



**European Innovation Council – Support Scheme**

**Rules for Participation – State Aid**

**1.0 Introduction**

The Malta Council for Science and Technology (MCST) for and on behalf of the Foundation for Science and Technology is receiving proposals under the European Innovation Council Support Scheme. The aim of the scheme is to support clients applying solely to the **European Innovation Council - Accelerator Programme** (EIC Accelerator Open and EIC Accelerator Challenges) and who would want to apply for the cut-off dates in 2022 as stated in the EIC work programme (23/03/2022, 15/06/2022 & 05/10/2022).

Applicants may select either to apply for **Option A and/or B**, or **Option C** depending on the stage of their EIC application. Applicants **cannot apply** for **Option A** and **Option C** or **Option B** and **Option C**, simultaneously. In order for an applicant to apply for **Option C**, applicants are expected to have passed the short application stage of the EIC Accelerator. A proof of a successful accession through the **Short Application Stage** shall be submitted by the applicant when applying for **Option C**. The image below explains for which Options of this scheme, applicants have to apply vis-à-vis the EIC Accelerator stages, **Option A & B** restricted to the Short Application Stage and **Option C** for the Full Application Stage.



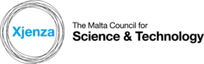
Full Application Stage

Accelerator Application Process

Short Application Stage

**OPTION A**

**OPTION B**



**OPTION C**

EIC Support Scheme

**1.1 Support under the Short Application Stage of the EIC Accelerator**

Applicants may apply for either **Option A, Option B or both Option A and B.**

* **Option A - Business Coaching:** Applicants may apply for a grant to recruit a business coach matching the specific industry and market context. The coach should challenge assumptions and consider new options in a learning-and-solving manner.The hired coach should tackle all of the following elements:
* Business development: focused on the identification, analysis, and evaluation of business opportunities, including Value Proposition and Business Model development, industry and market analysis, strategic partnerships, and marketing.
* Organisation development: mobilising company resources on entrepreneurship, leadership and team building to recruiting, organisation building, manufacturing management and distribution channels.
* Financial development: to support with investment readiness and financial planning, including revenue/cost structure and cash flow management.

A maximum grant amount of **€5,000** may be requested by the applicant to cover the fees of the business coach service provider. A **minimum of 50 hours of business coaching** activities shall be carried out under Option A.

Applicants are required to submit a **coaching plan** within the application form including objectives and activities. Applicants are expected to submit **timesheets**, a **coaching report** as well as a **20-slide Investor Deck** covering key elements of the business plan including the problem/solution, value proposition, technology, business model, go-to-market, team, and financial plan once their application was favourably considered and bound with a grant agreement.

* **Option B – Pitch Coach:** Applicants may apply for a grant to recruit a pitch coach in preparation for the short and/or full application stage. Coaching provides applicants with the opportunity to further their communication skills, as well as develop the capacity to share the right information, engage the audience and pitch to potential investors. Pitch coaches are expected to:
* Help participants practise and revise their investor pitch
* Provide practise sessions and suggestions for improvements
* Support in scripting and structuring a video pitch
* Preparation of pitch deck(s)

A maximum grant amount of **€2,000** may be requested by the applicant to cover the fees of the pitch coach service provider. Applicants are required to submit **timesheets**, a **pitch-deck** of up to **10 slides** and a **video** pitch of up to three (3) minutes with the core members of the team (up to three people) once their application was favourably considered and funded.

The above options A and B must be implemented within twelve (12) months from date of the grant agreement between MCST and the applicant for the short application stage, and only reimbursed if activities are done within the time period stipulated in the grant agreement. To that end, beneficiaries are required to present the following:

* Proof of having submitted a short EIC Accelerator proposal and a copy of the proposal submitted as a Maltese registered entity carrying out economic activity as either a limited liability company by no later than the end of the grant period;
* Proof of the final result of the submission from the European Commission.

***Proof of submissions to the Short Application Stage of the EIC Accelerator stage shall be submitted to MCST in order to receive the financial settlement of Option A and B of this scheme.***

In the event of successful submission and shortlist to the full application stage, applicants are expected to submit a full proposal to the EIC. Applicants are also required to submit evidence of submission and a copy of the proposal to MCST within 1 year of receiving the official notification from the European Commission. Successful candidates are strongly encouraged to apply for **Option C** on a rolling basis. Applicants still have to submit an application with **Option C** selected in order to apply for this option.

**1.2 Support under the Full Application Stage of the EIC Accelerator**.

Applicants may apply for **Option C** on a rolling basis, provided they submit proof of having received a positive evaluation from the European Commission regarding the short application stage.

* **Option C - EIC Consultant & Proposal Writer:** Applicants will engage a consultant or firm to improve opportunities for Maltese entities intending to submit an EIC Accelerator proposal and who will be supporting the applicant through proposal writing and submission. The consultant engaged for EIC Accelerator proposal will focus on factors that will increase chances of winning, supporting the preparation of all the paperwork that goes with the proposal.
* The applicant needs to develop a proposal by engaging the services of proposal writer/s or consulting services with a proven track record in proposal writing for the EIC. Following activities are expected:
* Project idea formulation
* Develop and support in creating a work plan
* Project budgeting
* Market research and business plan compilation
* Overall project management and administrative tasks
* Provide support for the interview stage of the evaluation process, which includes presentation, interview and pitching support/training

A maximum grant request of **€10,000** may be provided to reimburse the costs related to engage the service provider. **Option C** must be implemented within twelve (12) months from date of notification from the European Commission of having successfully passed the EIC short application stage, of which proof will be requested by MCST at time of application. With the provided grant, applicants are expected to submit to the EIC within the twelve (12) month period set by the European Commission, and show proof to MCST of having submitted a full EIC Accelerator proposal as a Maltese registered limited liability company no later than 30 days after having submitted their application form.

In addition, applicants are required to set up regular meetings/consultations with the respective EIC National Contact Point in order to provide updates on the EIC application status.

The Scheme will provide assistance to undertakings that carry out an economic activity within the meaning of Article 107 TFEU and will be implemented in line with Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, hereinafter referred to as the de minimis Regulation.

1. **Definitions**

* **Applicant** means anyone eligible to apply in terms of these Rules for Participation and who consequently applies for funding under this scheme.
* **Arm’s length** means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent enterprises and contain no element of collusion. Any transaction that results from an open, transparent, and non-discriminatory procedure is considered as meeting the arm’s length principle.

Having family ties or a personal relationship between the service provider and the applicant will lead to a breach of the arm’s length principle.

* **EIC Accelerator** which refers to the “EIC Accelerator Open” and “EIC Accelerator Challenges” as per the EIC Work Programme 2021.
* **Council** refers to the Malta Council for Science and Technology.
* **Single Undertaking** includes all enterprises having at least one of the following relationships with each other:

i. One enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;

ii. One enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;

iii. One enterprise has the right to exercise a dominant influence on another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;

iv. One enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.

Enterprises having any of the relationships referred to in points (i) to (iv) above through one or more other enterprises shall be considered to be a single undertaking.

* **Undertaking** covers any entity engaged in an economic activity within the meaning of Article 107 TFEU, regardless of its legal status and the way in which it is financed.

**3.0 Eligibility Criteria**

The applicant must be an undertaking that carries out an economic activity within the meaning of Article 107 TFEU registered as:

i. A single company classified as a **SME[[1]](#footnote-1)** (including **Start-Ups**) established in Malta.

**For Option A:** Eligible applicants will be supported by a business coach. Business coaches need to have a proven track record in managing a broad range of business issues associated with high growth, proven experience in innovation management within SMEs, a successful track record in coaching senior management through the development of their company’s vision and strategy.

**For Option B:** Eligible applicants will be supported by an experienced pitch or communications coach. Pitch coaches should possess coaching and training experience with both established and start-up organisations as well as strong communication and public speaking skills and experience in storytelling.

**For Option C:** Eligible applicants will be supported by an experienced EIC proposal writer/consultant, as well as having received positive evaluation from the European Commission after having submitted the short proposal to the EIC Accelerator.

Applications should be endorsed by the entity’s legal representative. Applicants already featuring on MCST’s non-compliance list will not be eligible to apply for this Scheme.

Participants will be funded if the amount they request falls within the allowable threshold for aid under the *de minimis* regime, which is a maximum of €200,000 (or €100,000 in the case of single undertakings performing road freight transport for hire or reward) over 3 fiscal years per single undertaking, and this is in line with Article 3(2) of the *de minimis* Regulation.

Applicants will be required to submit a signed *de minimis* declaration form indicating any de minimis aid received during the previous two fiscal years and the current fiscal year

**4.0 Financing**

Each applicant is invited to provide a breakdown of the anticipated costs to carry out the proposed activities as part of the application form. MCST reserves the right to negotiate any amount quoted by the applicant should this be considered as being over-estimated.

The amount of the Award available to any one successful applicant is capped as follows:

* €5,000 for Option A,
* €2,000 for Option B and
* €10,000 for Option C.

**Eligible costs:**

**For Option A:**

* Business coaching fees.

**For Option B:**

* Pitch coaching fees.

**For Option C:**

* EIC proposal writer/s and consulting services fees.

In order to receive the reimbursement process, the applicant has to provide the following documents:

For Option A: **timesheets**, a **coaching report** as well as a **20-slide Investor Deck** covering key elements of the business plan.

For Option B: **timesheets**, a **pitch-deck** of up to **10 slides** and a **video** pitch of up to 3 minutes

Moreover, for all options, MCST will provide 100% reimbursement upon confirmation of proposal submission (short application proposal under Option A and B, long application proposal under Option C) and against proof of invoice and receipt by applicant.

The applicant must follow procurement regulations and it shall be ensured that the best value for money principle has been adopted by the applicant. The applicant must be able to demonstrate how best value for money for the procurement of services was ensured. The Council may request further documentation and information to ensure that the best value for money principle was respected, such as quotations, track record of selected service provider, request for quotations calls, etc.

**5.0 Conflict of Interest**

A Conflict of Interest (COI) exists for Option A, B and C if the business coach, pitch coach and proposal writer/s or consulting service:

* is a Beneficiary in the same Horizon Europe proposal to be submitted to the European Commission under the EIC Accelerator;
* stands to benefit directly if the proposal is positively evaluated. Providing market research information to the applicant will not be considered a COI;
* has a family / personal relationship with any person representing an applicant;
* is a director / trustee / partner of the applicant or involved in the management of the applicant’s entity or is an employee of the same entity.

**Consumables and equipment cannot be funded under each scheme. Expenses related to loans, interests and recoverable value added tax are also considered as ineligible costs.**

**No double funding** is permitted for the sameactivities carried out in the EIC Support Scheme and in conjunction with any other local or foreign schemes.

**6.0 Submission of Application Form**

Interested Applicants are to submit their application form electronically to [eicscheme.mcst@gov.mt](mailto:eicscheme.mcst@gov.mt) with “EIC Support Scheme - Application” as a subject heading.

**Option A and Option B: Always open**

**Option C: Rolling application** (*Not less than 5 months within the (12 months) deadline stipulated by EIC Agency for Full Application submission***)**

MCST has the right to terminate any or all options should budget be exhausted or upon its own discretion.

The application must be dated and signed by the applicant and the legal representative. Late or incomplete applications will not be considered.

Submissions should include the following documents:

* the ‘EIC Support Scheme - Application Form’ provided by MCST that is associated with this call.
* Under Option A:
  + proposed project idea (project’s brief) and proof of having a technology with a minimum of Technology Readiness Level 5.
  + proof of having a business and marketing strategy.
  + profile of at least 3 *potential* business coaches including their CVs.
  + company profile/track record of the applicant’s legal entity.
* Under Option B:
  + proposed project idea (project’s brief) and proof of having a technology with a minimum of Technology Readiness Level 5.
  + proof of having a business and marketing strategy.
  + profile of at least 3 *potential* pitching coaches including their CVs.
  + company profile/track record of the applicant’s legal entity.
* Under Option C:
  + profile of at least 3 *potential* proposal writers and consulting services providers.
  + company profile/track record of the applicant’s legal entity.

It is the responsibility of the applicant to ensure the timely and correct delivery of the application form to MCST. It should be noted that emails larger than **6MB** will be automatically rejected by the mail system. The applicant may make use of cloud storage to send their application.

**7.0 Selection Process**

Applications will be assessed by a selection panel set up by the Council against the following criteria for Option A and for Option B:

* Excellence of the proposed project idea (project’s brief) and demonstration of technology maturity at Technology Readiness Level 5, having already tested and validated a prototype proving the benefits of the technology;
* Proof of having developed a novel technological solution with a superior value proposition, tackling an important problem at European level and having potential for strong market demand for the solution and validated it with initial pilot customers.

**In addition for Option A:** Business coaches will be evaluated on the following criteria

* Proven track record with at least 5 years in managing a broad range of business issues associated with high growth, proven experience in innovation management within SMEs, a successful track record in coaching senior management through the development of their company’s vision and strategy;
* Personal track record in coaching organisations and business leaders. Coaches should demonstrate an existing successful track record as a coach;
* Extensive network of contacts with expertise in a wide range of business functions; - track record in managing a range of business issues associated with periods of high growth.
* Proven experience in innovation management including for example evidence of having done similar coaching work previously; and ability to demonstrate a good understanding of many business areas such as strategic planning; leadership and organisational development.

**In addition for Option B:** Pitch coaches will be evaluated on the following criteria

* At least 5 years pitch coaching and training experience with both established and start-up organizations.
* Strong communication and public speaking skills, with a knack for storytelling.
* Adaptable in facilitation style and approach to fit the needs of the audience, the content, and technology.
* Strong capability to think creatively, analyse information, determine needs, and develop strategies to support enterprises to pitch effectively.
* Experience coaching SMEs working in different fields including agriculture, energy, infrastructure, health, ICT, and other key sectors.

**For Option C**, applications may be sent on a rolling basis and will be evaluated on the following criteria:

* EIC Consultants having a proven track record of the proposed consultancy individuals/firms, including a list of other EIC projects that have been supported in the past.

**8.0 Award Duration**

Upon successful completion of the evaluation stage, it may be necessary for the Council to negotiate the amount of the Award requested in the application form. The Council retains the right to provide Awards of a varied sum should the amount in the ‘breakdown of costs’ appear to have been overestimated.

* Option A and B: The deadline for completion of the projects/activities funded through the award is twelve (12) months from the starting date on the grant agreement between the Council and the applicant, although projects may be completed at any point within the 12-month time frame.
* Option C: The deadline for completion of the projects/activities funded through the scheme is (12) months from the date of notification from the European Commission of having passed the short application, although projects may be completed at any point within the 12-month time frame.

Upon completion of the activities/projects, the applicant is to submit a final report within 30 days according to a standard template developed by the Council. The final report will need to be accompanied by all relevant documentation, including receipts demonstrating how the award was spent. MCST retains the right to audit the financial documentation and to request further proof of expenditure of the award. Should there be a significant discrepancy between the sum of the award disbursed by MCST and the amount spent by the applicant (as substantiated through receipts or other financial documentation) MCST retains the right to request a reimbursement of the unspent funds.

**9.0 Correspondence**

Successful applicants will be required to inform the Scheme administrator at [eicscheme.mcst@gov.mt](mailto:eicscheme.mcst@gov.mt) within the Framework Programme Unit at MCST regularly of any direct or indirect outputs resulting from this award during and beyond the lifetime of the award.

Successful applicants are also required to submit a detailed report on the activities undertaken to the Scheme administrator within thirty (30) days from the date of completion of the activities funded by the Award. For those activities extending for the full duration of this Scheme (i.e. one year from the starting date on the grant agreement), final reports should be submitted to MCST by no later than 30 days from that date. The Council reserves the right to take any necessary legal action should such reporting not be submitted.

Reference to this award should be made on any publication, marketing or PR material that is generated in relation to the project or activity undertaken.

**10.0 State aid**

This scheme is being implemented in line with [Commission Regulation (EU) No. 1407/2013](https://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf) of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352/1), as amended by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, hereinafter referred to as the de minimis Regulation.

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years. The total amount of *de minimis* aid granted to a single undertaking performing road freight transport for hire or reward shall not exceed €100,000 over any period of three fiscal years. This period covers the fiscal year concerned as well as the previous two fiscal years. ‘Fiscal year’ means the fiscal year as used for tax purposes by the undertaking concerned.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the agriculture and fisheries sectors for which different thresholds and criteria apply.

The term ‘single undertaking’ shall have the meaning as established in *Commission Regulation (EU) No 1407/2013*.

This maximum threshold would include all State aid granted under this aid scheme and any other State aid measure granted under the *de minimis* rule including that received from any entity other than the Malta Council for Science and Technology. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest, from the undertaking receiving the aid.

The *de minimis* declaration form must be filled in and submitted together with the application form.

Assistance approved under this aid scheme is NOT:

1. Aid granted to undertakings active in the fishery and aquaculture sector, as covered by Council Regulation (EC) No. 104/2000.
2. Aid granted to undertakings active in the primary production of agricultural products.
3. Aid granted to undertakings active in the sector of processing and marketing of agricultural products, in the following cases:
   1. Where the amount of the aid is fixed based on the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned.
   2. Where the aid is conditional on being partly or entirely passed on to primary producers.
4. Aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity.
5. Aid contingent upon the use of domestic over imported goods.
6. Aid for the acquisition of road freight transport vehicles granted to undertakings performing road freight transport for hire or reward.

Where an undertaking is active in the sectors referred to in points (i), (ii) and (iii) above as well as in other sectors falling within the scope of the *de minimis Regulation*, the Council will ensure a separation of the activities or distinction of costs. Only those sectors eligible for assistance under the *de minimis Regulation* will be assisted. Activities in the sectors excluded from the scope of the de minimis Regulation will not benefit from assistance under this aid scheme.

In terms of Article 5 of the *de minimis Regulation*, *de minimis* aid granted under this initiative may be cumulated with *de minimis* aid granted in accordance with Commission Regulation (EU) No 360/2012 up to the ceiling laid down in that Regulation. It may be cumulated with *de minimis* aid granted in accordance with other de *minimis regulations* up to the relevant ceiling fixed in terms of these National Rules for Participation.

*De minimis* aid shall not be cumulated with State aid in relation to the same eligible costs or with State aid for the same risk finance measure, if such cumulation would exceed the highest relevant aid intensity or aid amount fixed in the specific circumstances of each case by a block exemption regulation or a decision adopted by the Commission.

*De Minimis aid* which is not granted for or attributable to specific eligible costs may be cumulated with other State aid granted under a block exemption regulation or a decision adopted by the Commission.

**11.0 Confidentiality of Submissions**

Unless otherwise indicated, all application submissions shall be treated in strict confidence.

The data collected by the Council via the application for the aid and its subsequent processing by the Council to evaluate data subject’s request for aid under the Scheme is in line with:

1. The National Rules for Participation;
2. Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments (de minimis Regulation);
3. Data Protection Act, (CAP 586 of the Laws of Malta) and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
4. The legitimate basis to process personal data submitted by the data subject by virtue of his/her written application for aid is Regulation 6 (1)(b) of the General Data Protection Regulation (“GDPR”), as ‘processing is necessary in order to take steps at the request of the data subject prior to entering into a contract’.

**12.0 Further Information**

For further information kindly contact the Scheme Administrator as per details below:

Eicscheme.mcst@gov.mt

1. Small and medium-sized enterprises (SMEs) are defined in the [EU recommendation 2003/361](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003H0361&locale=en). [↑](#footnote-ref-1)