



INNOWIDE CALL 2 FOR APPLICATIONS IMPLEMENTING GUIDELINES



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1. Introduction

1.1. What is INNOWWIDE?

Competition has become global and so is innovation. To compete effectively in new and emerging foreign markets European SMEs need to develop partnerships with strategic counterparts from countries outside Europe to undertake *co-creation of RTDI projects*¹ and further joint business development (new product-market combination).

Developing a *new product-market combination* with a strategic international partner outside the EU or its Associated Countries can be very challenging for SMEs in terms of technological & financial risks and market barriers. Before starting it is essential to assess first the technical feasibility as well as a deep understanding of the financial, legal, market and cultural aspects in the target foreign markets.

That is why a new instrument is needed, beyond conventional market studies, selection of sales channels and export aid.

The Horizon 2020 (H2020) funded INNOWWIDE pilot Coordination and Support Action (CSA) aims precisely to cover this gap, and thus bring innovative European SMEs to the forefront of international markets by funding Viability Assessment Projects (VAPs) in cooperation with local stakeholders around the world, creating the conditions to increase the uptake of European innovative solutions in markets outside Europe.

The INNOWWIDE CSA follows an SME friendly bottom-up approach, with no specific topics to be addressed.

This document relates to the second and last call of the INNOWWIDE pilot CSA. Please visit the INNOWWIDE webpage (see section 6) to check the outcome of the first call.

1.2. What is a VAP?

Are you an innovative SME with the ambition to develop a new and innovative product-market combination (or process or service) with a strategic counterpart outside Europe? Do you need to first check the technical, commercial, legal and socio-economic feasibility? The VAP (Viability Assessment Project) instrument supported by the INNOWWIDE CSA can be the solution.

VAPs are a comprehensive, balanced and coherent set of preliminary technical, market, legal and socioeconomic assessments intended to validate the viability of an international, innovative business solution along emerging global value chains (international, innovative product-market combination development) in collaboration with strategic counterparts, considering where appropriate frugal innovation², **including the preparatory phase of a future International Cooperation RTDI project underpinning the product development stage.**

¹ In the context of INNOWWIDE co-creation of RTDI projects are intended as the joint definition of international collaborative RTDI projects of European /H2020 Associated Countries SMEs with entities from beyond the EU or Associated Countries for further joint product development. Product development must be understood in the widest sense, i.e. product / service / process development.

² Fraunhofer and Nesta (2017) define frugal innovation as: “the process of innovating in conditions of constraint, to produce solutions that are substantially more affordable than alternatives, and accessible to a broader range of people, while also meeting user needs as – or even more – effectively”. It is especially

Each VAP must focus on a target third country as pilot market wherein to develop and validate the proposed innovative business solution, in close collaboration with local counterparts.

VAPs must also identify and assess key local technical and market framework conditions in the target third country that may favor or impede the effective deployment of the proposed innovative collaborative solution.

Finally, VAPs also include a refined and viable definition of such innovative business solution, alongside their implementation strategies in the target third country.

After VAP implementation SMEs should have a clearer view regarding future product development activities in the target market together with local counterparts, that could encourage future investment decisions.

1.3. VAPs specific requirements and outcome

More specifically, VAPs must:

- **Be the preliminary phase of a potential International Cooperation RTDI project of the applicant SME with local counterparts in the target country in the short or medium term³.**
- Feature a co-creation⁴ based product-market development preparatory work done by a European innovative SME together **with at least one future local strategic partner, initially bound in as subcontractor for VAP implementation⁵** -e.g. a supplier, customer, end user, research provider or complementary technology developer- (see section 2.1.1 for the eligible countries and categories). The foreseen product-market combination must create high impact on the targeted third country pilot market.
- Include a wide variety of activities to explore the practical (societal and cultural acceptance), technological and commercial viability of the proposed co-creation based innovative solution and how it needs to meet local conditions and demands (see section 2.5.1).
- **Last six months.**
- Have a minimum eligible budget of € 86,000.

All the VAPs must result in a **final report⁶** addressing the:

- **Technical feasibility (incl. upgrade/transfer/integration) of the proposed joint product-market development and future International Cooperation RTDI project preparation and inception**

appropriate for open innovation schemes with lower end developing countries and should be considered for VAPs targeting them.

³ Local counterparts could be the strategic subcontractor and/or another company / institution with RTDI capability and ready to favour the exploitation of the future technological cooperation RTDI project results

⁴ Co-creation (joint product / process / service development with local counterparts) is a management initiative, or form of economic strategy, that brings different parties together (for instance, a company and a group of customers), in order to jointly produce a mutually valued outcome. Co-creation brings a blend of ideas from direct customers or viewers (who are not the direct users of the product) which in turn creates new ideas to the organization. Cf. [Wikipedia](#)

⁵ Other non-strategic subcontractors brought in as conventional service providers are also allowed if needed and duly justified (e.g. innovation and/or market consultants, legal advisors etc.)

⁶ The beneficiary SME must commit to establish specific VAP financial accounts and to report to the INNOWWIDE consortium details of the execution and results of the VAP.

- Business model viability
- Key local legal, financial, political, cultural and behavioral aspects conditioning business and technology development and how to cope with them
- Optimal exploitation pathways, including further RTDI and product development investment with local counterparts and involvement of potential end users / clients as early adopters / launching customers.

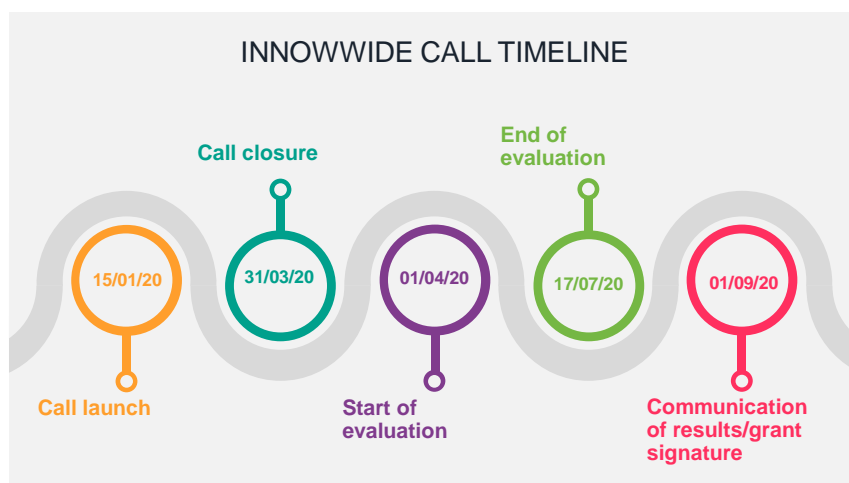
2. The Submission Procedure

2.1. Call for INNOWWIDE VAPs

2.1.1. Timetable, Scope and Budget:

Call timetable:

- Call opening: 15 January 2020 at 08:00 (GMT)
- Call closure: 31 March 2020 at 20:00 (GMT).
- Indicative timetable:



- Submission: through the **submit** button in the INNOWWIDE website www.innowwide.eu

Call scope:

- **Viability assessment** (practical, technical economic) of SME-led innovative solutions for markets outside Europe
- **Bottom-up approach** (non-specific topic to be addressed)
- Each VAP must:
 - be led by a **SME from an EU or H2020 Associated Country**⁷,

⁷A list of associated countries can be found here: http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cp/h2020-hi-list-ac_en.pdf

- address **one target third country** as pilot market (see section 1.2 and list below) and
 - involve at least **one local strategic subcontractor** for *joint product-market development preparatory work* (see section 1.3):
- **Eligible third countries** (non-exhaustive list, contact INNOWWIDE team in case of doubt, see also Call 2 FAQs):
- *Developed countries*: Australia, Canada, Japan, New Zealand, Republic of Korea, Singapore, Taiwan, United States of America.
 - *Large Emerging Economies*: Brazil, China, India, Mexico, Russia.
 - *Developing countries*: Afghanistan, Algeria, American Samoa, Angola, Argentina, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Bhutan, Bolivia, Botswana, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Chile, Colombia, Comoros, Congo (Democratic People's Republic), Congo (Republic), Costa Rica, Côte d'Ivoire, Cuba, Djibouti, Democratic People's Republic of Korea, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Indonesia, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kosovo, Kyrgyz Republic, Lao, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Micronesia, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Palau, Palestine, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Rwanda, Samoa, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Turkmenistan, Tuvalu, Uganda, Uruguay, Uzbekistan, Vanuatu, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe.
- Proposals from EU/ Associated Countries and/or addressing target third countries not well covered in the first call (in particular BRICs and African countries; see INNOWWIDE website for Call 1 results) are particularly welcome, without prejudice of the application of the evaluation and selection criteria (see section 3) and equal treatment to all proposals.

Call indicative budget:

4,2 M€⁸

2.1.2. Information to potential applicants

Potential applicants will be able to get all the relevant information about the call including eligibility and evaluation criteria, funding rules and monitoring rules through the INNOWWIDE Website – www.innowwide.eu and through the general enquiries email: info@innowwide.eu.

⁸ No previous call budget preassigned to the abovementioned country groups (developed, developing, emerging). However, in case of proposals with equal scores and placed just on the funding threshold in the ranking list of shortlisted proposals (see section 3) VAPs targeting underrepresented country groups in the 1st call will prevail.

2.2. Registration for potential applicants

2.2.1. Online Registration System

All applicants must register using the INNOWWIDE Registration System (see section 6). For the applicants, the main objective of this step is to have access to the INNOWWIDE Application Portal, and for the INNOWWIDE team to receive the contact details of the applicants.

Once a potential applicant has registered, an automatic email will be sent with the login details. The INNOWWIDE team is available to provide assistance and further information on the call, any specific eligibility and funding rules or for general advice through the general enquiries email: info@innowwide.eu

2.3. Submission of a VAP proposal

2.3.1. Submission System

After registering, each participant will receive an email with the login details to the INNOWWIDE platform with instructions leading to the VAP application form. Returning applicants who were not successful in the first call can use their login details to access the application form,

The INNOWWIDE Team is automatically informed when an application is received. Please note that all the fields of the application form are mandatory. Complete applications submitted before the deadline will be accepted and checked for their eligibility. Applicants will receive a confirmation email once the form has been successfully submitted.

- **Only one proposal per applicant SME is allowed in Call 2.**
- **SMEs not funded in Call 1 may apply again in Call 2, indicating it in the application form**
- **Funded SMEs in Call 1 will not be eligible for Call 2**

2.3.2. Application requirements

The applicant will be required to provide all information requested in order for the application to be considered admissible and complete.

The VAP application must include the following:

- A complete VAP proposal form (please refer to the guidelines included in the application form)
- The Financial Viability self-assessment (specific section in the application form)
- The SME Self-assessment (specific section in the application form)
- The Ethics Self-assessment (specific section in the application form)
- Summary financial Information (using template provided)
- Business Plan (for start-ups, newly created companies and companies without recent economic activity, see Annex 1)
- Additional Ethics Information (if any)

- Expression of interest from identified third country strategic local subcontractor, specifically citing the INNOWWIDE call
- Profiles/CVs of people involved
- GANTT chart (using template provided)

The VAP application form must be completed in English

2.4. Completeness check

It is not possible to submit any information in addition to the application after the call closure. The INNOWWIDE team may however contact applicants to clarify or correct information.

The VAP application form will be reviewed to ensure that it is adequately filled out and whether all required documents have been submitted.

Any applications lacking the abovementioned necessary documentation will be disqualified.

2.5. Eligibility check

VAP applications and applicant SMEs must meet all the following eligibility criteria otherwise they will be disqualified.

1. **SME legal status:** Within the context of INNOWWIDE calls for proposals ‘Small or Medium-sized Enterprise (SME)’ means a micro, small or medium-sized⁹ **autonomous enterprise labelled legal person:**
 - Engaged in a proven, market based, added value economic activity (i.e. market framed goods / services offering entailing profitable economic compensation, remuneration or pecuniary interest)
 - Employing fewer than 250 persons (expressed in ‘annual working units’)
 - With an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.
 - **Autonomous:** Totally independent or with parent firms accounting for less than 25% of its shares or voting rights.

Specific cases allowed to qualify as well as SME¹⁰:

- Newly established enterprises (so-called start-up companies) not having closed accounts on annual basis
- Companies without economic activity (but expecting to enter soon into the market), if they can provide a 'bona fide estimate' (in the form of a 'business plan', see Annex 1) covering the period necessary for the entity to generate turnover.
- Enterprises without turnover whose activity implies a long time-to market if they can demonstrate that they are engaged in an economic activity by showing the investments made and the likely expected return.

⁹ Size criterion as defined in EC SME Recommendation No 2003/361/EC

¹⁰ These cases should carefully look at their actual internationalization capabilities and resources, since they will be taken into account at the evaluation stage

To confirm this, beneficiaries must complete the abovementioned **SME Self-Assessment in the application form (see section 2.3.2)**.

Further SME status validation is mandatory for the SMEs granted funding in the INNOWWIDE calls, which will have to provide additional probatory legal documentation and get positive feedback **before receiving the grant** (see Annex 2).

Self-employed, partnerships and associations or any other entity different from the above mentioned will not be eligible for INNOWWIDE funding.

2. **Strategic subcontractor:** The applicant SME must have **at least one strategic target third country local subcontractor** to collaborate in the implementation of VAP product and market development eligible preparatory activities. This subcontractor must not be from an H2020 nor H2020 associated country and be independent from the applying SME(s) or H2020 /H2020 associated countries subcontractors. See country list above for further reference.

Other EU or H2020 associated country non-SMEs entities (suppliers, research providers, large companies, interface and facilitating organizations etc.) are allowed as minor subcontractors if duly justified.

3. **Six months VAP duration**, accurately reflected in the GANTT chart requested in the application form.
4. None of the participating organisations have convictions for fraudulent behaviour, other financial irregularities, unethical or illegal business practices (online Declaration of Honour ticked).
5. None of the participating organisations have been or are in the process of being declared bankrupt or are considered to be organisations which are 'Undertakings in Difficulty' according to the EU definition VAP eligibility criteria (online Declaration of Honour ticked).
6. The VAP must have a **minimum budget of 86,000 Euros**.
7. VAPs must include a **minimum number of eligible activities** (see below).

2.5.1. VAP Eligible Activities

1. *Co-creation and Technology uptake preparatory work (innovation and TT services)*

- a) **Definition of a future International Cooperation RTDI project for co-creation or technology adaptation (including where appropriate frugal Innovation) with the local strategic subcontractor (compulsory).**
- b) Analysis of the IP environment: Identification and assessment of the legal (and related technical and financial) IP environment in the target country -legal, technical (certification and alike) and commercial (royalties, duties) constraints / advantages for IP register and defence
- c) Technology scouting and novelty verification: Inventory and study of legal, technical and commercial situation of existing, registered and potentially legally conflictive technologies in the target market

- d) Technology valuation: Technology market value calculation by experts (valuation & pricing through discounted cash flow / market comparison / benchmarking / rating and ranking etc.)
- e) Technology legal situation analysis: Due diligence of the own technology legal situation in the target country (legal evaluation and actions to ensure overall technology Freedom To Operate (FTO) and legal protection in the target country)
- f) Technology protection & valorisation strategy design: Design, planning and preliminary implementation of measures to valorise existing technologies (licensing, venturing, partnering)
- g) Certification and homologation compliance verification: Compulsory regulatory technical certification, testing and benchmarking activities
- h) Technology partnership matchmaking
- i) Small scale proof of concept awareness (trial and assimilation, further RTDI preparatory work)

2. Market prospection

2.1 Market research (desk & field studies):

- a) Business opportunities early survey detection (pre conceptualisation);
- b) Qualitative analysis (consumer analysis: segments, preferences, patterns, motivations, opinions, attitudes, values, culture, ...);
- c) Product commercial research (local customer experience oriented: concept, design, supply, use...);
- d) Market quantitative analysis (real, potential, tendencies);
- e) Competition analysis (market share, positioning, value propositions, value chains...);
- f) Analysis of potential partners for distribution and marketing;
- g) Analysis of potential suppliers;
- h) PESTLE and market barriers analysis (social, economic, environmental, technological and legal issues);

2.2 Compliance verification:

- a) Administrative & legal Freedom to Operate (FTO) / due diligence verification;
- b) Business related Social and cultural best practices identification and implementation planning

2.3 Business prospection trips (limited and duly justified):

- a) Trade fairs/ conferences/ info days/ networking and matchmaking events;
- b) Joint workshops/ meetings with potential partners
- c) workshops with partners to prepare joint RTDI proposals / projects

2.4 Specific promotional technical material preparation (technology valorisation oriented)

The list presented above constitutes the fixed and exhaustive list of activities to be funded (eligible for funding) in the frame of the “INNOWWIDE Call for proposals”. **In order to be eligible, the proposal must include at least:**

- **4 elements from Section 1** – Cocreation and Technology Uptake Facilitation (Innovation and Technology Transfer Services). **Option a) thereof (definition phase of a future collaborative RTDI project) is compulsory.**
- **4 elements from Section 2.1** - Market research (desk & field studies)
- **1 element from Section 2.2** - Compliance verification
- **Sections 2.3 and 2.4 are optional** and must be duly justified for the purposes of the VAP.

2.5.2. Self-Financial Viability Check (FVC)

Financial viability is defined by the capacity to finance the VAP development, considering the potential access to public funds and, if any, the capacity to reimburse external funding needed to perform the VAP (public and/or private).

The financial viability check (**FVC**) is a simplified analysis of the financial capacity of the SME participants based on a given number of financial ratios. **The self-FVC is mandatory for all applicant SMEs** (with some exceptions for start-ups, young companies or firms with recent economic activities which will have to upload a business plan at submission stage, see Annex 1),

A **self-assessment calculator** will be accessible on the application platform to be downloaded, filled in and **obligatorily uploaded** (see section 2.3.2 and 2.4) **at proposal submission stage. Its outcome will not be binding and could be subject to further verifications at evaluation stage 2 in case of serious doubts (see section 3).**

Financial viability and capacity will be assessed by checking that the applicant SME(s):

- Has sufficient liquidity (it is capable to cover short-term commitments).
- Is financially autonomous (it is capable to cover the costs of its debt) .
- Is solvent (it is capable to cover its medium and long-term commitments).
- Is profitable (it is generating profits, or at least has self-financing capacity).

2.6. Redress Procedure

The results of Completeness and Eligibility Checks will be communicated without delay by the INNOWWIDE team to applicant SMEs, which will be able to activate a Redress Procedure .

Requests for redress shall:

- be based on clear, well documented evidence of the reasons for complaint.
- clearly state the VAP number and acronym of the application and a clear description of the grounds for complaint.
- be sent by the legal representative of the applicant to the INNOWWIDE Redress Committee by email to redress@innowwide.eu within **five calendar days** after the date of receiving the corresponding notice.
- **only** be related to **administrative procedures** relating to
 - **Completeness and eligibility checks (proposal submission stage)**
 - **SME status validation and/or financial assessment for shortlisted proposals for funding (evaluation stage 2);**

The scientific or technical judgement of the evaluators will not be called into question.

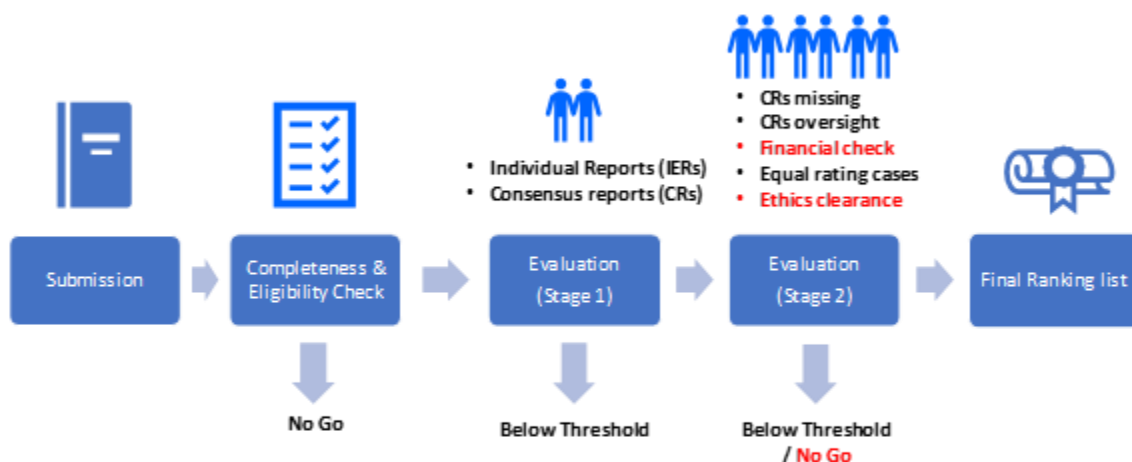
The INNOWWIDE Redress Committee will examine the requests for redress and recommend an appropriate course of action. The committee's role is to ensure a coherent interpretation of such requests, and equal treatment of applicants.

Only one request for redress per proposal will be considered by the committee.

3. Evaluation Criteria and Procedures

All eligible and complete applications will go through a two-stage independent evaluation process by international experts. This will be coordinated centrally by the INNOWWIDE Consortium.

VAPs will be evaluated by two independent experts per proposal in stage 1, and an External Review Panel (ERP) in stage 2 following the timetable described in the Call text.



Stage 1: Independent Remote Experts and consensus report

All submitted proposals having passed the eligibility and completeness check will be passed onto and evaluated by two independent experts against the following evaluation criteria and scores, based on a 200 points scale:

1. Excellence = 30% of the final score – maximum 60 points – threshold 30 points

- **Future collaborative RTDI project excellence/quality.**
- Technical and commercial novelty and ambition
- Relevance for target market
- Competitive position
- Alignment with applicant SME overall business strategy¹¹

¹¹ You will be asked to clarify in the application form why a VAP is needed for your innovation-based international product-market development, including an explanation on the constraints you are facing. **Business-as-usual approaches will not be accepted**

2. Impact = 40% of the final score – maximum 80 points – threshold 50 points

- **Ability to generate co-creation and future International Cooperation RTDI projects** (including where appropriate frugal Innovation) involving the applicant and local partners.
- Market generation potential in the short, medium and long term in the target country:
 - o Convincing previous estimate of new and substantial demand and expectation (including willingness to pay) and needs of targeted audiences for the innovation.
 - o Total target market size and growth-rate envisaged. Expected target market share
- Estimated added value of the proposed product, service or business model.
- Market barriers potential reduction and early adopters’ engagement
- Cost and time to market reduction
- Scale-up and job creation potential
- Expected market expansion beyond the initial target country
- Societal, environmental, ethics and gender relevance, in particular within the frame of the Sustainable Development Goals (SDGs).

3. Quality and efficiency of implementation = 30% of the final score – maximum 60 points – threshold 30 points

- Appropriateness, feasibility and mutual consistency of VAP objectives, impact, approach and proposed activities.
- Technical/business experience of the team. Complementary expertise and competences, high added value and clear mutual benefits **Especially, capability to undertake a further International Cooperation RTDI project.**
- Availability of resources required (personnel, facilities, networks, etc.);
- Clear justification of VAP costs (staff, equipment, consumables, subcontracting, others)
- Relevant, realistic description of how the beneficiary SME and the subcontractor/s, especially strategic ones will be involved and related.
- Realistic timeframe and comprehensive description of implementation (milestones, risk management) taking the company's or applicant's innovation ambitions and objectives into account.

The following Score Equivalence Table will be applied at stage 1:

	Excellence	Impact	Implementation
Non eligible	0 points. The proposal fails to address the criterion or cannot be assessed due to missing or incomplete information.		
Poor. The criterion is inadequately addressed, or there are serious inherent weaknesses.	1-12	1-16	1-12
Fair. The proposal broadly addresses the criterion, but there are significant weaknesses.	13-24	17-32	13-24

Good. The proposal addresses the criterion well, but a number of shortcomings are present.	25-36	33-48	25-36
Very good. The proposal addresses the criterion very well, but a small number of shortcomings are present.	37-48	49-64	37-48
Excellent. The proposal successfully addresses all relevant aspects of the criterion. Any shortcomings are minor.	49-60	65-80	49-60

Proposals will proceed to the Evaluation Stage 2 and will be directly included in an *initial ranking list* if their consensus scores are equal or above the following thresholds:

1. Excellence: 30 points
2. Impact: 50 points
3. Quality and efficiency of implementation: 30 points
4. Overall score: 150 points

Proposals below any of these thresholds will be discarded. **This means that proposals failing to reach at least good qualifications and their upper limit scores in the Excellence and Implementation Sections, and very good qualifications in the Impact Section in the table above will not go through to Stage 2.**

An **Individual Evaluation Report (IER)** will be prepared by each expert, *including specific comments and scores for every aspect to be considered for scoring each criterion*. Once the IERs are finalized, one of the two experts, acting as rapporteur, will draft a **Consensus Report (CR)** with the same structure of the IERs putting forward specific comments and **Consensus Scores** to be discussed with the other expert.

Proposals failing to receive CRs nor consensus scores will be also forwarded to the Evaluation Stage 2 (together with their IERs and disagreement notes) for their review and corresponding CRs preparation and consensus scores assignment by the External Review Panel (see below).

Stage 2: External Review Panel (ERP)

Stage 2 evaluation is performed by an External Review Panel (ERP) composed of a minimum of five independent experts with a high-level strategic, technical, market, business development and financial expertise.

The ERP will carry out the following tasks, in this order:

1. *Elaboration of CRs and assignment of scores to proposals not having got them at Stage 1:*

The ERP will first look at proposals with neither CRs nor consensus scores reached at Stage 1, writing down them:

- Those proposals finally scored above threshold in the opinion of the ERP will be included in the abovementioned initial ranking list directly coming from Stage 1, according to their scores.
- Those proposals finally scored below threshold will be discarded

2. *CRs and scores oversight:*

Emerging CRs and scores from evaluation stage 1 will be overseen by ERP members to detect potential inconsistencies between CRs and scores, and ensure an appropriate CRs-scores alignment by adjusting scores whenever appropriate. In principle only quite a few of these cases are expected since the CR drafting exercise at evaluation stage 1 is precisely thought out to avoid it.

3. *Assessment of the financial situation of initially shortlisted proposals:*

For final above threshold scored proposals included in the *initial ranking list* and with high chances of being funded (70 uppermost ranked proposals and the following 15), the ERP will then analyse more in depth the financial situation and prospects of those of their related applicant SMEs with detected insufficient or not credible financial ratios from the self-Financial Viability Checks (weak FVC score, equal or below 5) requested at the submission stage, in order to confirm their financial capability to implement the VAP

Start-ups or SMEs without two years of financial records will be financially assessed in any case; instead of the self-financial Viability Check the financial assessment will be based on a two-year Business Plan requested as well at the submission stage (see Annex 1 for more specific cases and requested documentation).

SMEs with assessed insufficient or not credible financial situation will be discarded from the initial ranking list.

4. *Ranking readjustment of near funding threshold equally scored proposals:*

The ERP will readjust the ranking order of those proposals with equal scores and near the funding threshold (positioned between 55 and 85). To this end they will take account of, in this order:

- i. the consensus scores already received in the Excellence Section, and the comments given by the stage-1 experts (or by the additional ERP expert in case of lack of CR at stage 1) on the quality and best definition of the further RTDI project
- ii. the geographical balance of target country groups.

5. *Ethics review:*

Finally, two Ethics experts will review the list of proposals that passed the previous Stage 2 steps discarding those not complying with the applicable Ethics requirements.

The final ranking list emerging from the Ethics clearance will be the final one forwarded to the General Assembly (GA) for approval.

Call financial decision

The proposed final ranking list of the VAPs will be presented to the INNOWWIDE General Assembly (GA) for approval. It will be composed of the 70 first ranked successful VAPs, followed by a reserve list of ranked VAPs over threshold, financially and ethically viable. Funding will be allocated according to the ranking list until the call available budget (4.2 M€) is exhausted.

Communication of results

Qualitative feedback and scores based on the conclusions of the expert's assessments will be provided to the applicants. A list of successful applications will be published, including the:

- Applicant name
- VAP number
- Applicant country
- VAP Title
- Target VAP country
- VAP short summary.

No redress procedure applies after the Call financial decision.

4. Contracting and funding of VAPs

Following the order set up in the ranking list, the first 70 successful SME VAP coordinators will be sent a Grant Agreement by the INNOWWIDE team to be completed and duly signed within a month. If any of them fail to sign within this period, applicant SMEs in the reserve list following the ranking order will be offered a contract until budget exhaustion.

The INNOWWIDE financial support rate is up to 70% of minimum eligible costs of €86.000. Each successful VAP will receive a fixed grant of €60.000. The funding to each SME VAP coordinator will be processed as follows:

1. An advance payment of 50% (€30.000) provided at the beginning of VAP implementation;
2. The remaining 50% (€30.000) transferred at the end of the VAP after its obligatory 6 months duration, upon delivery and acceptance of a complete Final Report by the INNOWWIDE team. If the report is not acceptable, the VAP beneficiaries could be requested to present additional information within 1 month.
Should the information provided be still insufficient, the grant could be reduced or the VAP could be declared as withdrawn and the beneficiaries will be required to repay the advance payment.

5. Monitoring & Impact Evaluation

5.1. Monitoring of VAPs

Any request for changes will need to be registered and verified so that the VAP continues to be eligible for funding. A recovery procedure will be initiated in case the VAP is no longer eligible. The VAP is registered as completed once the participant communicates that the VAP is finished and **satisfactorily completes the final report**¹².

¹² A Final Report Template will be provided in due time before VAP finalization

Technical Assessment of VAP results

The quality of VAP results will be assessed by the members of the INNOWWIDE team, who will review the final reports and deliverables.

Financial Recovery

Financial Recovery may be enforced based upon the review of the final report and deliverables.

5.2. Impact of VAPs

Qualitative Impact assessment:

Impact can occur in three dimensions: knowledge (about markets, stakeholders, governance systems, juridical systems, regulations etc.), networks and contacts, and follow-up activities with partners from the target countries. The following preliminary list of KPIs is proposed:

- Strategic knowledge (about markets, stakeholders, governance systems, juridical systems, regulations etc.)
- New and deepened networks and contacts
- Inclusion of locally developed technologies
- Greater availability of innovative solutions
- Technology leadership
- Excellence
- Increased competitiveness
- Follow-up activities with partners from the targeted countries (especially formalised cooperation, e.g. applications for collaborative RTDI VAPs, cooperation agreements, licenses)

Quantitative Impact assessment:

This methodology is based on the information about the economic transactions carried out during the development of the VAPs activities and other information provided during the VAP's final reporting to the INNOWWIDE VAP.

Impact will be analysed for a set of quantitative indicators:

- Economic growth;
- Job creation;
- Job maintenance; and
- Tax returns.

Interviews with stakeholders:

Selected experts and stakeholders will be interviewed using standardized guidelines. These interviews will be used for the call implementation analysis.

6. Further information

- INNOWWIDE Website: www.innowwide.eu
- INNOWWIDE Application Portal: innowwide.smartsimple.ie
- INNOWWIDE Guidelines: www.innowwide.eu/guidelines
- INNOWWIDE Data Privacy Policy: <https://innowwide.eu/privacy-policy/>

7. Contact details:

INNOWWIDE team info@innowwide.eu

Annex 1: Evaluation stage 2 – Experts Review Panel financial verification

PROCESS SUMMARY DESCRIPTION

Evaluation Stage 2 financial verification aims to checking that the applicant SME(s):

- Has sufficient liquidity (it is capable to cover the short-term commitments)
- Is financially autonomous (it is capable to cover the debt costs)
- Is solvent (it is capable to cover its medium and long-term commitments)
- Is profitable (it is generating profits, or at least has self-financing capacity).

The financial verification will comprise the last two closed financial years, or the last closed and the current provisional one, should they include financial information not older than two years.

This check is based on supporting documents which the applicant will be asked to provide (see below). It is valid for up to 18 months after the closure date of the most recent assessed accounting period. It could be repeated if there appeared in the meantime justified grounds to doubt it, for example (non-exhaustive list), if the applicant SME(s) turned out to:

- Have indications of weak financial capacity from other sources;
- Have been involved in cases of serious administrative errors or fraud;
- Have been subject to pending legal procedures or judicial proceedings for serious administrative errors or fraud;
- Have been subject to an attachment order or a recovery order for an outstanding amount issued by an EU body on which the payment is significantly overdue;
- Have doubtful financial viability as a result of substantial findings in EU audits within the last two years.

Evaluation Stage 2 financial verification will be carried out by an External Review Panel (ERP) on the basis of simplified financial information self-check supplied by the applicant SME(s) at submission stage together with the documentation below in case of being shortlisted for funding.

Only in case of serious doubts on the financial situation, additional information to the cited below would be requested.

The final decision on financial capacity and guarantee provisions will be taken by the INNOWWIDE Executive Board (EB).

Regardless of the above, applicant SMEs will have to sign online in the application form at submission stage a Declaration of Honour (DoH) of non-applicability of the provisions on aid to undertakings in difficulty included in the Block Exemption Regulations for State aid (Arts. 1.4.c, 2.18 and 14 of Council Regulation 651/2014).

Applicant SME(s) meeting the criteria to be branded as undertakings in difficulty will be automatically excluded from granting.

DOCUMENTS TO SUBMIT – GENERAL PRINCIPLES AND REQUIREMENTS

The financial assessment is based on documents provided by the participant. As a general rule, all documents must be submitted through the INNOWWIDE submission platform, together with a signed Declaration of Honour (DoH) of a duly authorized representative (CEO, CFO, etc.). Documents which are signed electronically will be accepted if there is sufficient evidence that the electronic signature belongs to a representative of the management.

Financial and administrative national official documents will be requested together with a certified/legal/official English translation thereof (its amount being eligible as a cost) to facilitate the assessment only in the event of serious doubts upon the financial situation of the applicant SME(s) as a result of the first step of the assessment (self-FVC). Any publicly available information may be used to clarify questions about the data or information provided.

In case of submission of incomplete or contradictory information the applicant SME(s) will be asked to explain or provide missing information within a reasonable time (at least **five calendar days** from notification) especially if:

- Financial verification findings do not match applicant SME(s) declarations.
- The documents submitted are outdated.
- The provided information is illegible, incomplete, incorrect or unclear.

If the applicant SME(s) fail to provide the requested data and documents by the requested time, the ERP will have the right to refuse the assessment or calculating financial viability ratios based on the information already received. If the financial documents do not contain information regarding the nature and the maturity of the current assets, provisions and liabilities, the financial assessment will be completed by taking the most prudent approach, e.g. by considering the maturity of the current assets to be after one year, and of the provisions and liabilities to be within one year.

The applicant SME(s) assume the full responsibility for the content of the documents including the accuracy of the translation.

In case of false declarations or provision of intentionally manipulated information, the EB, at the request of the ERP may:

- Withdraw and correct the financial assessment.
- Terminate the on-going grant (if already allocated) and contract and recover any amounts undue.
- Impose financial penalties or administrative sanctions, including default interest disbursement.
- Advice the EC to exclude applicant SME (s) from future EU grants.
- Inform the European Anti-Fraud Office (OLAF).

LIST OF DOCUMENTS TO SUBMIT (SHORTLISTED PROPOSALS ONLY)

Applicant SME(s) will be invited to submit (via the submission platform) a summary of the two last available closed balance sheets and profit and loss accounts (or the last closed and the current provisional one), in the simplified accounts' format (summary financial statements), together with a signed Declaration of Honour (DoH) of a duly authorized representative (CEO, CFO etc.).

The closed accounts provided may not be older than two years and the most recent year must have been closed within the last 18 months.

These documents, duly approved by the management, should clearly specify the date of approval, as well as the name and the position of the approving individual(s). If this information is not clearly disclosed further evidence will be required that the financial documents are approved by the management.

A single financial document containing comparative data of the annual accounts of both years under assessment will be accepted. The same applies to an external audit report covering the two financial years, if already conducted and available in English at the submission stage (non-compulsory but convenient if available).

Balance sheet

Dated and signed by the management, clearly indicating the nature and the maturity (i.e. below or above one year) of receivables, provisions and debts. If this information is not indicated in the balance sheet or in the explanatory notes it must be provided in the form of a self-declaration, signed by the management.

Profit and loss account

Dated and signed by the management of the entity, clearly indicating the amounts of turnover, operating income, staff, depreciation, amortization costs, net operating result and interest expenses. If this information is not indicated in the profit and loss account or in the explanatory notes it must be provided in the form of a self-declaration, signed by the management.

Explanatory notes

Those that form part of the above financial statements must also be provided (non-compulsory but convenient, only if applicable by national law and available in English at the submission stage). Failure to do so will result in a financial capacity check according to the most prudent approach.

Statutory audit report

(Non-compulsory but convenient, if already conducted and available in English). Issued by an approved/certified external auditor upon the two above financial statements (unless exempt from such audit report under national law; eligible cost if not already issued). The audit report must include:

- The clear mandate and scope of the audit
- The responsibilities of the management and the auditor
- The way through the audit is carried out
- The auditor's opinion, including a reasonable assurance that the financial statements are free of material misstatement.

Exceptions will be allowed for:

➤ **Start-up companies** without closed annual accounts

They shall provide a two-year estimated financial prospective detailed data projection (i.e. a summary business financial plan or alike including financial projections on current and non-current assets, own capital, current and non-current liabilities, turnover, operating and financial income and charges). The financial data should correspond either to the minimum reporting requirements set out in the national accounting law or to Annexes III, IV, V and VI of EU Directive 2013/34 (for the balance sheet, aggregate information limited to the headings preceded by letters and roman numerals is sufficient).

➤ **SMEs with just one year closed annual accounts**

They will be assessed upon the documents for the sole closed financial year. Should the latter be deemed inadequate or insufficient they will always be considered as 'weak' (or insufficient, if that is the result of the financial viability ratio; see below).

➤ **Specific cases**

SMEs subsidiaries of a parent company that assumes joint liability for their debts (downstream enterprise) being exempt from a statutory audit under national legislation and having only consolidated statements available, will have their assessment based on a copy of the parent company's official summary consolidated reports (and the related audit reports if already conducted and available in English at the submission stage; non-compulsory but convenient). If these consolidated accounts don't clearly mention the joint liability for the subsidiary debts, the applicant SME(s) must also provide a statutory list of subsidiaries.

SMEs parent companies (upstream enterprises) of a group of companies being exempt under national law from publishing non-consolidated financial statements will be requested to provide a dated and management signed synthesis of the non-consolidated financial statements ('simplified accounts'). The simplified accounts must respect either the minimum reporting requirements set out in the national accounting law or Annexes III, IV, V and VI of EU Directive 2013/34 (for the balance sheet, aggregate information limited to the headings preceded by letters and roman numerals is sufficient). SMEs fully covered by a guarantor, will have their assessment conducted for the full financial guaranteeing legal entity (i.e. through the guarantor financial statements). This entity must assume full joint liability for all debts. Ad hoc guarantees (covering, for instance, only participation in INNOWWIDE calls) cannot be accepted.

For other non-autonomous entities (i.e. entities with linked or partner enterprises), only non-consolidated financial statements will be accepted.

If the provided financial information is not sufficiently explicit as a result of the assessment or even for carrying it out, the INNOWWIDE team will contact the applicant SME(s) for further clarifications.

A summary of the financial statements to be provided is illustrated in this table:

Applicant SME(s) situation	Statements to submit
Most applicants (standard case)	Two years non-consolidated summary financial statements (even if being part of a grouping).
Start-ups without closed annual accounts	Two-year projected summary business plan according to National Accounting law or EC Directive 2013/34
SMEs with one year closed annual accounts	Summary financial statements for the sole closed financial year and a synthesis of the last available provisional balance sheet and profit and loss account, in the 'simplified accounts' format
SME parent company (exempt under national law from publishing non-consolidated financial statements)	Consolidated summary balance sheet and a 'simplified accounts' summary of non-consolidated financial statements
SME Subsidiary (exempt under national law from statutory audits, for which only consolidated statements are available and with a parent company that assumes joint liability for all its debts).	A copy of parent company's official consolidated summary financial reports and the related audit reports.

Table 1. Financial statements

CALCULATION OF THE FINANCIAL VIABILITY RATIOS

The FVC calculator sheet available for download, fill in and upload again in the application platform will conduct the FVC self-assessment based on five financial ratios stemming from the mentioned financial and administrative information provided:

Purpose	Indicator	Ratios
Liquidity	Quick Ratio	$\frac{\text{Current assets} - \text{Stocks} - \text{Debtors} > 1 \text{ year}}{\text{Short term debt (bank and non-bank)}}$
Financial Autonomy	GOP Profit ratio	Interest / GOP
Profitability	Profitability (1)	GOP/Turnover
	Profitability (2)	NOP/Turnover
Solvency	Solvency	Total Debt / Equity (*)

(*) Equity = Capital and reserves - 50 % of intangible asset

Table 2. Financial viability ratios

In case of turnover = 0 a symbolic figure of 1 € will be used in calculating profitability ratios. The same applies to GOP = 0 when calculating financial autonomy ratios.

Based on the results obtained for each of the above-mentioned ratios, the following scores will be given:

Purpose	Indicator	Weak/Insufficient	Acceptable	Good
		0 points	1 point	2 points
Liquidity	Quick Ratio	$i < 0,5$	$0,5 \leq i \leq 1$	$i > 1$
Financial Autonomy	GOP Profit ratio	$i > 0,4$ or < 0	$0,40 \geq i \geq 0,30$	$0 \leq i < 0,30$
Profitability	Profitability (1)	$i < 0,05$	$0,05 \leq i \leq 0,15$	$i > 0,15$
	Profitability (2)	$i < 0,02$	$0,02 \leq i \leq 0,04$	$i > 0,04$
Solvency	Solvency	$i > 6,00$ or < 0	$6,00 \geq i \geq 4,00$	$0 \leq i < 4,00$

Table 3. Financial viability scores

Notes:

For liquidity:

- The value {Current assets – Stock – Debtors after one year} cannot be negative.
- If {Current assets – Stock – Debtors after one year} = 0, the result will be 0 ('weak').
- If the short-term debt (bank and non-bank) = 0, and the above (i.e. {Current Assets – Stock – Debtors after one year}) is not 0, the result will be 2 ('good').

For financial autonomy:

- The interest paid cannot be negative.
- If $GOP \leq 0$, the result will be -1 ('weak').

For profitability (1):

- Turnover cannot be negative
- If $GOP \leq 0$, the result will be 0 ('weak').
- If Turnover = 0, the Operating income will be used for the calculation.
- If Operating Income = 0 or negative, the result will be 0 ('weak').

For profitability (2):

- Turnover cannot be negative.
- If $NOP \leq 0$, the result will be 0 ('weak').
- If Turnover = 0, the Operating income will be used for the calculation.
- If Operating Income = 0 or negative, the result will be 0 ('weak').

For solvency:

- If Equity = 0, the result will be -1 ('weak').
- If Total debt = 0 and Equity is positive, the result will be 0 ('good').
- If Total debt = 0 and Equity is negative, the result will be -1 ('weak').

Financial viability will normally be considered **positive** (i.e. 'good' or 'acceptable'), if applicant SME(s) obtain a minimum of **4 points**.

	Insufficient	Weak	Acceptable	Good
Result of financial viability check	0	1-3	4-5	6-10

Table 4. Financial viability overall results

Exceptions:

Irrespective of the above results, the financial assessment will always be considered 'weak' by the ERP or the INNOWWIDE team if findings arose that:

- An audit report on applicant SME(s) accounts was issued with serious qualifications
- There were substantial financial findings relating to applicant SME(s) financial capacity in an audit of an EU body within the last two years
- Applicant SME(s) have been involved in serious administrative errors or fraud
- Applicant SME(s) subject to pending legal procedures or judicial proceedings for serious administrative errors or fraud
- Applicant SME(s) have been subject to an attachment order
- Applicant SME(s) have been subject to a significant recovery order for an outstanding amount issued by an EU body, on which the payment is significantly overdue.

As stated above, all applicant SMEs will have to fill in an online Declaration of Honour (DoH) explicitly excluding them from any kind of financial irregularity.

MODIFICATION OF THE ASSESSMENT

In case of disagreement with the evaluation stage 2 financial assessment, the applicant SME(s) may contact info@innowwide.eu within **five calendar days** by sending additional justifications, clearly labelled as related to financial assessment claim. The ERP will then carry out a re-assessment based on the additional documents provided. No more than **one iteration** in the revision exercise will be allowed, the final decision stemming out from it will be the definitive one.

AFTER FINANCIAL VERIFICATION

Based on the financial verification and according to the table 5 below, the EB, should it deem it appropriate and proportionate, may require the applicant SME(s) to provide a guarantee in advance, to limit the financial risk linked to the payment of the VAP pre-financing.

The guarantee shall be provided by an approved bank or financial institution with undoubted and highly rated solvency (A – AAA).

This guarantee shall be denominated in euro and shall be valid for a period sufficiently long to allow it to be activated.

It shall remain in force at least until the pre-financing is cleared against interim payments or payment of the balance, and, in case the payment of the balance is made in the form of a debit note, three months after the debit note is notified. EB shall release the guarantee within the following month.

In exceptional cases, the guarantee may be replaced by a full joint and several guarantee by a third party or by the irrevocable and unconditional joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

		Y 2			
		Insufficient	Weak	Acceptable	Good
Y 1	Insufficient	No Go	No Go	Go** (BG)	Go** (BG)
	Weak	No Go	No Go	Go** (BG)	Go** (BG)
	Acceptable	No Go	Go** (BG)	Go	Go
	Good	No Go	Go** (BG)	Go	Go

BG: Bank Guarantee; ** Approved by EB

Table 5. Financial assessment overall results and actions

In case of bank guarantee request applicant SME(s) may be subject to additional monitoring (e.g. through additional reviews or on-the-spot checks).

EX-POST VERIFICATIONS

EB reserves the right to carry out at any moment checks, reviews, audits or investigations, in particular as a result of findings non-exhaustively cited under section 1 and 2.1, with the consequences commented therein in case of irregularities or false declarations, pursuant Articles 106 and 107 of the Financial Regulation No 966/2012.

Annex 2: SME status validation

GENERAL PRINCIPLES

The EU Financial Regulation requires that all recipients of EU funds must be validated, consequently **SME status validation is mandatory for the SMEs granted funding in the INNOWWIDE calls**, which will have to provide additional probatory legal documentation and get positive feedback from the evaluation stage 2 financial assessment before receiving the grant.

Legal entity validation comprises two distinct actions: (a) the verification of existence as legal entity and legal data correctness (legal form, address, etc.) and (b) the verification of certain special legal statuses that are used in EU funding programmes.

The validation process is based on the provided legal and official supporting documents. Documents are considered as official when they are delivered by official national authorities. Supporting documents cannot be replaced by self-declarations or by sworn or solemn statements before a judicial or administrative authorities, notaries or public officers.

As a general rule, **all documents must be submitted as scanned versions through the INNOWWIDE submission platform**. Documents which are signed electronically will be accepted if there is sufficient evidence that the electronic signature belongs to a representative of the management.

Official documents will be requested, together with a certified/legal/official English translation thereof in case of doubt (its amount being eligible as a cost). Any publicly available information may be used to clarify questions about the data or information provided.

Legal entity (i.e. legal person) status specific verification and validation condition might be done during the selection procedure and, should it be necessary, applicant SMEs would be contacted.

In the context of INNOWWIDE calls for proposals legal entity stands for a **private legal person with official SME status, created and recognized as such under national law and with its own legal personality distinct from that of its founders/owners/members**. It will be entitled to act in its own name and its own account, exercising rights and being subject to obligations without the intervention of any parent (or other) organization.

As a result:

- **Branches** will not be regarded as legal entity as they do not have an independent legal personality distinct from that of their mother-company. The fact that they are registered in national official registers is not sufficient to consider them as a legal entity. The mother-company will be considered as being the legal entity instead.
- **Departments/centres/offices** set-up within or under a parent organization and not provided with their own legal personality (despite having their administration or budgetary autonomy, VAT number/fiscal code/number of registration) will not be regarded as a legal entity and will be considered as belonging to their parent organization.
- **Natural persons** (i.e. “individual” entrepreneurs / self-employed persons which perform an activity independently and with their own means: craftsmen, liberal professions, industrial and commercial professions etc.) will not be considered as eligible within INNOWWIDE calls for proposals since the business / profession / activity they perform is not provided with an independent legal personality different from that of the person.

- **Only legal persons meeting in addition SMEs status requirements below will be accepted as eligible for funding for INNOWWIDE calls for proposals.**

SME STATUS REQUIREMENTS

Within the context of INNOWWIDE calls for proposals 'Small or Medium-sized Enterprise (SME)' means a micro, small or medium-sized¹³ **enterprise labelled legal person**:

- Engaged in a proven, market based, added value economic activity (i.e. market framed goods / services offering entailing profitable economic compensation, remuneration or pecuniary interest).
- Employing fewer than 250 persons (expressed in 'annual working units'⁸).
- With an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

The following will NOT be considered economic activities:

- Those which do not entail some sort of pecuniary offset.
- Those for which there is no given/direct market.
- Those whose income generated is not distinct from the one of its members or shareholders.

Specific cases allowed to qualify as SME:

- Newly established enterprises (so-called start-up companies) not having closed accounts on annual basis.
- Companies without economic activity (but expecting to enter soon into the market), if they can provide a 'bona fide estimate' (in the form of a 'business plan) covering the period necessary for the entity to generate turnover.
- Enterprises without turnover whose activity implies a long time-to market if they can demonstrate that they are engaged in an economic activity by showing the investments made and the likely expected return.

DOCUMENTS TO SUBMIT (IF SELECTED FOR FUNDING)

1. Signed private legal entity identification form in English¹⁴
2. Official VAT document not older than six months
3. Private body registration extract not older than six months
4. For the applicant SME (and for linked and partner entities should there be), all related to the last two closed accounting periods, summary information on the documents below (see above for explanation), supported by a Declaration of Honour (DoH) from a duly authorized representative (CEO, CFO etc.):
 - a) Balance sheet
 - b) Profit and loss accounts
 - c) Staff head count expressed in annual working units
5. For newly established enterprises (e.g. start-up companies) without closed accounts:

¹³ Size criterion as defined in EC SME Recommendation No 2003/361/EC

¹⁴ Available at

http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm

- a) A self-declaration, including a bona fide estimate (in the form of a business plan) for the entire period (financial years) necessary for the entity to generate turnover, including a first two-year detailed financial projection
6. For enterprises without turnover whose activity implies a long time-to market, for the last closed accounting period:
 - a) Balance sheet
 - b) Profit and loss accounts
 - c) Staff head count expressed in annual working units
 - d) A self-declaration, including a bona fide estimate (in the form of a business plan) for the entire period (financial years) necessary to generate turnover, including a first two year detailed financial projection and a declaration of the investment made and the likely expected return (to demonstrate that, despite the lack of turnover, the enterprise is engaged in an economic activity)

Sworn or solemn statements before a judicial or administrative authority, notary or public officer are not acceptable proof of SME status.

INCOMPLETE OR CONTRADICTIONARY INFORMATION

Any publicly available information may be used to clarify questions about the data or information provided. The applicant SME(s) may be required to explain or provide missing information within a reasonable time, if:

- Findings do not match applicant SME(s) declarations
- The documents submitted are outdated (e.g. VAT document or extract of registration more than six months old)
- The provided information is illegible, incomplete, incorrect or unclear.

If appropriate documents or clarifications are not provided in due time (at least 10 clear days), the INNOWWIDE team will have the right to refuse the validation or finalize it based on the information and documents submitted.

VALIDATION MODIFICATIONS

Requests for modification of a validation will only be accepted if submitted by the applicant SME(s) duly accredited legal representative.

- The validation will be updated in case of a change in the participant's legal situation (identity/legal form, name, address, status, etc.). Such changes must be accompanied by the relevant supporting documents. The 'effective date of the change' will be the date on which the act establishing the change enters into force (unless the terms of the act stipulate another date).
- For SME's status, the effective date is the closure date of the accounting period on which the change of status is based. If there are any changes to applicant SME(s) legal status (e.g. you are an SME that expands), advantages associated with the previous status (as validated before signature) will be retained unless it emerges that it was based on false declarations or manipulated information intentionally to obtain the grant.

If it turns out to be wrong (through an audit, ex-post check, investigation or other means), the validation will be corrected. The modification will be registered with effect back to the effective date of the initial validation.

If the error is attributable to the INNOWWIDE team, the retroactive effect may exceptionally be waived, if duly justified and in line with the principles of sound financial management and proportionality.

If the error was the fault of the participant (including unintentional misrepresentation of facts), its participation in on-going grants/contract may be terminated and undue amounts paid may be recovered. Moreover, it may be fined and excluded from future EU funding/contracts and the European Anti-Fraud Office (OLAF) may be informed.

EX-POST VERIFICATIONS

EB reserves the right to carry out at any moment checks, reviews, audits or investigations in particular as a result of findings non-exhaustively cited under section 1 and 2.1, with the consequences commented therein in case of irregularities or false declarations, pursuant Articles 106 and 107 of the Financial Regulation No 966/2012.

If there were found out that applicant SME(s) did not meet the criteria for legal entity or a special legal status and that false declarations were made, the modification of the validation will be registered with effect back to the effective date of the initial validation.

If, in the meantime, INNOWWIDE funding/contracts were received, applicant SME(s) participation may be terminated, and undue amounts paid will be recovered.



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