

Start-Up call

Frequently Asked Questions

Business Development, Innovation and SMEs Programme

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i. General		
i. 1	Which language should be used when communicating with the Fund Operator?	The Programme language is English, and therefore it is mandatory to use English in written communication with the Fund Operator.
ii. Terminology		
ii. 1	Where can I find the definitions of the relevant terms used in the Programme?	A Glossary of Terms is always provided as an Essential Reading on the website of the Call for Proposals in question. If further terms are necessary, additional definitions can be found in the GBER , under Article 2.
ii. 2	What is a Project Promoter?	Project Promoter within EEA and Norway Grants Programmes operated by Innovation Norway is the legal person having the responsibility for initiating, preparing and implementing a project.
ii. 3	What is meant by 'products/services ready to be commercialized', as mentioned in the Call text?	This refers to the phase where a product/service has been successfully developed, indicating that the next phase is the introduction of the product/service into the market.
ii. 4	What is a project?	A project is defined in the rules as “an economically indivisible series of work”. This means that it will be negatively assessed if the project application contains different purchases and activities not directly linked to each other and the main objective of the project.
iii. Grant Size and Rates		
iii. 1	What is the maximum grant rate an <u>Applicant</u> may receive?	The applicant should provide reasoning on how the envisaged project activities and the corresponding costs fulfil the criteria for each of the relevant state aid categories. For this call <i>Aid for start-ups</i> , Article 22 from GBER will be applied and shall take the form of grants – maximum 85% grant rate.
iii. 2	What is the maximum grant rate a <u>Project Partner</u> may receive?	The following category will be applied and granted <i>Aid for Research and Development and Innovation</i> , Article 25 Experimental development (TRL 5-8) - maximum 60% grant rate. The maximum grant rate will be applied for project activities performed by Project Partners in case they contribute in the project co-financing and if the results of the project implementation benefits both applicant and partner.

iv. State Aid – Categories and Activities		
iv. 1	Am I an eligible applicants under Article 22?	<p>Micro and small enterprises, as defined in the EU Recommendation 2003/3611, registered as legal entities in Romania and functioning in accordance to enforced Romanian legislation on commercial companies.</p> <p>Micro and small enterprises, as defined in the EU Recommendation 2003/3611, registered as legal entities in Bulgaria under the Commercial Act.</p>
iv. 2	How is the degree of innovation assessed in R&D activities?	The novelty aspect at international level, used in the ICT focus area, it is not an imposed criterion, however, an analysis will be performed in order to understand the potential of the project in regard of being new or targeting improvements of products/services or process. The TRL scale will be used to determine the stages of the project and activities.
iv. 3	What type of activities should be used under Article 25 – experimental development?	<p>The goal of all R&D activity is the creation of new knowledge. The R&D activity must fulfill all of the following 4 criteria: It must be 1) novel at an international level of the industry concerned, 2) creative, 3) uncertain in outcome, and 4) systematic and transferable/reproducible. The new knowledge must have concrete business applications, having the potential to lead to new or improved products, processes or services. More can be read in the Frascati Manual and in Section 4 the GBER.</p> <p>For example simple software development would not qualify for state aid, but development involving new knowledge would mainly fall under the state aid category Experimental Development under Research, Development and Innovation aid (Article 25 in Commission Regulation (EU) 651/2014).</p>
iv. 4	<p>What does it mean “[...]which have not yet distributed profits and have not been formed through a merger”?</p> <p>Paragraph 2 of Article 22 of the Commission Regulation No 651 /2014 (Regulation No 651/2014)</p>	Enterprises which have not yet distributed profits are understood as enterprises which have not distributed profits to shareholders as dividend or tantieme payouts. Allocations to legal reserve or other reserves which are mandatory by law and (or) regulations are not considered as distribution of profits.
iv. 5	The applicant guidelines state that “exceptionally, financial support will be awarded as de minimis”. Could you clarify what “exceptionally” refers/applies to?	“De minimis support” will usually only be awarded in case a specific project activity, which is of crucial importance for achieving the project outcomes/outputs, cannot be financed by the other state aid categories included in the call for project proposals. Please try to deploy your project costs under the other available state regimes in the frameworks of the respective call. “De minimis support” will not be used to “boost” the total grant rate for a project.
v. Applicants and Project Partners		
v. 1	Can a consortium of enterprises or other entities be the applicant?	No, the applicant must be a single entity.

v. 2	Can an enterprise from another EU country be a project partner?	No, only entities from the Beneficiary State or a Donor State (Norway for Norway Grants and Iceland/Norway/Liechtenstein for EEA Grants) will be accepted as project partners.
v. 3	Does the applicant need to have been legally registered as an entity for a certain amount of time before the application to this call?	Yes. The applicant must have been established 6 months and maxim 4 years at the deadline of the call text. The date of registration (incorporation) of the company will be used as the starting point and the deadline of the call as end point for the calculation.
v. 4	If I'm registered in 2016, but had no economic activity until 2018 am I still eligible?	The registration date (incorporation) is the date to be used to determine the eligibility even though no economic activity has been performed within the respective period.
v. 5	A company registered in 2016 as a Ltd. is converted in 2019 into a Stock Company (not listed on the Stock Exchange). It has a new VAT number since 2019. In the national register the old entity is already declared as closed and there is a new case for the new one. However, the new entity is a legal successor of the old entity in terms of contracts and IPR. I'm I still eligible?	Eligible undertakings shall be any unlisted small enterprise up to four years following its registration, which fulfils the following conditions: a) it has not taken over the activity of another enterprise; b) it has not yet distributed profits; c) it has not been formed through a merger.
	deadline for the Call for Proposals?	
vi. Project Partnership and Project Cooperation		
vi. 1	What defines a Donor Partnership Project?	It is when the proposed project will be implemented in close cooperation with a Project Partner legally registered in a Donor State. The definition used in this Programme is included in the Call text, section 1 " Focus areas, projects and project funding".
vi. 2	Is Donor Partnership a mandatory condition for project eligibility?	No, it is not mandatory, but it is strongly encouraged. Donor Partnership Projects will receive extra points during the assessment process which will be conducted based on the "Assessment Criteria and Methodology" published together with the Call for Proposals. In general, the Donor Partnership should be well-justified and to bring value added to project to the project objectives.
vi. 3	Can an applicant propose a project in partnership with a parent company or subsidiary based in the Donor State?	No. The project partnership should involve cooperation between entities which are legally independent of each other.

vi. 4	How will the responsibilities be divided among the Project Partners?	The Applicant is fully responsible for the project towards the Fund Operator (Innovation Norway). This includes, but is not limited to, securing the co-financing for the total project. The responsibility of the Partner(s) towards applicant will be defined by the Partners in the Partnership Agreement (template provided with the Calls).
vi. 5	What is the role of the partner in a Partnership Project?	In general, the project partner is expected to provide competence/knowledge/technology or a similar type of contribution. This contribution must be essential for the successful implementation of the project. It must be noted that if the contribution by the partner is defined as standard ("off the shelf"), and could be provided by several companies/entities, then it might be subject to procurement regulations.
vi. 6	Can the role of the Donor State Partner be to supply a product or a service for the project?	The simple provision of products or services do not qualify as a Project Partnership. The Project Partner's contribution cannot merely be "off the shelf". The partner needs to demonstrate that their activity is within the experimental development area and is aware of the requirements related to TRL levels.
vi. 7	Can the role of the Donor State Partner be to become a provider of our product or service?	No. The simple import/redistribution of products or services do not qualify as a Project Partnership.
vi. 8	How to include the costs of a partner into the budget?	It must be noted that the grant rate is calculated per project activity, and not per entity. When the Applicant prepares the project budget, it needs to include the total expenses for the project, including the total cost and the remuneration of the partner(s). Partners are not allowed to charge consultancy fees. As a partner you can expect cost coverage for actual salary costs, social contributions, etc., as well as overhead as described in the Call for Proposals text.
vi. 9	Can the Donor State Partner contribute financially to project implementation?	Donor State partner/ Project partner could contribute to the project financially. If that is the case it must be clearly stated in the Application form, the Detailed Activity Budget and the Partnership Agreement. If the partner benefits from the results of the project (e.g. shared IPR or investment) the partner will also be subject to a state aid assessment. In a case where only the Promoter benefits from the project, and the partner contribution is competence and/or technology based on a contract, the partner will invoice the project promoter for the contribution. The co-financing will then be ensured by the project promoter.
vii. Application Documents and Guidance		
vii. 1	Where can I find guidance to help me fill out the Electronic Application Form?	A guidance is provided when you enter the Essential Reading section of the call webpage.
vii. 2	Where can I find more information about the documents I need to provide together with the application?	The "Annex I - List of mandatory documents" in the Call for Proposals text will list all the documents you must provide.

vii. 3	Where can I find the templates for the documents that must be provided in the application?	All the available templates can be found on the site of the Call for Proposals, under "Mandatory attachments to the project application".
vii. 4	Some of the documents requested as mandatory attachments to the application are issued by national authorities in local language. Do we have to submit an English translation together with the documents?	Official certificates and annual financial accounts issued in the local language can be submitted and presented in local language. For the rest of the documents, an unauthorized translation into English language is required.
vii. 5	What language should be used when filling in the application form?	The application must be in English. Any other language will lead to an automatic rejection of the application. This is further elaborated on in the section for "Assessment criteria" in the Call for Proposal text.
vii. 6	Which financial documents should be attached to the application?	Certified annual financial accounts of the Applicant for the years 2020, 2019 and 2018.
vii. 7	What should we do if we do not form and publish annual balance sheet?	You should then submit any other form/information relevant according to national legislation that was submitted to the national financial authority for 2020, 2019 and 2018. In case the data is not sufficient and information on e.g. Liabilities or Assets is needed, the Fund Operator will ask for this during the project assessment.
vii. 8	What information should the Communication Plan include?	The purpose of the Communication Plan is to declare how you intend to:1) Inform the public about the financial source (EEA and Norway Grants) of the project funding; 2) To present and promote the project result; 3) To communicate the bilateral opportunities offered by the Programme. It should not include activities related to marketing of products and/or services. The Communication Plan template can be found on the website of the Call for Proposals, under Mandatory attachments.
ix. Projects - Eligibility and Activities		
ix: 1	What defines an eligible project idea?	There are many aspects which are taken into account when determining the eligibility of a project. The fundamental factors are that a project must contribute to increased turnover and profit, and preferably to job creation, for the applying company.
ix: 2	How could the applicant prove that a project is innovative? Is it necessary to attach any documents to the application?	The term "innovation" is defined in the Glossary of Terms and applicant should use this definition to make their own assessment. The applicant should then clearly explain in the project description and business plan what makes their product/solution innovative.

ix: 3	How can I find out if my project is eligible?	The Call for Proposal text has a section titled "Areas of support and eligible activities." There you will be informed about the Programme indicators which your application must achieve in order to be considered eligible. You can also consult the "Project Assessment Criteria and Methodology" document published under Essential Reading on the Programme website.
ix: 4	How do you determine whether a product/service is ready to be commercialized?	The Fund Operator will assess two aspects. First, it will be conducted a verification of the project idea to evaluate its feasibility. Specific milestones, functional characteristics and operational capacities will be assessed. In addition, the expected cashflow forecast (when the product/service is introduced into the market) will be assessed to establish its feasibility.
x. Projects - Costs and Co-Financing		
x. 1	Are project preparation costs eligible for funding?	No. Costs incurred prior to project confirmation are not eligible and should not be included in the project budget.
x. 2	Can we apply for funding for a project which has already been started?	No, you can not apply for funding for an already started project. However, for the R&D projects, that aim at performing experimental development activities, a TRL level needs to be demonstrated and then in this case the project may be considered.
x. 3	Is cash co-financing a requirement in the Programmes?	Yes. Cash co-financing must be provided and can be supplied by either the Applicant or the Partner(s), or a combination of the two. This must be specified and explained in the Partnership Agreement. Man-hour contributions from the Applicant and Project Partner(s) may be accepted as cash contribution based on the approved hourly rate for salaries. Despite how it is supplied, the co-financing remains the responsibility of the Applicant and the Letter of Commitment must be filled out for the application. The financial ability of the involved parties to carry out the project will be assessed on a case-to-case basis. Innovation Norway will make their independent assessment of the creditworthiness of the applicant and partners and obtain credit reports as well. The grant offer letter will outline in detail the financing requirements in special conditions.
x. 4	How should the applicant prove that they are able to provide the necessary co-financing for the project and what kind of documents are required?	The applicant will attach a Letter of Commitment in the application (template is found on the Programme website). In the precontracting phase, the applicant must provide a document which proves the availability of the co-financing for the project. In case the co-financing is delivered with the support of a financial institution, the applicant should submit a document confirming the support (bank loan contract or a reference letter). No bank guarantee is requested when submitting the application, but the formal confirmation of co-financing will have to be submitted before the project contract is signed.
x. 5	Is man-hour contribution accepted in the co-financing as cash contribution?	Yes, as long as they are relevant and proportional to the work demanded by the project.
x. 6	What can we include in the hourly rate when estimating the man-hours as cash co-financing?	The cost of staff assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this corresponds to the project promoter's and project partner's usual policy on remuneration

x. 7	What would a typical formula for the calculation of the hourly rate for man-hour look like?	A common formula would be the following: Actual salaries paid to the employee + social charges, (in Norway typically up to 30 % (Holiday pay (12%), Employer's national insurance contribution (14 ,1%) + pension costs (2-2,5%) and occupational injury insurance) + other Statuary costs (if any). On top of that: 15 % overhead, or 25 % if relevant (research component in the project) and/or documented. The calculated amount should then be divided on the number of hours in one man-year (in Norway 1650 h).
x. 8	Is VAT an eligible cost?	Recoverable VAT is not an eligible cost.
x. 9	Can I include indirect costs in the project budget?	Indirect costs are all eligible costs that cannot be identified by the project promoter and/or the project partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the project promoter or the project partner. The method of the indirect costs and its maximum amount shall be determined in the Project Contract. A project promoter and project partners will use a flat rate of up to 15% of direct eligible staff costs.
x. 10	Can we ask for funding for costs related to activities which are nice to have, but are not directly necessary for the proposed project?	All funding should go to costs which directly contribute to the successful achievement of the proposed projects. If a project application asks for funding for costs which appear unrelated to this goal, the application might be considered ineligible.
x. 11	Are costs for project management eligible? And if they are, who should have the role?	Yes, the cost for project management are eligible if they are listed as an eligible cost. It is for the Project Promoter to decide how the project is managed, but it is recommended that there is one project manager, and that the Project Promoter is as involved in the project management as possible. General functions, such as company management, accounting, HR and communication, are not project management, but expected to be covered by the overhead.
x. 12	Is acquisition of second-hand equipment permitted?	Cost for secondhand equipment will only be eligible if they are duly justified in the application and explicitly stated in the Project Contract. Purchase of new equipment, provided that it is depreciated in accordance with generally accepted accounting principles. For projects other than investment projects, only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account.
xi. Assessment Process		
xi. 1	How is the assessment process going to take place?	Innovation Norway (as Fund Operator) will not involve national authorities in the decision and selection making process of the project applications. The assessment is going to be performed based on the assessment methodology criteria and, solely the shortlisted applicants, will be invited for an interview with the decision makers in Innovation Norway.

xi. 2	Is it recommended for an Start-up to use consultants and would this provide more scores to the application?	Innovation Norway does not recommend the use of consultants. The application form has been designed and intended to be answered by the applicants themselves, in their own words. A project application prepared with the help of consultants will not receive a higher score.
xii. Romania Specific		
xii. 1	What national procurement rules apply to the Programme?	A project promoter that receives 50 % or more of the eligible expenditure of the total project as grant from the Programme, shall conduct its procurement for that project in compliance with the Order 1284/2016.
xii. 2	What is an eligible applicant?	Using the EU Recommendation 2003/361 and respectively, those registered and functioning in Romania, on the basis of Law 31/1990 regarding commercial companies, republished, with subsequent modifications and completions.
xiii. Bulgaria Specific		
xiii. 1	What national procurement rules apply to the Programme?	A project promoter that receives 50 % or more of the eligible expenditure of the total project as grant from the Programme, shall conduct its procurement for that project in compliance with the Decree No. 118/2014 of the Council of Ministers on the terms and conditions for selecting contractors by the grants beneficiaries from the Financial Mechanism of the European Economic Area, the Norwegian Financial Mechanism, Fund "Asylum, Migration and Integration" and Fund "Homeland security".
xiii. 2	Can an agricultural producer, registered as per the Ordinance № 3 of 29.01.1999 of the Ministry of Agriculture, be considered as an eligible applicant ?	If a company/or a sole trader is registered as a legal entity in the Trade register, they can be eligible applicants. A physical person, registered only as an agricultural producer should not be considered as eligible applicant. However, please see the answer to the question on regional aid to the agricultural sector.