

# Western Balkans Innovation Vouchers

*A POLICY ANSWERS Pilot Programme*

## GUIDELINES FOR APPLICANTS

Call for Proposals: “Western Balkans Innovation Vouchers”

Deadline for submission of applications: 26 June 2024 (16:00h)

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## Glossary of acronyms

EU	European Union
R&I	Research and Innovation
IV	Innovation Vouchers
HEIs	Higher Education Institutions
PROs	Public Sector R&D Organisations
IP	Intellectual Property
FITD	Fund for Innovation and Technology Development
SMEs	Small and medium-sized enterprises
WB	Western Balkans

## 1. Introduction

The EU project - **POLICY ANSWERS - R&I POLICY making, implementation and Support in the Western Balkans** is funded under the Horizon Europe proclamation “Support for R&I policy making in the Western Balkans” (HORIZON-WIDERA-2021-ACCESS-06-01). The project was launched on 1 March 2022 for a period of four years.

**POLICY ANSWERS** focuses on the research and innovation (R&I) policy and governance systems while also covering the aspects of education, culture, youth and sports. The main aims of the project are to monitor and support the policy coordination between the EU-Western Balkans (WB) cooperation and coordination, as well as to support the WB in strengthening their potential for successful participation in regional and multilateral research and innovation activities, to promote regional cooperation in R&I and to support networking and access to information on an excellent manner.

This initiative is positioned well in line with the EU’s *Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sport (WB Innovation Agenda)*, outlining a comprehensive, long-term strategy for cooperation with the region, including an Action Plan for its implementation. Through increased investments, its elements and measures will contribute to the economic and societal development and cooperation in and within the region.

The project is implemented by 14 networked partner organisations from the region and expert organisations of the EU. All organisations jointly support the political dialogue through formal political meetings and ad-hoc political meetings, monitoring and capacity building for implementing the EU WB Agenda. Besides capacity building, regional alignment of priorities in relation to Digital transformation, the Green Agenda and Healthy Societies is a central element of the project. Pilot activities provide opportunities for the creation of policies and programmes that will reach the end users and thus contribute to the improvement of cooperation between academic (scientific) institutions and the business sector. Further goals are the mobilisation of researchers, including young people in political processes, promotion of research infrastructure and increased innovation skills in all areas.

**Overall objective of the project:** To provide analytical evidence and strategic planning to the region in order to implement the EU WB Agenda and to make progress in their integration into the European Research Area (ERA).

**Specific objectives in the project:** To implement regional pilot activities, which reach out directly to academia, industry and civil society; to create new initiatives and initiating success stories at programme level.

**POLICY ANSWERS** implements a set of distinct activities, which aim at activating various stakeholders to improve the interconnectedness of the WB economies. Among the **POLICY ANSWERS** activities, there are the pilot programmes “Western Balkans Innovation Vouchers” and “Western Balkans Mobility Scheme”.

## 2. What are the “Western Balkans Innovation Vouchers”?

Western Balkans Innovation Vouchers (IV) are a simple direct financial incentive used by companies to cover part of the costs of the services provided by research and development (R&D) organisations, thus intensifying the volume and dynamics of the development of products and services as well as their placement on the market. The development of new products and services is directly related to the innovation process. IV are a way to enable the transfer of knowledge and to contribute to the creation of long-term partnerships between companies and R&D. The goal of the IV is to encourage cooperation between enterprises and academic and scientific research institutions in the direction of implementing innovation activities; thus, the enterprises will increase their competitiveness.

This guideline determines the basic characteristics and objectives of the financial resources allocated through IV, the criteria and conditions for the allocation of financial resources, the content of the public call for the allocation of financial resources, the procedure for the allocation of financial resources, as well as the method of implementation, monitoring and reporting of the allocated financial resources through IV.

IV are a commonly used policy tool to initiate collaboration between SMEs and knowledge providers. There are vouchers which provide services to SMEs for a specific purpose such as business services, Digital or Green Transition, etc. The vouchers intended to enhance industry-academia collaboration are usually a distinct type of “IV”.

The IV are financial incentives for subsidising part of the costs for services provided by Higher Education Institutions (HEIs) and public sector R&D organisations (PROs) intended to accelerate the dynamics and development of innovative products and services and their placement on the market.

## 3. Who can apply?

Legal business entity registered as a micro, small or medium-sized company (users of the IVs) and registered in any of the WB economies (at least 51% privately owned), incorporated under the current respective company law.

The company must be a legal business entity incorporated under the respective current WB company law, registered at any WB Business Registration Agency and located in the WB. If the newly established companies are not classified as micro, small and medium-sized enterprises, based on the data of the WB Business Registration Agency at the moment of considering the application for an IV, they can be users of IV provided that they guarantee that, on the day of signing of the contract for the IV, they are classified as micro, small or medium-sized enterprise.

## 4. Financial aspects of the IVs

The total budget for awarding funds through IV for this public call is EUR 240,000. A single voucher can cover up to a maximum of 80% (eighty percent) of the total costs of a service provided by the HEI/PRO, up to an amount of EUR 8,000 excluding value-added tax (VAT). The recipient of the voucher is obliged to co-finance the remaining amount of the total costs of the service, which is at least 20% of the total amount of the invoice, including VAT of the total costs. The recipient of the voucher is obliged to finance all transportation and legal costs (if applicable) for cross-border delivery of prototypes, samples, etc.

The Applicant may receive a maximum of one IV under this Public Call. More than one application for an IV can be submitted by the same applicant referring to the Public Call. In case more than one application from the same applicant are being scored high in the evaluation process, (only) the application with the highest score will be awarded.

The support granted to business entities through IV, regardless of their legal status and the way they are financed, will be arranged under *de minimis* aid regime<sup>1</sup> (state aid of small value), so the recipients are obliged to act in accordance with the Regulation on the List of State Aid Rules in the respective economies.

### 4.1. Service Provider Eligibility Criteria

Eligible entities are the public sector Higher Education Institutions (HEI) or public sector R&D organisations (PROs) (at least 51% directly or indirectly state-owned), registered in any of the WB economies, incorporated under the current respective law on Higher Education Institutions and/or PROs and accredited by the relevant Ministries in the respective WB economy.

Companies registered in any of the WB economies are companies that are predominantly owned by the public sector, Higher Education Institutions or PROs (50.1% or more).

### 4.2. Cross-border cooperation eligibility criteria

The applicant and the service provider must be from two different WB economies.

### 4.3. Eligible services of the IV

IV can be used to transfer scientific, technological or innovative knowledge that is new to the company or to solve a technical/technological problem that will be identified by the company.

Funds can be obtained for the following services:

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<sup>1</sup> *De minimis* is a legal principle which *allows for matters that are small scale or of insufficient importance to be exempted from a rule or requirement.*” <https://www.lexisnexis.co.uk/legal/glossary/de-minimis>

- Development of new or improvement (in terms of function and quality) of existing products, processes or services;
- Proof of concept;
- Feasibility study;
- Production of laboratory prototypes;
- Manufacturing demonstrational prototypes;
- Different types of tests (in laboratory, production plant);
- Validation of technology;
- Validation of new or improved products, processes or services;
- Development and introduction of special software for a product or process (within the product development);
- IPR and technology transfer.

Specific tasks have to be detailed in the final financial offer.

IV can be awarded in the field of science and technology with the priority given to green and digital transition within the evaluation criteria.

The IV scheme is aligned with the Smart Specialisation Strategies for the WB economies from 2023 until 2027, which focuses on their respective main priority domain.

## 5. Validity Period of the IV

The awarded IVs must be used by the recipient within a period of up to nine months from the date of the contract being signed among the Fund for Innovation and Technology Development - North Macedonia (FITD) and the recipient of the voucher. These details are specified in the contracting section.

The IV may be extended for a period of one month only under exceptional circumstances based on the request of the company (the recipient of the voucher) if the FITD assesses that the reasons stated in the request are justified. In cases where the IV is not used in this subsequent period, the FITD will not have any obligations towards this approved innovation voucher.

## 6. Ineligible Costs

The IV cannot be used for:

- Repayment of interest or debt of another party;
- Costs and commissions for past or possible future losses or debts;
- Coverage of losses due to currency exchange, fees and penalties;
- Expenses for entertainment and catering;
- Creation of Business plans and economic appraisals;
- Sales activities;
- Standard website or mobile application development
- Staff recruitment costs (costs for publishing an advertisement, commissions from employment agencies, costs related to selection of candidates, etc.) and migration costs;

- Purchase of land or buildings, including renovation;
- Export activities (costs directly related to the export of products, by establishing and operation of a distribution network, etc., or for other current costs of the applicant related to export activities);
- Annual patent maintenance fees (with the exception of well-justified cases assessed as an allowable cost when evaluating the project proposals);
- Costs for consulting services provided by the owner/s of the recipient company;
- Rental of business premises;
- Costs for procurement of equipment.

VAT is a cost that is not eligible for financing, but is calculated in the total amount. The recipient company should additionally cover the cost of VAT if applicable and, for the same cost, can get a refund in accordance with the applicable law.

In addition, the costs of carrying out activities previously funded by other sources are not eligible for funding.

## 6.1. Application process

To apply for funds awarded through the Innovation Voucher scheme, the applicant company must submit the following documents:

- Innovation voucher application, completed, signed and printed in a form determined by the FITD, scanned in PDF format;
- Current status for the company (legal form) - applicant issued by the respective institution in the WB economies (e.g., Central Registry in North Macedonia) of the respective economy not older than 6 (six) months from the deadline for submission of the application stated in the public call; and
- Financial offer/s from the service provider/s, signed, printed and scanned in PDF format which must contain:
  1. Specification of the service according to the need stated in the Innovation Voucher Application;
  2. Name of the service provider/s and contact person responsible for the requested service;
  3. Financial offer for services with value-added tax (VAT) expressed as a separate cost, if applicable;
  4. Deadline for completion of the requested service;

In one Application, the applicant company can include a maximum of two service providers.

## 7. Deadline for submitting the Application

The deadline for submitting the application is 26 June 2024.

In order to apply for funds awarded through the IV, the applicant company must submit the submitted documents through the application form.



Only those applications submitted in the above manner will be considered for further evaluation and funded (if possible).

## 8. Evaluation criteria and approval of the IV

All received applications that have passed the administrative check will be appraised by an Evaluation Committee consisting of three members. All received applications will be evaluated according to the following evaluation criteria by the Evaluation Committee:

- Relevance of the service to the objectives of the Call (20/100)
- Level of innovation (30/100)
- Quality of the proposal (30/100)
- Impact on Green and/or Digital Transition (20/100)

The highest-ranking applications will be awarded funding until all the available budget will be absorbed. The implementing partner (FITD) reserves the right not to award or disperse the total budget in case there are not enough applications with high quality or in case some of the awarded IV are not diligently implemented, according to the contract terms.

The selection process takes place within the FITD in North Macedonia. The FITD shall notify each applicant of the outcome. If any of the above conditions are not met, the application may be rejected as untimely, incomplete, inadmissible or by stating some other legitimate reason for rejection. Applicants whose applications have been rejected will be notified by e-mail, with an unambiguous indication of the reason for rejection.

## 9. Payment modality

The implementing partner (FITD) will make two payment instalments directly to the bank account of the service provider after the approval of the notification for realisation of the IV by the Evaluation Committee when the following conditions are met:

1. **An advance payment of 30% of the awarded amount of the IV once:**
  - the contract for awarding the IV is signed
  - the company submits a proof of payment of min. 20% of the total service amount, including the VAT amount of the total costs of the advance payment (if applicable).
2. **A final payment of 70% of the awarded amount of the IV once:**
  - the company submits a confirmation that the service for which the IV has been granted is delivered
  - the company submits a final report, and the Evaluation Committee verifies the IV has been diligently implemented

## 10. Intellectual Property Rights (IPR)

The company (recipient) and the HEI/PRO (service provider) should manage any IP that may arise in the framework of implementation of the IV.

The implementing partner (FITD) or any other member of the consortium may not be held responsible for any dispute arising from the implementation of the IV within the framework of the agreement signed between FITD and the recipient.

## 11. Contracting

In case of approval of its application for IV, the company is required to sign an IV contract with the FITD on the allocation and use of the IV.

After signing the contract with the FITD, the applicant formally and legally becomes the recipient of the IV and sends the original service request to the service provider, who will then provide the service specified in the approved application for the IV.

The contract is signed for a period of nine months within which the IV is expected to be realised, i.e., that the contracted service is performed by a R&D organisation. The FITD may consider extending the contract (up to a maximum of one month) only in exceptional cases, based on the submission of a written request by the company containing a description of the change and an explanation for the change no later than fifteen calendar days before the originally defined deadline for which the IV is approved.

The financial support for the recipients is given according to the Horizon Europe regulations for Financial Support to Third Parties. This means that the following regulations in the POLICY ANSWERS grant agreement (GA) also apply to the recipients, who has:

- (1) to prevent that the implementation of the project is compromised for reasons involving family, emotional life, political or national affinity etc. ('conflict of interests', article 12 GA),
- (2) to keep confidential any data, documents or other material that is identified as sensitive in writing ('sensitive information') ('confidentiality and security', article 13 GA),
- (3) to carry out the action in line with the highest ethical standards and to commit to and ensure the respect of basic EU values (such as respect for human dignity, freedom, democracy etc.) ('ethics and values', article 14 GA),
- (4) to acknowledge the EU support and display the European flag (emblem) and funding statement in all communication activities related to the action like media relations, conferences, seminars etc ('communication, dissemination and visibility', article 17.2 GA),
- (5) to provide any information requested in order to verify eligibility of the costs or contributions declared, proper implementation of the action etc. ('general information obligations', article 19 GA),
- (6) to keep records and other supporting documents to prove the proper implementation of the action ('record-keeping', article 20 GA),
- (7) to accept that the granting authority - the European Commission - and other European bodies as the European Anti-Fraud Office (OLAF) etc. may also carry out checks,

project reviews, audits and investigations – during the action or afterwards ('checks, reviews, audits and investigations – extension of findings', article 25 GA).

## 12. Reporting and verification

In order to finalise the service, which is a precondition for the payment related to the IV by the FITD, the service provider shall prepare and send a report to the company that has the obligation to confirm that the service has been provided in accordance with the requirements. When the company ascertains that the service has been provided, a confirmation of acceptance of the provided service is submitted to the FITD. Furthermore, the FITD is informed that it will have to pay directly to the organisation that provided the service. The FITD reserves the right to carry out inspections on the premises of the company and check the existence and content of the delivered services financed within the framework of the IV programme.

## 13. General data protection

The Beneficiary will process personal data under the Agreement in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/679). The Beneficiary must ensure that personal data is:

- processed lawfully, fairly and in a transparent manner in relation to the data subjects;
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- adequate, relevant, and limited to what is necessary in relation to the purposes for which they are processed,
- accurate and, where necessary, kept up to date;
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed, and
- processed in a manner that ensures appropriate security of the data.

The Beneficiary may grant their personnel access to personal data only if it is strictly necessary for implementing, managing and monitoring the Agreement. The Beneficiary must ensure that the personnel is under a confidentiality obligation. The beneficiaries must inform the persons whose data are transferred to the granting authority and provide them with the Portal Privacy Statement.

Data in electronic format—including application, statements, services offers and evaluations from the committee—will be registered and stored on secure servers at FITD following National law and EU data protection requirements and ensuring that no identifiable data will be stored longer than required.

## 14. How to apply

Applicants can apply through the FITD web site at a specific page for this call. A noticeable "Apply" button will be shown, that will automatically direct the applicant to the application form, and another button "Download documents", where the applicant can download all the needed documents for the Application.

The following should be orderly filled in, printed and signed:

- project application form;
- statement of the company
- financial offer.

All application forms should be filled and submitted in English language.

All questions related to the application process should be addressed to FITD to the following email address: [innovationvouchers@fitr.mk](mailto:innovationvouchers@fitr.mk)\*

*\* fitr.mk is a Macedonian web domain for the FITD acronym*