Phase 1, specific goals and milestones are defined in consultation with one or more companies. These goals have to be attained before results can be transferred to the business sector, and hence before the transition to Phase 2 is possible.

The information in the project application includes a description of the strategic importance of the research and the possible applicability AND a possible industrial follow-up path in Phase 2. This is namely a more specific case of one or more companies. The industrial mentor has a vested interest in further valorisation; how this would be addressed (if a transfer is feasible) will be explained in the follow-up stage. The company acquires no right as a result of this. The experts will be asked to give their opinion about the quality of such a potential follow-up path. If the company and the knowledge centre decide to proceed to the follow-up stage (Phase 2), a new decision is required, and an agreement between the knowledge centre and the company is necessary to transfer the results from Phase 1.

Two months before the end of Phase 1, a report must be delivered, stating whether the milestones (the results of phase 1) are (will be) achieved and describing the actual implementation of the agreements on exploitation. Together with the expert advice, this forms the basis for a new decision by the Agency (in principle without requiring a new panel of experts), provided one remains within the scope of the original valorisation case.

## 4. Consortium

At least five partners are involved in an innovation mandate:

- (1) Flanders Innovation and Entrepreneurship (Agentschap Innoveren en Ondernemen), which grants the mandate;
- (2) The mandate holder;
- (3) The knowledge centre with which the mandate holder is affiliated (i.e. a Flemish university, research institute, strategic research centre, higher education institution/university college, etc.);
- (4) The academic promotor, who is linked to a Flemish university or knowledge centre and responsible for the scientific guidance. Several promotors, linked to different knowledge centres, can be involved. In this case, their participation has to be clearly complementary (e.g. in case of projects with a strong multidisciplinary dimension). Non-Flemish knowledge centres can be involved in the role of co-promotor, and also provided the added value is clear.
- (5) The industrial mentor(s), linked to a company with activities in Flanders. Several companies can act as industrial mentor for the same mandate, provided their complementarity is clear (e.g. in the case of projects with a strong multidisciplinary dimension, and/or if they each have a different role in the valorisation chain). The added value of each partner should be clear and their dynamic interaction should not be disturbed because of the possible competitive position between the companies themselves.

For projects that start with Phase 1, the company will participate in the definition of the milestones that must be achieved to ensure the applicability and valorisation of the results in the long term. In case of successful results, negotiations will be held with the company on the transfer of the results. If developments are positive, at the scientific level, in terms of valorisation as well as regarding agreements on the transfer of results, the company will take care of cofinancing in the second phase.

The partners should be known when submitting the project application.

The partners must sign a mutual cooperation agreement. This cooperation agreement should be appended when submitting the project application; if not, at least a term sheet (“afsprakennota”) outlining the mutual agreement between the partners concerning the intellectual property rights on the project results must be signed. Exceptionally, this term sheet can be submitted after the deadline for submission of the project proposal; the final deadline for this term sheet (stipulated in the call document “oproepdocument” on the website) must however be respected.

The provided support is project-based, paid in instalments every year, in the form of advance payments to the knowledge centre (for spin-off mandates and projects in Phase 1) or to the company (for projects in Phase 2). The mandate holder is employed by the knowledge centre (university or research centre), or possibly by the company in Phase 2.

Consequently, the Agency does not act as an employer and is not responsible for the direct payment of a salary to the mandate holder. The employer, (which may be either a knowledge centre or the company), is responsible for the contractual aspects with regard to the employment, salary and reimbursement of the mandate holder.

### **4.1. Candidates**

The funding programme is open to anyone who holds a doctorate (PhD) diploma. The Agency does not impose any additional restrictions. The scheme is therefore open to all nationalities and all academic disciplines.

Regardless of the type, the same candidate can only be awarded an innovation mandate once<sup>1</sup>.

A researcher can only submit twice an application for an innovation mandate.

Candidates who, at the time of submitting the application, have yet to obtain their doctorate (PhD) diploma, but are due to defend their dissertation in the short term (within 6 months), should declare that they are indeed in the final stage of their doctoral project and that there are no indications that they would not succeed in obtaining their PhD in the short term. The planned date of the dissertation defence should be communicated.

All companies with activities in Flanders may take the role of applicant in Phase 2. The registered head office may be located in the Brussels Capital-Region or the Walloon region, or even abroad. Sufficient added value for Flanders remains important and is a selection criterion in the evaluation. For spin-off mandates, provisions must be made to set up the company in Flanders. The industrial promoter of a spin-off mandate can in exceptional cases come from a non-Flemish company if the most appropriate industrial promoter is not found in Flanders and in so far as the establishment of a spin-off company in Flanders is intended.

The company must have at least one employee who is competent to take on the role of industrial mentor for the mandate holder. Moreover, the existing professional environment should allow the support of the project. It is also possible for different companies to work together to support an innovation mandate, if together they can leverage the requirements of professional environment and financial capacity in Phase 2. All parties must sign the mutual cooperation agreement which clearly states the arrangements regarding each and everyone's role and rights.

## **5. Duration and activities eligible for funding**

### **5.1. Duration**

The duration of an innovation mandate is two years in principle. In cooperation with an existing company, a mandate of three (3) years may be requested, in which Phase 1 remains set to a maximum of 12 months. The reason for a total project duration of more than 24 months must be justified (e.g. because of prolonged testing). Just like for industrial R&D projects, an interim assessment can always be scheduled for projects lasting more than 24 months (full-time basis).

In the case of part-time staffing, the project duration may be extended in order to equate the total funding to 2 full-time man-years. An innovation mandate for part-time staffing is possible with a minimum of half-time staffing, as long as the valorisation of the research results remains possible, which is part of the evaluation of the application.

A mandate may be interrupted in case of incapacity for work exceeding 30 days (e.g. maternity leave).

### **5.2. Budget**

An innovation mandate provides funding for pay-roll, operating costs, equipment costs and fixed costs in relation to a specific employee.

The standard rules of the cost model apply a priori. The budget includes the pay-roll for the mandate holder, other direct and indirect costs, where the sum of the non-pay-roll costs (= other direct and indirect costs) may not exceed 40.000 euro per man year. When checked at the end of the project implementation, it should be possible to justify the costs upon request.

Further information is given in the document on the website.

### **5.3. Scope of the funding**

The subsidy is calculated on the basis of the approved budget. The granted funding depends on the type of mandate and the phase.

- For spin-off mandates and projects in Phase 1, the Agency grants 100% funding to the knowledge centre.
- For mandates in Phase 2 in partnership with a company, the basic funding rate granted is 50% and can be increased (cumulative):
  - a company that is a small company (SE) can get 20% extra support and a medium-sized enterprise (ME) 10%;
  - the project can get 10% extra support if there is a well-balanced collaboration between several independent companies of which none of the companies contributes more than 70% of the cost, and at least one partner is an SME.



## 6. Processing of the application

### 6.1. Submission

In principle, applications can be submitted throughout the year. The applications are however grouped for processing. One or two submission deadlines are set in the course of each calendar year.

### 6.2. Eligibility

Within a period of 14 working days after the deadline for submission, a decision on eligibility of the application is taken.

Eligibility is based on formal criteria.

- The mandate holder must hold a doctorate (PhD) diploma, or obtain his/her PhD within 6 months.
- The different partners, the mandate holder, the knowledge centre (university, research centre, higher education institute/university college, etc.), the academic promotor, and the company (companies) are known at the time of the application. The company (companies) and the knowledge centre agree with the execution of the activities.
- The company must have activities in the Flemish region.
- For innovation mandates Phase 2, the company is no “undertaking in difficulty” (see <http://www.vlaio.be/onderneming-in-moeilijkheden>) at the moment of the decision.
- An industrial mentor is appointed by the company to coach the mandate holder.
- The agreements on intellectual property rights, transfer, and the exploitation of the results are known. A signed term sheet or mutual cooperation agreement is included. In the absence of a signed term sheet or cooperation agreement at the deadline for the submission of a project proposal, the Agency can declare an application conditionally eligible and already initiate the assessment. However, if the Agency does not possess the term sheet (or cooperation agreement) at the deadline for submission of the term sheet (as stipulated in the call document “oproepdocument” on the website), the project application will be declared “ineligible” and the process initiated provisionally will be stopped.
- There is no restriction on the number of mandates the same company can coach (and apply for in Phase 2). An individual researcher can only be put forward twice as candidate mandate holder in an application for an innovation mandate.

- In the course of the eligibility analysis, the Agency is entitled to seek additional information on formal aspects, such as the status of the company in relation to social security contributions, financial data (to check whether the company has sufficient financial resources at their disposal, are up to date with all government and permit requirements), etc.

The Agency may deny eligibility if the company is not abiding by the regulations.

For the approval of Phase 2, the Agency may request additional information with the aim of substantiating the financial status of the company.

The processing of an application for an innovation mandate only starts after it has been declared eligible.

### **6.3. Processing schedule**

The decision whether to support the project will be made within 75 working days from the date the application is declared eligible.

Given the grouped processing, one or two submission deadlines are set each year. However, eligibility still determines the timing of the decision, as an application submitted in time which is declared ineligible can, within the set timing, be moved automatically to the next round of assessments. At each processing round, the exact schedule will be announced by means of a call document for submitting proposals.

### **6.4. Start date**

The implementation of a mandate always starts on the first day of a month. The implementation of a mandate should be initiated within a maximum period of six months after the decision by the Hermes decision committee. A mandate can only be started once the doctorate diploma has been obtained.

It is possible to already start the implementation of a mandate before the decision. The starting date is at the earliest on the first day of the month following the submission deadline, as long as the application can be declared eligible within a normal period of 14 working days (or conditionally eligible in case the document regarding intellectual property rights is submitted later). It is important that the period prior to the decision can only be funded if the implementation was effectively initiated and costs for this period can be justified. If opting for a start date prior to the decision, this is at the risk of either the knowledge centre or the company (for mandates starting directly in Phase 2). It is important to only accept a mandate as initiated if the eligibility requirements are met, as well as all the conditions to carry out the research. In any case, the implementation of a mandate may not be started as long as the candidate has not obtained his/her doctorate degree.

### **6.5. Evaluation procedure**

Since the final decision will be based on a reasoned recommendation by a panel of external experts, all candidate mandate holders with an eligible project application will be invited to defend their project proposal before those experts. There is no provision for an oral explanation by the academic promotor and/or the company representatives.

The general rule is that no interactions should take place between the candidate mandate holder and an advisor of the Agency prior to the oral defence before the panel of experts. In exceptional cases, the Agency may decide to facilitate an interaction nonetheless. This will only happen if there are significant uncertainties and can never be requested by the mandate holder, promotor and/or company.

If the number of applications within a certain call is so high that the success rate will be lower than 30%, the Agency may decide to organise two evaluation rounds. In a preselection, applications that do not fit within the funding programme or are insufficiently developed will not be retained for further evaluation and an oral defence before a panel of experts. This preselection will be matched with a steering evaluation committee of external experts.

Through the grouped evaluation process, a panel of experts will handle several project applications. All the members of the expert panel have to reach consensus in the assessment. Experts with an affiliation to the same department as a candidate mandate holder or to the company acting as an industrial mentor cannot participate in the evaluation of an individual file. Experts must sign a confidentiality agreement which is identical to the confidentiality agreement used for the evaluation of industrial R&D projects.

External experts are appointed by the Agency for each call. There are no permanent committees. The names of the external experts are not announced in advance. The mandate holder is given the names of the experts at the oral defence.

In order to maintain, during the evaluation, a good balance between the utilisation/valorisation potential and the academic character, the composition of the panel is determined by a targeted standard of 50% experts from the business world or other potential users of the research results and 50% from the academic world and from public research organisations.

To reduce any possible conflict of interest because of industrial competition and to allow for an impartial and balanced evaluation, applicants may submit **a short list of a maximum of 5 experts to be avoided**. This is especially valid for industrial experts or possibly also experts from universities and research organisations insofar as they have a significant affiliation with a competitive company or spin-off development. This must be done at the moment of the initial project application (see deadline in Call Document) in a separate appendix as specified in the application form. The short list must be specific i.e. based on the name of the expert or at least of his or her specific research group or department. It is not possible to exclude experts at the higher level of the research organisation or university, or to object to experts which are active in a particular domain.

When appointing experts, the Agency will always give the utmost consideration to the requests for challenge. If asked to object to an unreasonably high number of names/entities (> 5), the Agency does not have to consider this request. A link with a competing company is crucial when requesting the challenge of academic experts. If the request is merely based on personal preference or dislike, it is not possible to take it into account.

### **6.6. Application file for an Innovation Mandate**

Applications may be submitted in either Dutch or English. The defence will be in the language of the application.

#### **6.6.1. Application file**

The application file for an Innovation Mandate should be prepared using one of the forms provided to that effect (available on <https://www.vlaio.be/nl/subsidies-financiering/innovatiemandaten>).

Please note that there is a choice of three different forms, namely one for spin-off mandates, one for mandates which involve working with an existing company and starting immediately in Phase 2, and one for mandates starting in Phase 1.

The basic components of the application file are:

- The CV of the candidate mandate holder;
- The background/reason behind the proposal;
- Innovation Goal: a concise description of the project, emphasising the objectives;
- A detailed description of the research project: approach + work programme, schedule;
- Guidance: integrating the research within the innovation strategy of the research group and of the company (companies);
- Targeted applications and valorisation;
- A summary of scientific achievements.

The **length** of the detailed description **may under no circumstances exceed 25 pages** (excluding references).

The innovation goal will be integrally included in the agreement with the Hermes Fund and will be used at the end of the project to determine to what extent the set objectives were achieved. This is one of the reasons why it is necessary to delineate the objectives as clearly as possible, to ensure that they are concrete and verifiable and to include as many quantitative milestones as possible, if appropriate. Changes to the work programme within the scope of the innovation goal do not require an adjustment of the agreement.

### **6.6.2. Appendices/Supporting documents**

- Budget;
- Copy of doctorate (PhD) diploma;
- Term sheet/mutual cooperation agreement concerning the intellectual property rights and stipulating the future transfer and exploitation of the results;

## **7. Decision**

### **7.1. Evaluation criteria**

Each application is rated on the basis of two assessment dimensions: the scientific quality and the utilisation quality (= potential for economic and social utilisation). Based on the project proposal and on the interview with the candidate mandate holder, the panel of experts will evaluate for each dimension the competences of the candidate and the quality of the project proposal. The assessment is therefore based on four sets of criteria.

The evaluation criteria are explained in more detail on the website (document “*evaluatieroster*” on <https://www.vlaio.be/nl/subsidies-financiering/innovatiemandaten>).

A score is given for each criterion, which ranges from Critical (= unacceptable) to Poor, Fair, Good and Excellent.

Based on the scores, a decision is made on the final selection of project proposals.

In this process, the Hermes decision committee always takes a decision on whether a project can or cannot be funded on the basis of substantive scores. If the available budget is insufficient to support all proposals worthy of funding, the highest rated proposals within the available budget will be funded.

### **7.2. Phase 1 and Phase 2**

For projects starting with Phase 1 and proceeding to Phase 2, a decision has to be made at every stage. Since the two phases are based on different legal frameworks, there are two agreements and two separate decisions by the Hermes decision committee.

It is important to avoid discontinuity and to ensure that the mandate can make a smooth transition from the first to the second phase. In order to ensure such a smooth transition, in the evaluation stage before the start of the mandate, not only a recommendation will be sought from external experts for the decision in Phase 1, but also a recommendation which can be used in the subsequent decision concerning Phase 2. The decisions themselves are independent decisions, i.e. a decision in Phase 1 does not have any implication on Phase 2, and certainly does not impose

a preference for the industrial mentor. However, the candidate will present himself/herself only once before a panel of experts (for the granting of the mandate).

### **7.3. Request for reconsideration**

If the decision is negative, a request to reconsider the decision can be submitted to the Agency. This request for reconsideration has to be submitted within 60 working days following the decision and must be based on clear and verifiable elements.

If a review by a new panel of experts is requested, the Agency must decide whether this request is well founded. If this request is approved, the candidate mandate holder will be invited to an oral defence before a panel of experts which will take place in the context of the next call and, in terms of content, will be as close as possible to the theme of the project application.

However, a restriction has been imposed whereby the same candidate mandate holder can defend the application up to a maximum of two (2) times before a panel of experts. Concretely, once a request for reconsideration has been handled involving a defence before a newly appointed panel of experts, resubmission is no longer possible (with the same candidate mandate holder), or in the case of a resubmission, a request for reconsideration with a defence before a newly appointed panel of experts is no longer possible.

### **7.4. Complaint**

In case applicants are dissatisfied with the way the Agency handled their application, they can file an oral, written or electronic complaint at any time. Complaints will be dealt with within 45 days following receipt.

## 8. Rights and Duties

### 8.1. *Intellectual Property Rights (IPR)*

The arrangements regarding IPR and the transfer and exploitation of the results depend on the type of mandate.

- For spin-off mandates and mandates in Phase 1, the companies only take on a coaching role and they do not acquire any rights to the research results. In Phase 1, in the context of the cooperation agreement with the coaching company, it is possible to agree on a "Right Of First Negotiation". Upon transferring IPR to a company, the research organisation receives a fee in accordance with the market price for the transfer of intellectual property rights. The company acting as an industrial mentor has absolutely no guarantee to the possible licensing/exploitation of the project results (see above, however, "Right Of First Negotiation").
- For projects in Phase 2, an agreement must be reached by mutual consent concerning the distribution of IPR. For innovation mandates a preference is clearly given to shared rights. This can be interpreted in different ways. The results may be split up and the university would then acquire property rights on particular outcomes (e.g. methodology/model), while the company would acquire property rights on results with a specific target. Another possibility is that the property rights to the results would belong to the university and that the company would obtain the exploitation rights in a specific field of application (e.g. the company acquires the exploitation rights for a specific target/material category/field of application and the university retains the exploitation rights outside this field).

In addition to the agreements on IPR distribution, the partners obviously need to agree on access to background knowledge and exploitation rights to background knowledge. Rights to use background knowledge are not exclusively transferred.

The basic models for the IPR arrangements are included in a standard cooperation agreement drawn up by the universities and companies. This standard cooperation agreement, included in an explanatory document on the website, is not a strict template. Its sole purpose is to highlight the various possible models of IPR regimes.

When submitting an application, the key elements of the IPR agreements must be included in a mutually signed cooperation agreement or at least a term sheet. These elements may play a part in the evaluation, and should therefore be known prior to the interview with the panel of experts. This term sheet is required for eligibility. In the absence of a term sheet or cooperation agreement at the time of submission of the project proposal, the Agency can declare an application conditionally eligible. If, however, the Agency does not possess a signed term sheet or cooperation agreement at the deadline for submission of the term sheet (as stipulated in the call document "oproepdocument" on the website), the processing of the application will be stopped.

The formal confirmation of the arrangements takes the shape of a cooperation agreement (cf. below).

It is obviously vital that the detailed elements in the final cooperation agreement remain within the limits of the arrangements of the term sheet.

### **8.2. Funding agreement**

If the decision is positive, a funding agreement is signed by the beneficiaries and the Hermes Fund.

- For spin-off mandates and to support projects in Phase 1, the university / knowledge centre is the beneficiary.
- In Phase 2, the company (companies) is (are) the beneficiary (beneficiaries).

The funding agreement is signed by the mandate holder.

The funding agreement is a best efforts obligation.

Where relevant, the Agency will incorporate specific conditions into the funding agreement, such as the authorisation of ethics committees, ownership of required permits, etc.

### **8.3. Mutual cooperation agreement**

A cooperation agreement is concluded between the partners; it governs at least:

- agreements on mutual payments;
- the appointment of contact persons;
- the dispute resolution procedure;
- mutual arrangements regarding IPR and use of the results;
- arrangements relative to publication rights.

The cooperation agreement is signed by at least the legal representatives of the company (companies) and the knowledge centre(s).

The funding agreement is only concluded after reception of the cooperation agreement. The signed cooperation agreement should be received within four months of the decision. If after four months, no cooperation agreement has been received yet, the positive decision expires.

If in the course of a project implementation, a mentor, for whatever reason, changes, it is in principle possible to continue the mandate with another mentor. The relevant knowledge centre and the company must have the cooperation agreement amended by mutual consent and submit it to the Agency for approval. If the mandate holder interrupts his/her activities, the agreement, which was granted nominative, is automatically discontinued.



#### **8.4. Payment of support**

The provided funding is project-based and paid in instalments every year, in the form of advance payments. The first advance is paid after receipt of the signed funding agreement and the signed cooperation agreement.

In Phase 2, the company is responsible for the timely payment of the research partner(s) in advances of at least six months. The company covers the total invoice of the research partner(s) that is part of the eligible costs on which the funding was calculated and the subsidy granted.

Payment is conditional on proper compliance with the agreements.

At the end of the project implementation, a final audit of actual costs will be carried out. Depending on the approved costs and the funding rate applied, the total subsidy is calculated and a final instalment is paid out taking into account the advances already paid.

#### **8.5. Implementation**

The innovation goal constitutes the basis for the funding agreement. It is possible to modify the work programme within the scope of the innovation goal without amending the agreement.

The mandate holder submits a progress report every six (6) months. At the end of Phase 1 and upon completing the mandate, a report is required on:

- Scientific progress;
- Achieving the innovation objectives including strategic application;
- The valorisation report;
- The financial report.

The reporting templates can be found on the website (<https://www.vlaio.be/nl/subsidies-financiering/innovatiemandaten>).

#### **8.6. Interim assessment**

For projects whose total project duration exceeds 24 months (on a full-time basis), after 2 years at the latest, an interim assessment can be conducted to evaluate the progress, and to ascertain whether the mandate is properly used as regards the agreed goal.

The interim assessment is done on the basis of a report describing the results and the outlook for future applications.

#### **8.7. Funding review**

If the reports prove that the implementation of the project was inconsistent with the terms of the funding granted and the innovation goal, the funding may be reviewed.

Failure to comply with the contractual agreements will entitle the Agency (acting on behalf of the Hermes Fund), during the project implementation or still during the follow-up stage after the project implementation, to proceed with a review of the funding, which may lead to the recovery of the funds already paid if the recipients are in manifest breach.