



# Guidelines for publication of INTECMED Call

## For Innovative Business Ideas

### ANNEX 1 - Sub-grants call

**B\_A.2.1\_0063 – INTECMED**

**Reference: <call for sub-grant proposals number 1>**

**Deadline for submission of application: <28.2.2022>**

## 1. Background

Although participating regions of the INTECMED project are heterogeneous in terms of innovation, they do share a common challenge: overcome the obstacle of different actors working with innovation at local level to coordinate their actions and to find synergies. For this reason, INTECMED aims to develop an integrated innovation ecosystem at local level to support technological transfer and commercialization of research results. The project will use a methodology of building resilience into risk management (BRIM) to develop a shared vision of how to build start-ups overcoming inexperience and gap between academic knowledge and business development. This methodology will be implemented by creating regional alliances, facility points, mentorship programmes and innovation exhibitions, where investors and innovators have the opportunity exchange their ideas and business opportunities. Through mentorship, skills development in business planning, the commercialisation of research results of at least 48 entrepreneurs and researchers will be fostered and at least 2 new spin-offs will be launched. 12 up to the 48 entrepreneurs supported could also be granted with the subgrants defined in this document.

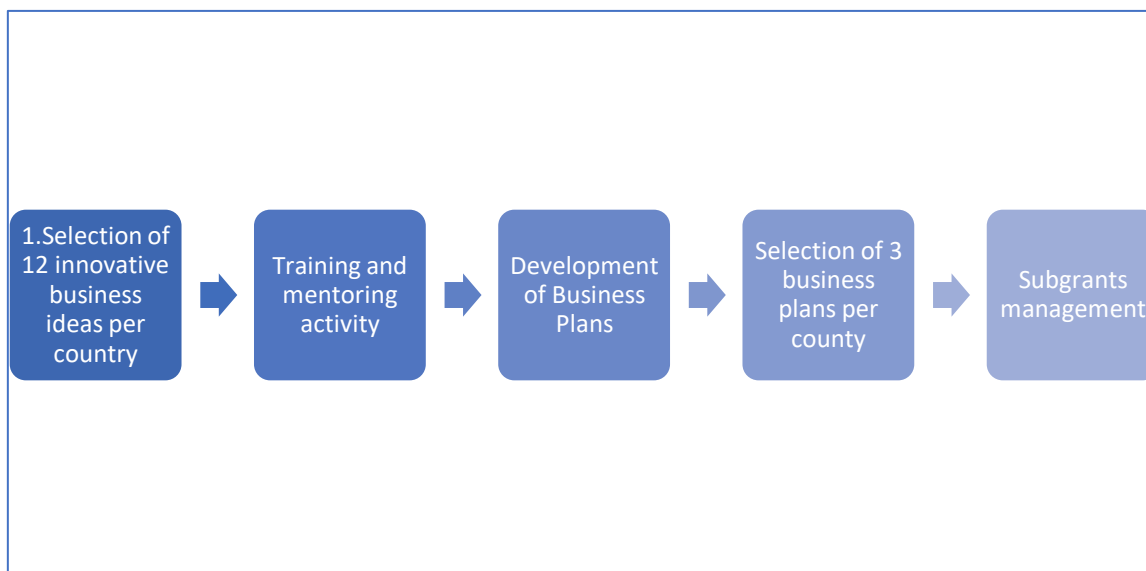
## 2. Objectives of the call

The **objective** of this call is to select and grant the 12 best prepared business plans (3 per country) from those developed by the 48 entrepreneurs participating in the INTECMED's mentorship programme, according to the steps and methods described in article 3 (see information of Phase 2).

This call is in line with the objective of the project, which is to support technological transfer and commercialization of research results, promoting and supporting innovative business models. The intervention will have an important economic and social effect, contributing to the creation of an environment conducive to entrepreneurship, innovation and employment.

This call is, therefore, part of a structured process which guarantees the following steps, according to the BRIM Methodology developed by the project:

1. Selection of 12 innovative business ideas in each country
2. Training and mentoring activity
3. Development of Business Plans
- 4. Selection of 3 business plans per county**
- 5. Subgrants management: execution and justification of the funded activities.**



### 3. INTECMED project pipeline: selection, mentoring and funding

The path offered by INTECMED, following phases, including the subgrants in phase 2:

#### Phase 0 - Selection of Business Ideas

After the launch and closure of this call, all the business ideas received in each INTECMED region will be evaluated, following the criteria described in this call text by a regional committee. All the eligible applicants will be invited to present their business idea, in a pitch event. It will be a private presentation, in front of the regional committee, to ensure confidentiality in these first stages.

Only the 12 higher scored business ideas per INTECMED region (48 in total) according to the selection criteria described in this call text, will be invited to participate in the INTECMED mentorship programme and, subsequently, compete for the awarding of the sub-grants.

The output of Phase 0 will be the list of selected business ideas to be mentored in each INTECMED region.

#### Phase 1 - Training and Mentoring

The 12 business ideas per INTECMED region selected (48 in total) will be engaged in a mentorship programme, focused on the strengthening of entrepreneurial skills and competences which are necessary to define/refine a valid business idea and a successful business path. INTECMED mentorship programme will provide a set of tools aimed to support and advise the participants during a 6-month period:

- Coworking facilities
- Joint training programme in key areas of expertise: business and finance, sales, product development and legal aspects.
- Individualized mentoring in different fields, according to every project's needs

- Networking activities, at an international scale

During this process, the participants will have the chance to improve and validate their business models, as well as prepare a complete business and financial plan, as one of the main outputs.

### **Phase 2: Selection and funding of the most promising business ideas**

All those participants who have successfully completed the phase 1, will be eligible to compete for the assignment of a financial support for its business idea, by means of a sub-grant of:

- 30.000 Euros for the 1<sup>st</sup> place in each count,
- 20.000 for the 2<sup>nd</sup> place in each country and
- 10.000 for the 3<sup>rd</sup> place in each country

The subgrants will be used to fund activities directly related to the development of the project. The sub-grant shall take the forms of reimbursement of costs.

The regional committee, again, will participate in the subgrants evaluation process, being in this case the business plans the main document to be analyzed. The regional committees reserve the right not to award all available funds, if the candidates do not reach evaluation thresholds.

## **4. Eligibility criteria for the INTECMED subgrants (Phase 2)**

### **4.1. Eligibility of applicants (i.e. lead applicant and co-applicant(s))**

Only natural or legal persons selected in the INTECMED call for business ideas and participating in the mentorship programme could apply for this subgrants call.

If awarded the sub-grant contract in INTECMED Phase 2, the lead beneficiary of the business ideas participating in the mentorship programme (Phase 1) will become the sub-grantee, who is the main interlocutor of the project awarding the sub-grant. It may represent and act on behalf of any other co- sub-grantee (if any) and coordinates the design and implementation of the action.

If awarded the subgrant contract, the co-applicant(s) (if any) of the business ideas participating in the mentorship programme (Phase 1) will become co-subgrantee(s) in the action (together with the subgrantee).

### **4.2. Eligible activities: actions financed by the subgrants**

Types of activity which may be financed by the subgrants:

- Staff costs
- Administrative and legal procedures for opening a new business;
- Acquiring patents or trademarks registration;

- Any type of activity directly and unequivocally attributable to the implementation of the proposed business project, with proof of the realized output (e.g. equipment, prototype, feasibility studies, communication and visibility).

The applicants will include a budget showing the specific costs they expect to cover thanks to the subgrants, considering the scenario that they get the higher amount (30.000 euros) and the timeline for their implementation of maximum 6 months. This budget must be aligned with the global business plan presented for evaluation, as well as represent a significant boost for the project.

### Location

Actions must take place in one of the following regions

Country	Eligible regions
<b>Greece</b>	Western Greece Region
<b>Spain</b>	Andalusia
<b>Tunisia</b>	Tunisia
<b>Egypt</b>	Alexandria Governorate, Marsa Matruh, Al-Iskandanyah, Al Buhayrah, Kafr ash Shaykh, Ad Daqahliyah, Dumyat, Ash Sharquiyah, Al Isma'iliyah, Bur Sa'id.

## 5. Eligible costs

Only eligible costs can be covered by the sub-grant. The categories of costs that are eligible and non-eligible are indicated below. The budget is both a cost estimate and an overall ceiling for eligible costs.

### Eligible direct costs

The following costs are eligible:

- Human Resources (permanent staff and/or new contracts). This category can't exceed the 35% of the total.
- Travel and Subsistence (for human resources only)
- External Services (e.g. accounting, design and development of promotional material, licence for software, rent of office, etc.)
- Equipment and supplies (e.g. computers, printers, networking devices, , desks, chairs, office material, etc.)

To be eligible under this call for proposals, costs must comply with the provisions of article 9 of the sub-grant contract.

The subgrant applicant(s) agree that the expenditure verification(s) referred to in Article of the sub-grant contract will be carried out by the auditor contracted by <CEEBA>.

The sub-grant may be awarded with the form of reimbursement of a specified proportion of the eligible costs actually incurred by the sub-grantee.

The sub-grantee must:

- Ensure that the **costs are compliant with the eligibility requirements** of the programme and included in the categories accepted in the call for sub-grants
- Follow the **programme rules**<sup>1</sup> in what concerns the eventual **revenue** deriving from the sub-grant activities
- Keep sub-grant accounting showing a reliable and easy to follow **audit trail**<sup>2</sup> of the expenditure and revenue
- **Keep the original accounting supporting documents** until the end of the open-to-control period.
- Have the declared **expenditure verified** by the project auditors or competent public officer, following the requirements of the programme and the national requirements of the project Lead beneficiary / partner issuing the call

#### Eligible indirect costs

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must not exceed 7 % of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the sub-grant contract. The lead applicant may be asked to justify the percentage requested before the sub-grant contract is signed. However, once the flat rate has been fixed, no supporting documents need to be provided.

**NB:** If any of the applicants is in receipt of an operating grant financed by the EU, it may not claim indirect costs on its incurred costs within the proposed budget for the action.

#### Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the applicants and financed by another action or work programme receiving a European Union grant;
- purchases of land or buildings;
- currency exchange losses;

<sup>1</sup> <https://www.enicbcmmed.eu/reference-documents>

<sup>2</sup> The audit trail gives a step by step documented history of a transaction. It enables an examiner to trace the financial data from accounting to the source documents (invoice, receipt, voucher, etc.).

- duties, taxes and charges, including VAT, except when non-recoverable under the relevant national tax legislation unless otherwise provided in appropriate provisions negotiated with partner countries, as per the provisions of the related Financing Agreement;<sup>3</sup>
- loans to third parties;
- fines, penalties and expenses of litigation;
- contributions in kind;

## 6. Sub-grants payment schedule

The subgrants payment schedule will be structured based on two options as follows:

### OPTION A

- 30% in an initial pre-financing;
- 70% as balance payment at completion, linked to justification and expenditure verification.

or

### OPTION B

- 30% in an initial pre-financing;
- 30% an interim payment, linked to justification and expenditure verification;
- 40% as balance payment at completion, linked to justification and expenditure verification.

## 7. How to apply and the procedures to follow

As a result of the mentorship programme, applicants are invited to present the following documents:

1. An updated business plan of their innovative idea,
2. A description of the activities to be covered by the subgrants and the timeline for their implementation (of maximum 6 months)
3. A budget showing the specific costs they expect to cover thanks to the subgrants, considering the scenario that they get the higher amount (30.000 euros) (see Annex 02).

It is therefore of utmost importance that these documents contain all the relevant information concerning the action.

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<sup>3</sup> For details on VAT and tax provisions set in Financing Agreements (FA), the potential applicants may refer to the specific national provisions.

Applicants must present the documents in Greek for Greece, Spanish for Spain, French for Tunisia and English or Arabic for Egypt. Hand-written documents will not be accepted.

Any error related to submission phase of the application will be communicated during a clarification period before the technical evaluation of the documents, according to eligibility criteria. The applicants will have a 10-day period to provide the information before the application is rejected.

## 8. Evaluation and selection of applications

Applications will be examined and evaluated by regional evaluation committees, created in each INTECMED region, in collaboration with the RAITs. All applications will be assessed according to the following steps and criteria.

If the examination of the application reveals that the proposed action does not meet the eligibility criteria stated in Section 4, the application will be rejected on this sole basis.

### (1) STEP 1: OPENING & ADMINISTRATIVE CHECKS. VERIFICATION OF ELIGIBILITY OF THE APPLICANTS

During the opening and administrative check, the following will be assessed:

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the application includes all the required information (business plan, budget and timeplan for the funded activities). If any of the requested information is missing or is incorrect, it will be asked to be submitted in 10 days.

### (2) STEP 2: EVALUATION OF THE DOCUMENTS (2 Phases of evaluation)

The applications that pass the opening and administrative checks will be further technically evaluated on their quality. They will be evaluated using the evaluation criteria shown below.

#### Evaluation grid for Phase 2 – Selection and funding of the most promising business ideas

Criterion	Maximum score
<b>Attendance to activities</b>	<b>20</b>
Attendance above 80%	20
Attendance between 50% and 80%	8
Attendance between 30% and 50%	2
Attendance below 30%	0
<b>Achievement of individual goals during the programme</b>	<b>20</b>
Achievement above 80%	20



Achievement between 50% and 80%	8
Achievement between 30% and 50%	2
Achievement below 30%	0
<b>Quality of the Business Plan</b>	<b>50</b>
Level of detail of envisaged actions and measures	25
Financial sustainability	10
Potential to attract investors	5
Estimated cross border impact	5
Estimated impact on employment	5
<b>Feasibility of the idea</b>	<b>10</b>
Immediately feasible project	10
Project feasible in 6 months	5
Project feasible in 12 months	0
<b>Maximum total score</b>	<b>100</b>

After the first evaluation, a table will be drawn up listing the applications ranked according to their score. The 3 highest scoring applications will be provisionally selected.

In addition, a reserve list will be drawn up following the same criteria. This list will be used if any of the applicants initially selected decline the subgrant.

The regional committees reserve the right not to allocate all the positions if the proposals do not meet quality requirements.

The ranking resulting from Evaluation Phase will be published on the INTECMED's website with due observance of the requirements of confidentiality and security.

All applicants will be informed in writing (by Email) of the evaluation committee's decision concerning their application and, if rejected, the reasons for the negative decision. An applicant believing that it has been harmed by an error or irregularity during the award process may lodge a complaint.

Any complaint should be sent within 7-days after selection committee's decision.

The appeal cannot be used as an opportunity to provide new information or to repeat the selection process. During the appeal the application and/or the selection process are not given a full re-evaluation but will only be checked for errors highlighted in the process.

Participants must submit their appeal clearly stating the reason for their appeal and clearly describing the error(s) identified.

## 9. Visibility

- Subgrant applicants must comply with the objectives and priorities and guarantee the visibility of the EU financing (see [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf)).

## 10. Annexes

- Budget (excel file)
- Standard sub-grant contract model (to be signed by the 3 winners)
- Activity report (to be provided by the 3 winners)
- Financial report (to be provided by the 3 winners)
- De\_minimis\_declaration (to be provided by the 3 winners)
- List\_of\_aid\_recipients (to be provided by the 3 winners)