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Explanatory Document on Innovation mandates

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Introduction

This document 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.

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

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.

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.

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:

- 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 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).

- 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 or three years. For 3-year projects an interim assessment can be conducted at the latest after two years. 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 VLAIO (in principle without requiring a new panel of experts), provided one remains within the scope of the original valorisation case.

Consortium

At least five partners are involved in an innovation mandate:

- (1) VLAIO, 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 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, VLAIO 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.

Companies eligible for funding

All companies with legal entity, ranging from SMEs ([definition in Dutch](#)) to Flemish branches of a multinational enterprises, with an operational office in Flanders are eligible for support. Enterprises that plan to set up an operational office in Flanders are also eligible to receive funding, whereby the actual granting of support remains dependent on the effective establishment of the enterprise in Flanders.

An enterprise is an entity that carries out an economic activity and has legal entity. In case of an enterprise still in the process of being founded, a start-up or a spin-off in the incubation phase, support shall only be granted on the condition that the applicant can submit proof of incorporation (and therefore of the legal entity of the company), proof of funds, and proof that the company will fulfill all obligations within the context of the project no later than four months after the granting of the support.

Furthermore, the enterprise must be able to put the results of the project into practice in Flanders to a sufficient extent and thus create added value in the form of economic and/or societal impact (and the expansion of a knowledge network). However, this does not mean that companies are barred from taking project results abroad: exporting innovative products is not a problem.

According to European regulations, enterprises must not be undertaking in difficulties at the time the support is granted (i.e. enterprises that are in distress at the time of application may still be eligible). For a definition of 'undertaking in difficulties' and [more information about how VLAIO evaluates an Enterprise 'Undertaking in Difficulties' can be found on this webpage.](#)

Enterprises in the non-profit sector:

Private and public organizations from the non-profit sector are eligible to receive support for their research and development activities as part of the innovation aid regulation under the same conditions as all other organizations.

In general, the following guidelines apply:

- Legal entity is required and the organization must demonstrate that it is involved in economic activity (= selling services in a free market) through a Flemish operation office in a way that can be expected to be sustainable.
- Non-profit organizations, like all other enterprises applying for business innovation support, must be able to demonstrate that they have sufficient private funds to finance their share of the project.
- If an organization is eligible to receive funding as an "enterprise", it can claim the SME allowance regardless of its legal form. As with enterprises with shareholders, companies without shareholders can be scrutinized to determine whether they are an independent company or part of a group of

affiliated companies. This includes examining the voting rights of members (and the dependence of those members on other companies), the extent to which one or a few companies have control over that company, and the extent to which the company is under central management. Affiliated companies are consolidated in the same manner as is customary for companies with a shareholder structure.

Public companies with legal entity:

Support may be granted to public companies only for projects in which they effectively collaborate with private companies, with the public company bearing no more than 70% of the eligible costs in the project receiving support. In addition to the condition mentioned above, public companies must meet all the same requirements as private companies, and compliance with the requirements will be scrutinized closely. The most important of these requirements are:

- Having sufficient co-financing (with own/private funds) for the project;
- Eligible valorisation scores;
- Prospects for valorisation do not touch upon any publicly funded projects run by the organization.

Cooperation between different companies for a Phase 2 Innovation mandate

The main applicant of a Phase 2 innovation mandate must always be a Flemish company as described above. This main applicant can either submit the application on its own or do so in collaboration with one or more other companies, in which case they jointly bear the risk and costs of the project (business partners). All business partners act as co-contractors, with one serving as the main applicant.

Companies can collaborate to support a demand-driven doctoral project if they can together provide the required financial capacity and professional environment. They must then sign a binding collaboration agreement in which they commit to making sufficient time and resources available for the doctoral project. The project must then be anchored at one of the participating companies, which must have at least one employee with the competence to act as an industrial mentor.

Companies outside Flanders with their own valorization rationale can also be involved as partners. However, they are not eligible for Flemish support.

If multiple companies collaborate on a project and at least one of them is a SME, an increased support can be granted (for further explanation, see "Duration and eligible activities").

Each business partner has its own valorization rationale. The potential added economic value for the business partners as a result of the research results is evaluated. Innovation mandates do not aim for collective research in which the results are widely shared for a large group of companies.

The clear direction and guidance of the mandate holder deserve special attention in applications involving multiple companies and possibly also multiple scientific co-promoters.

Additional requirements for principal/co-applicants:

- Enterprises can not hold a legal monopoly

Enterprises that legally hold an absolute monopoly within Flanders or within a substantial part thereof shall not be eligible for support, unless the project for which they apply for support falls outside the scope of this monopoly. This point may be especially relevant for public organizations or organizations providing one or more services of general interest.

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

- Enterprises can not hold a dominant position

An enterprise is considered to hold a dominant position if it is able to prevent effective competition and if it is thereby largely able to operate independently of competitors, customers or suppliers. An enterprise also holds a dominant position if it has a market share of more than 50% in the project's valorization market.

In such a case, it will be assessed whether this dominant position within the project's valorization market, and in particular within Flanders or a substantial part thereof, may be sufficiently anti-competitive to constitute a sufficient reason for refusing support, by analogy with a legal monopoly.

Industrial mentor

The department of the company with which the doctoral student is affiliated, must have the qualifications for supporting the doctoral research until its completion. The company must have at least one employee who has the competence to act as an industrial mentor for the doctoral student. In addition, the environment must be a professional one that will properly support the doctoral project.

Mandate holder

The funding programme is open to anyone who holds a doctorate (PhD) diploma. VLAIO 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 once¹.

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.

Duration and activities eligible for funding

Duration

The duration of an innovation mandate is in principle two years. 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 person-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).

Budget

An innovation mandate provides funding for salary costs, overhead and working costs in relation to a specific employee (the mandate holder).

The preparation of the budget follows the cost model of VLAIO. More information about acceptable costs and the preparation of the budget is provided in the explanatory document on the website.

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, VLAIO 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 small enterprise (SE) can receive an additional 20% of support and a medium-sized enterprise (ME) can receive an additional 10% of support
 - the project can receive an additional 10% of support if there is actual cooperation between multiple independent supported companies, where none of the companies take on more than 70% of the costs of the collaboration project for themselves and at least one partner is an SME.

VLAIO pays the subsidy to the company serving as the main applicant of the Phase 2 mandate, which is responsible for full reimbursement of the partners.

When calculating the total grant amount for a Phase 2 mandate, VLAIO will take other public aid (eg. other grants, etc.) received for the same costs into account, i.e. costs can only be eligible for one type of funding. Subsidy rates can in no case exceed the rules of the General Block Exemption Regulation.

From January 1st 2022 on, personnel from beneficiaries which make use of partial exemption from withholding tax for Young Innovative Company (YIC)² cannot be included in the budget of an

² A Young Innovative Company is a company that meets the following conditions:

- the company is a small enterprise (SE);

application for an innovation mandate. ([For alternatives of partial exemption from withholding taxes see vlaio-website](#)).

Processing of the application

Submission

Applications may -principally- be submitted any day of the year. However, decisions take place two times per year. Before each decision date, VLAIO defines the last date for submitting an application on the website.

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 a registered office in Flanders. Entities that do not have their seat in Flanders, but do envision sufficient valorisation in Flanders in the future, can submit an application, conditional to an exceptional permission from VLAIO.
- For innovation mandates Phase 2: at the moment of the submission, the company is no “undertaking in difficulty” (see [Enterprise Undertaking in Difficulties \(UID\)](#))
- For innovation mandates Phase 2: applicants being a big enterprise or having a final energy consumption of more than 0,1 PJ in the Flemish establishment have added an elucidation of the climate plan to the project application based on [the VLAIO template](#).
- 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, VLAIO can declare an application conditionally eligible and already initiate the assessment. However, if VLAIO does not possess the term sheet (or cooperation agreement) at the deadline for submission of the term sheet (as stipulated 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.

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- the company was established less than 10 years ago;
 - the company was not established in the context of a concentration, restructuring or expansion of a former activity or the acquisition of such activities;
 - the company's R&D expenditure represents at least 15% of its total costs in the previous tax year.

During the eligibility analysis, VLAIO has the right to request additional information about official aspects, such as the status of the company with regard to social security (RSZ) contributions, the financial means of the company to finance the mandate, etc.

In case of a positive evaluation of a Phase 2 mandate, the company enters an agreement for financing its own contribution for the entire mandate. Hence, VLAIO also conducts a business and financial analysis. It checks whether the company has sufficient financial resources at their disposal, are up to date with all government and permit requirements, and properly implemented any earlier funded projects. Especially for companies which are not known to VLAIO, or if the situation of the company is not clear, VLAIO shall request additional information before deciding the eligibility. VLAIO can declare an application ineligible if a company cannot substantiate elements of financial means and/or the company is not in compliance with the regulations.

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

Evaluation schedule

VLAIO will decide within 90 working days, from the date the application is declared eligible, whether to support the project. In order to handle the applications in groups, each year there are two deadlines for submission. However, it is the eligibility that determines the timing of the decision. The dates are as follows (indicative):

Call	Deadline for submission	Eligibility	Panels	Decision
1st Call	End of March	April	May/June	Mid July
2nd Call	Beginning of September	September	October/November	End of December

For each call, the exact dates for submitting the proposals will be published on the website (www.vlaio.be).

Starting 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 Decision committee 'Fonds voor Innoveren en Ondernemen'. 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.

Evaluation procedure

The final decision is based on a well-founded advice by external experts. This is based on the oral defence by the candidate mandate holder in which he/she explains the project and answers questions posed by the experts. The scientific supervisor and/or the company representatives do not have to provide any explanations.

By making decisions on groups of applications, the jury has the possibility to handle several project applications at the same time. A specialist is assigned to each file and he/she has a leading role in the interactive discussion. The evaluation and granting of an assessment is based on a consensus among the jury members. Experts who are affiliated with the same department as the candidate mandate holder or are affiliated with the company applying for the mandate are regarded as incompatible and cannot participate in the evaluation of an individual file. The experts must sign a confidentiality agreement, which is identical to the confidentiality agreement used for evaluation of industrial R&D projects.

VLAIO designates external experts for each call. There are no permanent committees. The names of the external experts are not announced in advance. At the oral defence of his/her project, the mandate candidate is informed about the names of the experts.

In order to maintain a proper balance during the evaluation between the project's application possibilities and its doctorate-level qualities, the targeted composition of the evaluation team is 50% experts from the business sector or from other potential users of the research results and 50% from the academic world and public research organisations.

To reduce any possible conflict of interest among industrial competitors, it is possible to submit a short list of industrial experts to be avoided. This must be based on the name or at least on the affiliation. Objection cannot be submitted based on content elements. Therefore, it is not possible to object to all experts that are for instance active in diagnosis. However, it is possible to object to academic experts if they are affiliated with a competitive company. Submitting an objection to an academic expert is only possible at the department level, not at the level of the institute or university.

When designating the experts, VLAIO will take into account –as much as possible– any requests for objections. If an unreasonable number of objections are made about names/entities (more than five), VLAIO will not consider the request. When objecting to academic experts, the important element is the connection to the competing company. If the request is based purely on personal preference or rejection, VLAIO will not necessarily take this into account.

Application file for an Innovation Mandate

The application file for an Innovation Mandate should be prepared using one of the forms provided to that effect.

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:

- Innovation goal: a concise summary with emphasis on the objectives and the intended results; fit of the research within the innovation strategy of the company;
- Project description: positioning, rationale + setting up objectives, approach + work programme;
- Intended applications and valorisation;

- Guidance: description of how a project will fit with the expertise provided by the academic supervisor and the industrial mentor;
- Budget;
- CV of the candidate mandate holder;
- Declaration of intent by the knowledge centre and company regarding the availability of support and infrastructure, and agreements about the future use of the results, including agreements on intellectual property (term sheet or cooperation agreement);
- Official information (*will be specified in the application form*).

The innovation goal constitutes a formal starting point for the funding agreement. This has to be described as specific as possible. Changes within the boundaries of the innovation goal do not require any adjustment of the agreement.

Applications can be submitted in Dutch or English. The defence is in the language of the application.

Decision

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 “scoregrid”)

A score is given for each criterion, which ranges from Critical (= unacceptable) to Poor, Fair, Good and Excellent. Based on the assessments for all the criteria, a global assessment is made for each project proposal with regard to the scientific aspect and the valorisation dimension.

Based on these assessments, the granted (financial) support is decided.

The Decision committee ‘Fonds voor Innoveren en Ondernemen’ makes a decision about providing or not providing support based on the detailed assessments. If the available budget is insufficient for providing support to all the projects, then the committee makes selective decisions and grants the support to the highest ranked proposals within the available budget.

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 Decision committee ‘Fonds voor Innoveren en Ondernemen’.

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).

Request for reconsideration

If the decision is negative, a request to reconsider the decision can be submitted to VLAIO. 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 the request for reconsideration requests the composition of a new panel of experts, an assessment must be made as to whether this request is well-founded. If this question is accepted, the candidate mandate holder will be invited to an expert panel that will take place within the framework of the next call and will be as close as possible in content to the theme of the project application.

However, a restriction is imposed that the same candidate mandatory can defend the application up to a maximum of 2 times at an oral expert meeting. Specifically, once a revision with a defense before a newly constituted expert panel has been processed, a resubmission is no longer possible (with the same candidate mandate holder) or in the case of a resubmission, a revision with defense before a newly constituted expert panel is no longer possible.

Complaints

A written, oral or digital complaint can be submitted at any time in case of dissatisfaction about the way VLAIO handled the application. Complaints will be dealt with within 45 days following receipt.

Rights and Obligations

Intellectual Property Rights

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, the research organization acts as a research partner. After all, this is a substantive collaboration between company and research organization and project results are generated from the research which are susceptible to intellectual property rights. In this case, the company reimburses the service at real cost and agrees to participate in the ownership of the project results.

This participation can e.g. take the following forms:

- all property rights with the company with fair compensation to the research organization upon exploitation of the project results;
- division of ownership rights whereby the company and the research organization each have ownership rights to a different group of partial results with allocation of domains for (autonomous) exploitation. In case of impossibility of division of the project results, this assignment of domains for (autonomous) exploitation can also be done within a regime of shared property rights;
- property rights on the project results with the research institution with at least a right of use on the project results needed by the company;
- arrangement of undivided common property rights to the project results at the company and the research organization.

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

The partners have to make the basic agreements on this known when submitting the project application to VLAIO. However, it is primarily up to the research organization to ensure the correct application of the market price for a service provided by this research organization.

A general standard arrangement applies to the arrangements for IP and use of the results. For each individual application, other provisions can be mutually agreed upon.

The basic models for the IP arrangement are included in the standard innovation mandate cooperation agreement drawn up by the universities and companies. This standard cooperation agreement, included in an explanatory document, is not a strict template but has an informative function to explain the different possible models of IP arrangements.

The key elements of the IP agreements must be included in a mutually signed memorandum of understanding when an application is submitted. These elements may play a role in the evaluation if applicable and thus should be known prior to the jury interview. This memorandum is part of the eligibility. In the absence of a signed memorandum of understanding (or cooperation agreement) at the time of project submission, VLAIO may declare an application conditionally eligible and start the evaluation already. However, if VLAIO is not in possession of the signed memorandum of understanding (or cooperation agreement) by the deadline for submission of this memorandum of understanding (deadline mentioned in the call document), the project will be declared ineligible and the provisionally started evaluation will be stopped.

The formal confirmation of the agreements is done in a cooperation agreement (see below). This must be signed before an aid agreement is concluded after a positive decision.

It is obviously essential that the detailed elements in the final cooperation agreement remain within the broad outlines of the agreements in the memorandum of understanding.

Support Agreement

In the case of a positive decision, a support agreement is concluded between the 'Fonds voor Innoveren en Ondernemen' and the primary applicant (company).

- 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 support agreement is a commitment of effort, which binds the partners to make every effort to achieve the described innovation goal.

The support agreement also includes a commitment for sufficient valorisation in Flanders in the case of successful results.

The support agreement contains commitment by the applicant (the company) to provide its own adequate financial means in order to guarantee the continuity of the project. The modalities for mutual contributions are regulated in the cooperation agreement (see below).

If relevant, VLAIO will include specific conditions in the support agreement, such as possession of required permits, etc. In case of doubt about the financial means of the applicant (the company) during the project period of Phase 2, financial conditions could also be set down in order to guarantee the contribution of the particular company during the implementation.

Cooperation Agreement

A cooperation agreement is concluded between the partners and it regulates at the very least:

- Agreements about mutual payments
- Designation of contact persons
- Procedure in case of disputes
- Mutual agreements regarding IP and use of results

The cooperation agreement is signed at the very least by the authorised representatives of:

- The company
- The knowledge centre

The support agreement is concluded by VLAIO only **after** receiving the cooperation agreement. A signed cooperation agreement must be received no later than four months following the decision. If after four months a cooperation agreement has not been received, the positive decision is cancelled.

The cooperation agreement contains the commitment of the knowledge centre and a supervisor to perform the supervision. In a Phase 2 mandate, the cooperation agreement also contains a commitment by the company to finance the costs on which the subsidy is calculated.

If in the course of the project, a supervisor can no longer fulfil his/her task –for whatever reason– it is possible to re-assign the supervision task to another supervisor. The knowledge centre and the company concerned are required to adjust the cooperation agreement and to submit this for approval to VLAIO. The support agreement concluded between the ‘Fonds voor Innoveren en Ondernemen’ and the primary applicant does not change as a result of this. If the candidate ceases his/her activities, then the agreement, which is granted personally, is automatically cancelled

Release of funding

The funding is a project-based subsidy and is paid in yearly instalments to the primary applicant.

The first instalment is paid at the start of the project.

In Phase 2, the primary applicant (company) is responsible for the timely payment of any partners in instalments. The knowledge institute is a contractual research partner. The primary applicant is responsible for paying all research partner costs that are part of the eligible costs for which the applicant receive the subsidy.

Payment by VLAIO is conditional on the proper implementation of the project and on compliance with the reporting and notification requirements.

At the end of the project, a final verification of the real costs is made. Based on the accepted costs and the applied support percentages, the total support is determined and final instalment is paid, whereas the instalment already paid are taken into account.

Reporting

The innovation goal is the starting point of the funding agreement. Adjustments/changes within the scope of the innovation goal are possible without the need to adjust the agreement.

Standard project reporting consists of short follow-up reports for each payment, a mid-term report and a final report when the project is completed. The final report has to include:

- A summary of the scientific results (Academic progress)
- Implementation of the innovation goal, including the strategic application
- Valorisation report
- Financial report

The reporting templates can be found on the website.

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.

Reconsideration of the Support

If from the reports it emerges that the implementation of the project is not in compliance with the modalities of awarding support and the innovation goal, VLAIO might reconsider the support. In the case of non-compliance with the contractual agreements, during the project or with monitoring after the project, support can be reconsidered with the possibility of re-claiming the financial support that was already paid in the case of proven shortcomings.

VLAIO
Koning Albert II-laan 35 bus 12
1030 Brussel
www.vlaio.be