



SCOTLAND

	Funding Organisation:		Scottish Enterprise (SCOTENT) 
National Contact Point (NCP)	Name:	Email and Phone:	
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Eligible Institutions	Universities (in a consortium led by a company, having at least two companies, and with at least one of these being Scottish-based and undertaking R&D in Scotland and limit of one research organisation).		
Eligible Applicants	Any company. Only universities and companies in the Scottish Enterprise area are eligible (those in the Highlands and Islands area are not eligible).		
Eligible Costs	Project-specific costs including salaries, overheads, equipment, IT, consultancy, training, materials, trials, IP, in whole or in part as per pre-defined criteria available on request.		
Funding Commitment	Total Amount for the Call	Maximum Amount Per Proposal	
	€ 752,000	No limit	
Other Funding Criteria	Co-funding rate of 25-50% of eligible costs and subject to Scottish Enterprise policy and procedures and EU State Aid Regulation. Preference to proposals with the greatest economic impact.		
Relevant documents	<ul style="list-style-type: none"> Appendix of SCOTENT national regulations on https://aquaticpollutants.ptj.de/call1/national-funding-regulation (click on SCOTENT logo) Scottish Enterprise Large R&D Grant guidelines (see link below). 		
Additional Info	Consortiums must consist of a Scottish based company and 2 other EU member states.		
Useful Links	https://www.scottish-enterprise.com/support-for-businesses/funding-and-grants/growing-your-business/research-and-development-grant		



AQUATIC POLLUTANTS COFUNDED JOINT CALL 2020

GUIDANCE FOR SCOTTISH APPLICANTS

The following information is provided in addition to the Aquatic Pollutants Call Announcement published on 17th February 2020.

Funding is being provided by [Scottish Enterprise](#) (SE) for eligible partners to participate in the trans-national cooperation projects. This document provides more information for Scottish applicants on interpretation of the eligibility criteria and how SE will assess and manage projects.

Please note that SE is the only funding organisation able to support applicants in the United Kingdom. Funding in the UK is therefore limited to organisations operating in the SE area and eligible for SE funding.

Applicants must ensure that they have consulted the [Call Announcement](#) and are aware of the requirements set out therein for eligibility of projects and submission of applications. Pre and Full Proposals must be submitted on the on-line system: <https://aquaticpollutants.ptj.de/call1>

Scottish applicants should also note that, in addition to the Full Proposal submitted by the project coordinator, a parallel SE R&D Grant application must be submitted to SE on the full proposal deadline. Separate applications will be required from each Scottish partner.

The following sections refer specifically to funding available from SE.

1. **Eligible Area**

The eligible area is the geographical area covered by SE. This covers lowland Scotland and excludes the Highlands and Islands Enterprise area.

2. **Criteria for Eligibility of Applicants and Projects**

2.1 **Eligibility of Applicants**

The following entities will be eligible for support from SE:

- **Companies** that are legal entities registered and operating in the SE area.
- **Universities or other research organisations** that are legal entities registered and operating in the SE area, subject to the following conditions:
 - Research organisation will only be eligible if there at least two companies involved in the collaborative project, one of which must be a company eligible for SE funding;

- The work being carried out by the research organisation should be of direct relevance to at least one of the participating Scottish companies;
- The budget funding requested by the research organisation should be no greater than the funding requested by the Scottish companies involved in the collaborative project; and
- Only one Scottish research organisation per project.

2.2 Eligibility of Projects

Projects must meet all the eligibility criteria set out in the Aquatic Pollutants Call Announcement. In addition, to be eligible for SE funding, the projects and /or the specific activities to be carried out by Scottish applicants must meet the following requirements:

- The projects / activity must be strategically important to the Scottish company and in line with its business plan.
- Any project for which support is provided must involve research and development activity in the SE area. However, testing of products in a demonstration site outside Scotland is also eligible.
- The project should not have received or been offered funding from any other public body or agency (including the European Commission) towards the same eligible costs. Any funding received, approved or applied for in relation to the project must be declared at time of application.
- Projects must have the potential to deliver benefits to Scotland's economy and the new product, process or service must, in the case of non-SMEs, be able to compete in a global marketplace. Proposals must demonstrate how the project will be implemented to ensure capability building and sustainability in Scotland to enhance the companies' future competitiveness and research and development capacity.
- For large companies seeking support, the project must demonstrate the incentive effect of the grant (i.e. how the applicant's level of R&D expenditure or R&D jobs will be increased as a result of support).

2.3 Eligibility of Activities

SE expects to provide funding as State Aid under the Scottish Enterprise Research and Development and Innovation Scheme 2014-2020. The definitions of eligible research and demonstration activity under this scheme are as follows:

Industrial research: means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.

Experimental development: means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services.

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.

Careful consideration must be given to activities which are not directly related to research and development, for example dissemination. It is recommended that applicants discuss this with Scottish Enterprise and should not consider participation in a project purely to be responsible for the dissemination activity. **To be eligible, each applicant should be carrying out research and development activity, as defined above.**

Details of the State Aid schemes operated by Scottish Enterprise can be found on our website: <https://www.scottish-enterprise.com/knowledge-hub/articles/policy/state-aid-notification>

2.4 Eligibility of Costs

Details of eligible costs can be found at: <https://www.scottish-enterprise.com/media/3209/rd-application-form.pdf>.

The following costs will be eligible for support. Eligible costs are those directly related to the implementation of the project and incurred by the applicant.

Project costs should normally be incurred within Scotland, but may relate to activity outside the area if this is fully justified. Costs of activity outside Scotland are not expected to form a large proportion of the eligible costs.

The detailed costs for Scottish applicants at Full Proposal stage should be prepared using the spreadsheet provided by SE.

- **Staff costs:** Researchers, technicians and other supporting staff working directly on the research and demonstration activity. Eligible staff costs are capped at a salary of £60,000 per person per year. Salary, pension and National Insurance contributions are eligible. Where a salary is capped at £60,000 only the proportionate share of pension and National Insurance contributions is counted as eligible.
- **Equipment:** Capital equipment and tooling costs will be limited to the depreciated cost over a 4 year period (3 years for IT equipment) or in accordance with the company's depreciation policy, on a pro rata basis within the life of the project.
- **Materials:** Materials consumed during the project, purchased from third parties and not included in overhead costs. Materials supplied by subsidiaries or associated companies should exclude the profit element of the value placed on the material.
- **Travel and Subsistence:** Travel costs relating to research and demonstration activity, attendance at transnational consortium meetings and dissemination activities.
- **Consultancy:** External consultancy services used directly relating to the project**.

- **Directors' Fees charged as consultants or sub-contractors** to their own business are eligible, capped at £60,000 per annum – applicants must demonstrate that these are charged at a normal commercial rate and that the companies own paperwork reflects the arrangements for the sub-contract activity.
- **Trials and Testing**:** Costs associated with conducting formal qualification testing to ensure that the product, process or service complies with the specification and market requirements. Any services supplied by subsidiaries or associated companies should exclude the profit element of the value placed on the service.
- **Market Assessment:** Up to 15% of the grant can go towards the costs of limited market assessment (but not market research or survey costs) to make sure that your project will continue to meet the identified market need. Market assessment means visits or discussions about the proposed product or process with potential clients, end users and so on.
- **Dissemination** of project activities and results.
- **Accountant's certificates (for SMEs only):** Cost associated with certifying claims for payment associated with the project. For Scottish Enterprise, an Independent Accountants Certificate is required with the first claim, any claim over £200,000/ annually where no claim exceeds £200,000, and with the final claim for payment.
- **Training:** Training costs specific to and necessary for the project or associated with the implementation of new technology or new skill sets necessary to ensure success of the proposed development. Routine and on-going training will not be supported.
- **Intellectual Property (for SMEs only):** Costs associated with securing or acquiring technology rights. Support for the costs of protecting foreground IPR. Licensing in of new technologies may be allowed where it makes sense to do so, but where imported technology makes up a large part of the project (or more than £100,000) it will be expected that there is development of that technology as part of the project.
- **Overhead costs:** reasonable additional overhead costs incurred during the project, restricted to rent; rates; utilities; cleaning and repair (must be abnormal and project related); IT, network and server costs; insurance; security; technical manuals.

****Please note: Subcontracting must be fully justified.**

3. Grant Rates

Grant rates will be calculated as a percentage of eligible costs for each Scottish applicant in a project.

3.1 Companies

The maximum grant rate will depend on:

- The size of the company
- The categorisation of the research and demonstration activity
- Satisfaction of the requirement for "effective collaboration or wide demonstration of results" to allow the application of a 15% bonus to basic rates.

The **maximum grant rate will be 50%**.

Small, medium and large companies are as defined by the European Commission – see Annex 1. Please note that where companies are part of a group, the criteria should normally be applied to the group, not the individual business unit.

3.2 Research Organisations

The grant rate for research organisations will be between 50 and 100%. The grant rate applied will depend upon the activity undertaken, whether this is considered to constitute economic activity and therefore whether the grant needs to be considered as state aid.

Research organisations may be supported on a “no state aid” basis, which requires that the activity is “non-economic” in nature. This will allow funding of up to 100%. If the activity is considered to be economic, the maximum grant rates for companies (as set out above) will be applied.

4. Assessment Process

Proposals to the Cofunded Joint Call 2017 will be evaluated by independent experts as described in the Cofunded Joint Call 2017 Guidelines for Applicants. This process will look at the overall excellence, impact and implementation of the transnational project, including the role of the partners in the project.

SE will also carry out a specific assessment of the activities and costs proposed by Scottish applicants, in order to:

- Ensure eligibility of activities and costs under the European State Aid regulations and the State Aid schemes operated by SE; and
- Assess the benefits and impact of the project in terms of the competitiveness of the Scottish companies, the Scottish economy and the development of the water sector in Scotland.

To allow this assessment to be carried out, each Scottish applicant must:

- Ensure that the Aquatic Pollutants Pre and Full Proposals adequately describe the role and activities of each partner;
- Submit a **SE R&D Grant application**, in parallel with the submission of the Full Proposal. Applicants are not required to submit a separate proposal document and can cross refer to the Full Proposal, but it is essential to describe the activity to be undertaken by the Scottish applicant in the SE form and to submit a cost annex using the spreadsheet provided. SE will provide the application forms and guidance to applicants invited to proceed to Step 2 (Full Proposal). Failure to provide an application on time will mean the proposal cannot be considered.

SE will carry out due diligence checks on each project, looking at technical and commercial aspects of the proposed work and fit with State Aid schemes, and financial checks on the applicants.

5. Contractual Arrangements and Payment of Grant

Scottish companies and research organisations will receive funding from SE. An offer of grant will be issued and form the basis for the contract. Where there is more than one Scottish partner in a project, SE will issue a **joint grant offer, covering all the Scottish partners**, with one Scottish company acting as the lead applicant. Applicants should consider this when putting together the management arrangements for the project.

Results and new Intellectual Property resulting from funded projects will be owned by the beneficiaries.

It will be a condition of SE grant that all partners in the transnational collaboration sign a **Consortium Agreement** which will underpin the partners' collaboration, their rights and obligations towards one another (including the handling of default of contract) as well as how the Intellectual Property Rights will be handled. In addition, where there are multiple Scottish partners, they must sign a **Memorandum of Understanding** relating to the joint contract arrangements.

Grants are typically paid in arrears, based on evidence of actual expenditure and achievement of milestones. **Independent Accountant's Certificates** must be provided to verify eligible expenditure. An Independent Accountant's Certificate is normally required with the first claim, any claim over £200,000 or annually where no claim exceeds £200,000, and with the final claim for payment. In addition, grant recipients must ensure they keep records to verify activity and expenditure until 5 years after the final payment of grant from the European Union to Scottish Enterprise (estimated as 31 December 2030).

Annex 1: Definitions of Company Size

Guidance on interpretation of the European Union definition of SMEs can be found at:

http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

This site also provides a self-assessment tool.

In summary:

Company category	Staff headcount	Turnover or Balance sheet total	
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m

These ceilings apply to the figures for individual, independent firms only. A firm that is part of larger group may also need to include staff headcount/turnover/balance sheet data from the group.

Large companies are companies that exceed these ceilings.

SE will check the SME status as part of due diligence on company applications.