

National Development Plan 2007—2013
Science, Technology & Innovation Programme

Marine Research Sub-Programme

Call for Research Proposals
July 2007

GUIDELINES FOR APPLICANTS

For

INDUSTRY-LED AWARDS

(Revised 10/09/07)

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1 BACKGROUND

The Marine Research Sub-Programme is one of eight sub-programmes within the Science, Technology and Innovation (STI) Programme of the National Development Plan 2007—2013¹. Under this Sub-Programme, some €141 million has been targeted towards meeting the objectives of *Sea Change: A Marine Knowledge, Research and Innovation Strategy for Ireland (2007-2013)*², namely to

1. Assist the existing, and largely indigenous, marine sub-sectors to improve their overall competitiveness and engage in activity that adds value to their outputs by utilising knowledge and technology arising from research in the natural sciences, engineering and commerce.
2. Build new research capacity and capability and utilise fundamental knowledge and technology to create new marine-related commercial opportunities and companies.
3. Contribute to the achievement of key national objectives in transport, energy, environment and health.
4. Inform public policy, governance and regulation of the sector and support the delivery of more innovative, customer-driven public services by applying the knowledge derived from marine research and monitoring.
5. Increase the marine sector's competitiveness and stimulate the commercialization of the marine resource in a manner that ensures its sustainability and protects marine biodiversity and ecosystems.
6. Strengthen the economic, social and cultural base of regional communities that depend on the marine resource.

As the lead implementing agency for *Sea Change*, the Marine Institute is charged with managing the NDP Marine Research Sub-Programme. From time to time, the Marine Institute may partner with other agencies to co-fund research. The Marine Research Sub-Programme will be implemented via three Research Measures and two Supporting Programmes:

Industry Research Measure—designed to address issues or opportunities faced by industry, to integrate the existing research base with market and commercial opportunities and to focus on research that will deliver sustainable growth and environmental benefits.

Discovery Research Measure—aimed at pursuing long-term development of new research and economic opportunities associated with bio-pharmaceuticals, industrial chemicals, diagnostics and environmental technologies, marine functional foods, renewable ocean energy and rapid climate change.

Policy Support Research Measure—seeks to provide guidance and support for the determination of public policy relating to the marine sector.

Infrastructure Supporting Programme—an investment programme to deliver essential infrastructure that will enable marine related research and innovation.

Innovation Supporting Programme—targeted specifically at improving R&D management, commercialisation and research dissemination activities.

Over the lifetime of the NDP, funding will be targeted at these measures and supporting programmes via a range of mechanisms. The funding mechanisms will include:

- **Project-Based Awards**
 - Strategic Research Projects
 - Applied Research Projects
 - Demonstration Projects
 - Desk/Feasibility Studies
- **Researcher Awards**
 - Strategic Research Appointments
 - Research Capacity/Competency Building
 - Post-Doctoral Fellowships
 - PhD Scholarships

¹ <http://www.ndp.ie>

² <http://www.marine.ie/SeaChange>

- **Industry-Led Research Awards**
 - Company Awards
 - Collaborative Awards
- **Infrastructure Awards**
 - Infrastructure Acquisition
 - Access to Infrastructure

2 INTRODUCTION

These **Guidelines for Applicants for Industry-Led Awards** provide details on general issues such as the nature of industry-led awards that will be funded, eligibility, the evaluation and awarding of research grants, research costs and the application process. Successful applicants will be required to sign a Grant-aid Agreement in advance of starting any work funded by this Programme.

Applicants should also read the **Guidelines for Grantees for Industry-Led Awards**, which outline the key requirements for the awarding of grant-aid and the obligations for successful applicants in accepting the award. These are available to download from the *Funding* pages of the Marine Institute's website³.

3 OBJECTIVES OF THE INDUSTRY-LED AWARDS

Sea Change identified the need to develop the innovative capacity and improve the competitiveness of Ireland's marine sector firms. The long-term objective is to raise the capability of the largely indigenous marine industry sector SMEs (including micro-enterprises) to engage in research and manage technology in ways that contribute to improving the marine sector's competitiveness. With these challenges in mind this initiatives aims to:

- Strengthen the growth and competitiveness of existing marine businesses by supporting research that adds value to their products and processes;
- Support R&D activities that underpin and improve the commercial and environmental sustainability of marine businesses;
- Support R&D activities that directly influence or create new industrial and commercial opportunities for firms in the marine sector;
- Stimulate the application and use of technical and scientific knowledge and expertise in relevant disciplines in the marine sector; and
- Increase the quality and quantity of research undertaken by marine SMEs.

4 SCOPE OF INDUSTRY-LED AWARDS

This funding mechanism supports industry based or industry oriented projects and is designed to help SMEs (including micro-enterprises) to develop their capacity to engage in, and make use of the results of, research. Awards may be either i) a **Company Award** or ii) a **Collaborative Award**.

i) Company Awards are awarded to individual companies to help them with a research project that will enhance their competitiveness through the development or acquisition of scientific or technological knowledge and its use or application by the firm. Firms are expected to complete a significant amount of the work in-house and subsequently take steps to commercialise the research outputs by developing new or improved products, processes and services. Firms may draw upon public or private research performers to provide specialist inputs, expertise or facilities not available within the firm, but necessary to allow the firm to complete the work programme.

ii) Collaborative Awards support firms working in collaboration with each other and/or with a research provider (a state research institute, Institute of Technology or a University) to engage in research that benefits the group of firms or the marine industry.

³ www.marine.ie/home/funding/FundingCalls/

The research should be novel and innovative and directed towards enhancing the competitiveness of the marine sector.

5 ELIGIBILITY

Who May Apply?

This funding mechanism is targeted at SMEs (including micro-enterprises) engaged in marine-related activity. Applications are invited from any legal entity or partnership of entities with the appropriate scientific and technical qualifications and expertise.

Table 1: SME Definition

Category	No. of Employees	Annual Turnover (or annual balance sheet total)
Micro enterprise	< 10	= €2 million (=€2 million)
Small firms	< 50	= €10 million (=€10 million)
Medium firms	< 250	= €50 million (=€43 million)

A more detailed definition of SMEs is provided in **Appendix 1**.

Applications for **Company Awards** will be accepted from individual companies (SMEs).

Applications for **Collaborative Awards** will be accepted from companies (SMEs) acting in collaboration with:

1. other companies (SMEs); and/or
2. a research provider (e.g. state research institute, IT or University).

Provided they have a partner from the Republic of Ireland, firms located in Northern Ireland are eligible to apply for **Collaborative Awards**. The partner may be an industry partner or a research provider. Individual firms in Northern Ireland are **not** eligible for the Company Award.

6 ELIGIBLE RESEARCH ACTIVITY

These awards aim to strengthen the competitiveness of existing marine industries and to support activities that add value to their outputs in an environmentally sustainable manner. The awards will support research activity that improves competitiveness and commercial and environmental sustainability and directly influences or creates new industrial and commercial opportunities.

Grant-aid is available to support marine related research projects where the research:

- Is directed towards the development of new or significantly improved products, processes or services;
- Is an integral component in the firms' strategic plan;
- Strengthens the firms innovative capacity;
- Underpins a sustainable advance in the firms scientific or technological capability; and
- The firm can demonstrate it has plans for commercialising the research or advancing the results of the research within one year of completing the project.

7 GRANT-AID RATES & ELIGIBLE COSTS

Grant-Aid Rates

Funding is provided for up to 80% of **eligible costs**, depending on:

- i) the nature of the award (company v. collaborative);
- ii) the type of company (refer to Table 1 above); and
- iii) the nature of the research (industrial v. experimental);

- a. **Industrial research**—planned research aimed at the acquisition of new knowledge and skills for developing new (or bringing about significant improvements in existing) products, processes or services.
- b. **Experimental development**—concerns the acquisition and use of existing knowledge and skills to produce plans and arrangements or designs for new products, processes or services.

Further detail on these categories of research activity is provided in **Appendix 2**.

Table 2 provides an overview of maximum applicable grant-aid rates, taking into account the above criteria.

Table 2: Maximum grant-aid rates (aid intensity)

Type of Company	Company Awards		Collaborative Awards	
	Industrial research	Experimental development	Industrial research	Experimental development
Micro enterprise	70%	45%	80%	60%
Small firms	70%	45%	80%	60%
Medium firms	60%	35%	75%	50%

N.B. These grant-aid rates are in compliance with the European *Community Framework for State Aid for Research and Development and Innovation*⁴.

Where the collaborator in a research project is a public research institution, the maximum level of grant-aid payable to the institution is 75% of eligible costs.

The **maximum** grant-aid is:

- €100,000 for Company Awards
- €180,000 for Collaborative Awards.

Taking into account EC regulations concerning state-aid, these awards are currently operating within the limits of “de minimis aid”. Thus, the ceiling for aid to any one company over a three-year period is €200,000. **Please refer to Appendix 5 for further clarification.**

The maximum grant-aid payable to any firm under these awards may not exceed 40% of annual turnover (averaged over the two years preceding the year in which the application for the grant is made).

Eligible Costs – How can the grant be used?

Eligible costs are defined as **direct** or **indirect costs** incurred in carrying out the research project. They must fulfil the following criteria:

- They must be **actual**;
- They must be **reasonable** and **wholly necessary** for the project;
- They must be incurred **during the lifetime** of the project;
- They must be **recorded** in the accounts for the project, which must be maintained during the lifetime of the project and reported on as required by the Marine Institute;
- They must **not be otherwise reasonably available** or accessible; and
- They must be **incurred solely to advance the research project**⁵.

The eligible **cost categories** are:

1. Staff Costs (see note below)
2. Equipment (maximum 20% of eligible costs)

⁴ Community Framework for State Aid for Research and Development and Innovation, Official Journal of the European Union 2006/C 323/01, Brussels, 2006

⁵ If items benefit both the research project and other work the costs shall be eligible only in the proportion that can be attributed as benefiting the project.

3. Consumables/Materials
4. Travel and Subsistence
5. Sub-contracts/external assistance (maximum 30% of project costs excluding equipment)
6. Other Specific Costs
7. Overheads (see note below)

Staff Costs

The staff costs of all staff (permanent and temporary) allocated to the project can be used to calculate the full cost of the project, which is then grant-aided according to the maximum level of applicable grant-aid laid out in Table 2 (above).

Overheads

Overheads are indirect costs and will be paid at a **maximum** rate of 30% of direct costs minus equipment and sub-contract/external assistance. Overheads must be incurred as a direct result of the research carried out under the award.

Further information on the above cost categories is provided in **Appendix 3**.

Non-eligible Costs

No costs other than eligible costs will be allowed. **Non-eligible costs** include the following:

- o any interest, or return on capital employed;
- o provisions for possible future losses or charges;
- o interest owed;
- o provisions for doubtful debts;
- o resources made available to a Grantee free of charge;
- o unnecessary or ill-considered expenses;
- o marketing, sales and distribution costs for products & services;
- o entertainment or hospitality expenses, except such reasonable expenses accepted as wholly and exclusively necessary for carrying out the work under the grant-aid.

8 DURATION OF PROJECTS

The **typical duration** of projects supported by this initiative will be 15-18 months. The **maximum duration** is two years.

9 EVALUATION OF PROPOSALS

An independent panel of experts established by the Marine Institute will evaluate eligible proposals. All reasonable measures will be taken to ensure *objectivity, fairness, quality* and *confidentiality*. Eligible proposals will be evaluated using the following criteria:

Criteria	Marks
1. The scientific and technical quality of the research proposal	25%
2. Extent to which the project addresses the objectives of <i>Sea Change</i>	10%
3. Extent to which the proposed research project is an integral component in the firms' strategic/business plan	15%
4. The technical capability and track record of the project team and the ability of the firm/partners to carry out the work	30%
5. Management of the project	10%
6. Value for money	10%

Further information on the evaluation procedure and criteria, is provided in **Appendix 4**.

The final selection of project proposals will be made by the Marine Institute and its funding partners (if any) taking into account:

- o Relevance of the project to national marine research and priorities; and
- o Available level of funding.

In accepting and evaluating research proposals the Marine Institute and its partners do not commit funding to any project or guarantee that funds will be made available to research proposals submitted under any call for proposals.

10 ETHICAL & GENDER ISSUES

Applicants should demonstrate that they have taken into account any relevant ethical issues associated with the proposed research, indicating which national and/or international regulations are applicable and how these will be adhered to.

The EU principle of gender mainstreaming applies⁶. Applicants are encouraged to take action to encourage female leads on research projects and shall be required to report the ratios of males to females working on projects.

11 GRANT AWARD

All applicants will be notified in writing of the results of the evaluation. The letter will outline the contractual obligations and conditions that apply to the award. Applicants must acknowledge receipt of the award letter and acceptance of the conditions attached to the award. In accepting the award, applicants agree to carry out the work according to the work programme in the project proposal (taking into account modifications arising from the evaluators' recommendations) and the agreed budget.

SMEs in the fisheries and aquaculture sector should note that due to the lower ceiling for '*de minimis*' aid operating in these sectors⁷ Grant-aid Agreement signing will only be concluded subject to State-aid approval being secured by the Marine Institute. The Marine Institute is currently in the process of seeking State-aid approval, which could result in a delay of up to 3-6 months.

Applicants **should** read the **Guidelines for Grantees for Industry -Led Awards**, which outlines the standard terms and conditions for granting of awards.

12 FREEDOM OF INFORMATION ACT

Information supplied to the Marine Institute may be disclosed in response to a request under the Freedom of Information Act, 1997 and Freedom of Information (Amendment) Act, 2003. It is the responsibility of the applicant to indicate at the time of making an application which information should not be disclosed and the reasons for non-disclosure. The Marine Institute will consult with applicants about this information before making a decision on any Freedom of Information.

13 DATA PROTECTION

Personal information supplied to the Marine Institute will be stored by electronic means (e.g. database) for use only in connection with applications for grant-aid. The provisions of the Data Protection Act, 1988 and the Data Protection (Amendment) Act, 2003 will be fully complied with.

⁶ http://ec.europa.eu/employment_social/gender_equality/gender_mainstreaming/general_overview_en.html

⁷ Commission Regulation (EC) No 875/2007 on the application of Articles 87 and 88 of the EC Treaty to *de minimis* aid in the fisheries sector and amending Regulation (EC) No 1860/2004/

14 INTELLECTUAL PROPERTY RIGHTS (IPR)

It is the responsibility of the applicant to ensure procedures for managing intellectual property are maintained and appropriately applied.

The Marine Institute does not hold any IPR for Industry-Led Awards under the NDP 2007-2013 Marine Research Sub-Programme. IPR arising is held by the Grantee and Partnership.

Where there is a collaborative project, it is the responsibility of the partnership to have an appropriate IPR Agreement in place as part of the Partnership Agreement.

Costs associated with registration of patents, registered designs, registered trademarks etc are not eligible costs.

15 APPLICATION PROCEDURE & DEADLINE

Applications must be submitted using the appropriate **Application Form**. An electronic copy of this application form can be downloaded from the *Funding* pages of the Marine Institute's website⁸. The application form includes instructions for its completion.

Only applications made on the appropriate application form will be accepted for evaluation and no other materials are required. The application forms are structured to capture the information required to evaluate proposals and applicants are requested to adhere strictly to the stipulated headings and word limits.

Four signed copies of the completed application form must be provided. One of these must be unbound. An **electronic version**, as one complete document, should also be supplied on CD/Disk in MS Word/PDF format.

The closing date for receipt of proposals is:

NOT LATER THAN 16:00 HOURS ON WEDNESDAY 26th SEPTEMBER 2007

Completed application forms should be posted or hand-delivered to **arrive no later** than the time and dates indicated above to:

<p>NDP Marine Research Sub-Programme Industry-Led Awards <i>Sea Change</i> Management Unit Funding & Administration Office Marine Institute Rinvilla, Oranmore, Co. Galway.</p>
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The *Sea Change* Management Unit, Funding & Administration Office will acknowledge receipt of all applications.

Applicants should complete all sections of the application form, which must be signed by an authorised person, e.g. company CEO, at the applicant company.

Late, faxed or emailed applications will not be accepted.

16 FURTHER INFORMATION & CONTACT DETAILS

Further Information/Clarifications

Requests for further information/clarifications should be addressed, preferably by **email**, to the contact details below. Responses to requests for further information/clarifications will be made available to all interested parties via the *Funding* pages of the Marine Institute's

⁸ www.marine.ie/home/funding/FundingCalls/

website. Requests for further information/clarifications must be received **before** Friday 14th September.

It is the responsibility of all applicants to ensure that they keep informed of any responses to clarifications prior to submitting an application.

Information Day

An information day will be held on Monday 10th September (11 a.m.) in the Marine Institute's Headquarters, Rinville, Oranmore, Co. Galway.

The information day will provide further information to potential applicants, and other interested parties, on:

- Funding opportunities within the NDP Marine Research Sub-Programme;
- Financial rules of the NDP Marine Research Sub-Programme; and
- Research topics.

Persons wishing to attend this information day should request a registration form by email from the contact details below:

CONTACT DETAILS
<i>Sea Change</i> Management Unit Funding & Administration Office Marine Institute Rinville Oranmore Co. Galway funding@marine.ie Tel. 091-387200

APPENDIX 1 – DEFINITION OF AN SME

1. Small and medium-sized enterprises (SMEs⁹) are defined as enterprises which:
 - o have fewer than 250 employees, **and**
 - o have either,
 - o an annual turnover not exceeding €50 million, or
 - o an annual balance-sheet total not exceeding €43 million, **and**
 - o conform to the criterion of independence as defined in paragraph 4.
2. Where it is necessary to distinguish between small and medium-sized enterprises, the **'small enterprise'** is defined as an enterprise which:
 - o has fewer than 50 employees **and**
 - o has either,
 - o an annual turnover not exceeding €10 million, or
 - o an annual balance-sheet total not exceeding €10 million,
 - o conform to the criterion of independence as defined in paragraph 4.
3. Where it is necessary to distinguish **micro-enterprises** from other SMEs, these are defined as:
 - o enterprises having fewer than 10 employees;
 - o annual turnover not exceeding €2 million; or
 - o annual balance sheet total not exceeding €2 million.
4. Independent enterprises are those which are not owned as to 25% or more of the capital or the voting rights by one enterprise, or jointly by several enterprises, falling outside the definitions of an SME or a small enterprise, whichever may apply. This threshold may be exceeded in the following two cases:
 - o if the enterprise is held by public investment corporations, venture capital companies or institutional investors, provided no control is exercised either individually or jointly,
 - o if the capital is spread in such a way that it is not possible to determine by whom it is held and if the enterprise declares that it can legitimately presume that it is not owned as to 25% or more by one enterprise, or jointly by several enterprises, falling outside the definitions of an SME or a small enterprise, whichever may apply.
5. In calculating the thresholds referred to in paragraphs 1 and 2, it is therefore necessary to cumulate the relevant figures for the beneficiary enterprise and for all the enterprises that it directly or indirectly controls through possession of 25% or more of the capital or of the voting rights.
6. Where, at the final balance-sheet date, an enterprise exceeds or falls below the employee thresholds or financial ceilings, this is to result in it acquiring or losing the status of 'SME', 'medium-sized enterprise', 'small enterprise' or 'micro-enterprise' only if the phenomenon is repeated over two consecutive financial years.
7. The number of persons employed corresponds to the number of annual working units (AWU), that is to say, the number of full-time workers employed during one year with part-time and seasonal workers being fractions of AWU. The reference year to be considered is that of the last approved accounting period.
8. The turnover and balance-sheet total thresholds are those of the last approved 12-month accounting period. In the case of newly established enterprises whose accounts have not yet been approved, the thresholds to apply shall be derived from a reliable estimate made in the course of the financial year.

⁹ http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/sme_user_guide.pdf

APPENDIX 2 - DEFINITION OF RESEARCH

For the purpose of this initiative the Marine Institute has adopted the European Commission definitions of research and innovation. The following definitions extracted from the *Community Framework for State Aid for Research and Development and Innovation*¹⁰ apply to Marine Institute funded industry research projects. In the event of any dispute, the original EC definition has precedence over the text below.

Fundamental research (sometimes called “basic” research) means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct practical application or use in view. Fundamental research is not funded via Industry-Led Awards.

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 of complex systems, which is necessary for the industrial research, notably for generic technology validation, and it excludes prototypes.

Experimental development means the acquiring, combining, shaping and using of existing scientific, technological, business and other relevant knowledge and skills for the purpose of producing plans and arrangements or designs for new, altered or improved products, processes or services. These may also include, for example, other activities aiming at the conceptual definition, planning and documentation of new products, processes and services. The activities may comprise producing drafts, drawings, plans and other documentation, provided that they are not intended for commercial use.

The development of commercially usable prototypes and pilot projects is also included where the prototype is necessarily the final commercial product and where it is too expensive to produce for it to be used only for demonstration and validation purposes. In case of a subsequent commercial use of demonstration or pilot projects, any revenue generated from such use must be deducted from the eligible costs.

The experimental production and testing of products, processes and services are also eligible, provided that these cannot be used or transformed to be used in industrial applications or commercially. Experimental development does not include the routine or periodic changes made to products, production lines, manufacturing processes, existing services and other operations in progress, even if such changes may represent improvements;

¹⁰ Community Framework for State Aid for Research and Development and Innovation, Official Journal of the European Union 2006/C 323/01, Brussels, 2006

APPENDIX 3 - COST CATEGORIES

1) Staff Costs

The staff costs of all staff (permanent and temporary) allocated to the project can be used to calculate the full cost of the project, which is then grant-aided according to the maximum level of applicable grant-aid laid out in Table 2 (see Page 5).

Staff costs are deemed to be the gross salary of eligible staff members together with the grantee's contribution to their pension and PRSI costs. Only the costs of the actual hours/days worked by the persons directly carrying out work under the project may be charged. All personnel who are employed on a specific project will be required to maintain and make available timesheets. Such personnel must:

- o Be directly hired by the participant in accordance national legislation;
- o Work under the sole technical supervision and responsibility of the latter, and
- o Be remunerated in accordance with the normal practices of the participant.

Person-day costs are limited to the actual salary cost including employers PRSI and statutory pension contributions made on behalf of the employee into a defined pension scheme. This rate must be specified in the budget and is subject to a maximum of 15% of salary. The employer's pension contributions will only be eligible for payment when relevant documentation is provided to the Marine Institute (or its agents) and where these contributions are made to an appropriate pension scheme.

Where applicants are uncertain at the time of submitting an application as to the exact identity of personnel involved in the project then salary rates may be used for categories of staff, where staff are paid on specified salary grades or scales (e.g. IUA). This rate must be verifiable and where an application is successful, must be adjusted to the actual rate of pay for each individual at the time of submitting a claim for reimbursement of expenditure.

Costs for remuneration of salary should be taken from the payroll records of the participant and should reflect the total gross remuneration plus the employer's portion of PRSI and pension contributions. Remuneration costs must be calculated individually for each staff member and the use of average salary or pay scale levels (other than as indicated above) is not permitted.

2) Equipment

The purchase and leasing of durable equipment to a maximum value of 20% of eligible costs, when acquired based on best price and in compliance with Public Procurement Guidelines, is considered to be an eligible cost.

The cost of purchased equipment if acquired specifically for the purposes of a project will be considered to be eligible in full. Appropriate justification for the purchase of durable equipment should be demonstrated in the proposal. Costs relating to the hire or leasing of durable equipment may be charged to the project in accordance with the following conditions:

- The eligible costs for hire¹¹ or lease of durable equipment shall not exceed the costs that would have been incurred in case of purchase of equipment, taking account of the formula below.
- The lease or purchase costs to be charged to the Agreement shall be calculated according to the following (depreciation rule) formula:

$$(A/B) \times C \times D$$

Where:

¹¹ Hire = short-term rental where title remains with the hire company

A =	period in months during which the durable equipment is used for the project after invoicing
B =	the depreciation period for the durable equipment - 36 months (33% p.a.) for computer equipment costing less than €25,000 or 60 months (20% p.a.) for other equipment
C =	actual cost of the durable equipment
D =	percentage of usage of the durable equipment for the project

This represents the eligible costs for durable equipment for the duration of the project and is reimbursed on a pro rata basis upon the submission of each financial cost statement.

Off-the-shelf software and personal computing equipment costing <€10k are deemed to be consumables.

Durable equipment, which has been purchased or leased for a previous agreement with the Marine Institute, is an eligible cost providing that the depreciation period has not been exceeded i.e. only the costs relating to the unexpired depreciation period may be charged.

If value for money becomes an issue due to the limitations of suppliers then this should be documented and a case made to justify expenditure outside the general rule. Such cases must be submitted to the Marine Institute for prior approval before any commitments can be made on expenditure.

Non-recoverable VAT is an eligible part of equipment acquisition cost.

3) Consumables

Consumables usually relate to the purchase, fabrication, repair or use of any materials, goods or equipment and software which:

- o Are not placed in the inventory of durable equipment of the participant ;
- o Are not treated as capital expenditure in accordance with the accounting conventions and policies of the participant ; and
- o Have a short life expectancy, certainly not greater than the duration of the project.

All consumables and material costs related to the project are deemed to be eligible. Off the shelf software and personal computing equipment (including laptops) costing less than €10,000 are considered to be consumable items and are fully reimbursable.

Consumable or material costs must be separately identifiable and necessary for the project. Where it is the usual practice of the contractor to consider consumable costs as indirect costs, those costs therefore cannot be charged as direct eligible costs of the project. Any exceptions to the above must be clearly documented and a case made to justify expenditure outside the general rule. Such cases must be submitted to the Marine Institute for prior approval before any commitments can be made on expenditure.

4) Travel and Subsistence

Actual travel and related subsistence costs (including those based on approved mileage and subsistence rates) for personnel working on the project are fully reimbursable and may be charged to the project, provided that the costs comply with the participants normal practices in this regard. Where such costs are incurred they must be reasonable, separately identifiable, limited to the actual cost and should be a specific requirement for the implementation of the funded project.

Where travel costs are incurred by employees involved in the project and such costs are reimbursed by the participant on the basis of a lump sum or *per diem* basis then it is the lump sum or *per diem* payment that is considered to be the eligible cost. All lump sums or per diem payments in this regard must be in keeping with the normal practices of the participant.

Where individuals are reimbursed for use of their private vehicle for business travel by way of mileage then the relevant rate per mile, destination, number of miles travelled and purpose of journey, must be clearly stated and the necessity for such travel demonstrated to the Marine Institute. In all cases such rates must not exceed the current civil service or other Revenue Commissioner approved rates and must be in keeping with the participants' normal practices.

Where researchers outside of the State are required by the project co-ordinator to attend project meetings in Ireland, their costs will be deemed eligible and will not require prior approval. The approval of such travel will be contingent upon adequate budget being available, based on the applicants original submission, and appropriate justification being provided by the relevant participant. Failure to do so will result in all costs relating to travel from outside of the country being disallowed.

5) Sub-Contracts/External Assistance

In general, participants should ensure that they have the necessary skills within the project team to carry out the work programme. However, the Marine Institute recognises that this may not be possible in all cases. In particular, where specialist resources are required, it may be necessary to obtain external assistance in the form of sub-contract or consultancy arrangements. These costs may only be charged as external assistance to the project if:

- they are incurred in compliance with the conditions set out in the Grant-aid Agreement;
- they do not exceed 30% of the overall grant-aid allocated to the project;
- the subcontracts for external assistance are awarded and concluded in accordance with the normal Irish government grant-aid procedures as set out in the Department of Finance public procurement regulations (three quotations must be obtained for all sub-contractors valued at more than €6,500 (incl. VAT)/annum);
- they are in accordance with market prices;
- copies, certified by the Grantees concerned, of relevant invoices are attached to the corresponding cost statements; and
- a clear explanation is given as to why the project team could not have included these specialist skills.

Sub-contract arrangements between participants are not permitted. Core elements of any project funded under the NDP Marine Research Sub-Programme may not be sub-contracted.

As sub-contracting and consultancy arrangements invariably relate to the production of a service, it should be clear in all consulting or sub-contracting arrangements that any intellectual property arising from such work remains the property of the participant and must be at the entire disposal of the participant.

6) Other Specific Costs

Other specific actual costs, which do not come into any of the categories of eligible costs outlined above, should be included in this category. Such costs may include, e.g., additional rent for the duration of the project, and only be claimed subject to prior approval by the Marine Institute unless they are already provided for in the Grant-aid Agreement.

7) Overheads

Overheads are indirect costs and will be paid at a **maximum** rate of 30% of direct costs minus equipment and sub-contract/external assistance. Overheads must be incurred as a direct result of the research carried out under the award.

Value Added Tax (VAT)

Where a participant organisation is registered for Value Added Tax (VAT) and able to reclaim any VAT they incur on their costs then all expenditure items included in their application for funding and subsequent claims for reimbursement should be shown at the VAT exclusive amount. Where an organisation is not entitled to reclaim the VAT that they incur in relation to their costs then the amounts included in their application for funding and subsequent claims for reimbursement should be the VAT inclusive amount. Applicants will be required to specify their VAT status in the Application Form for funding.

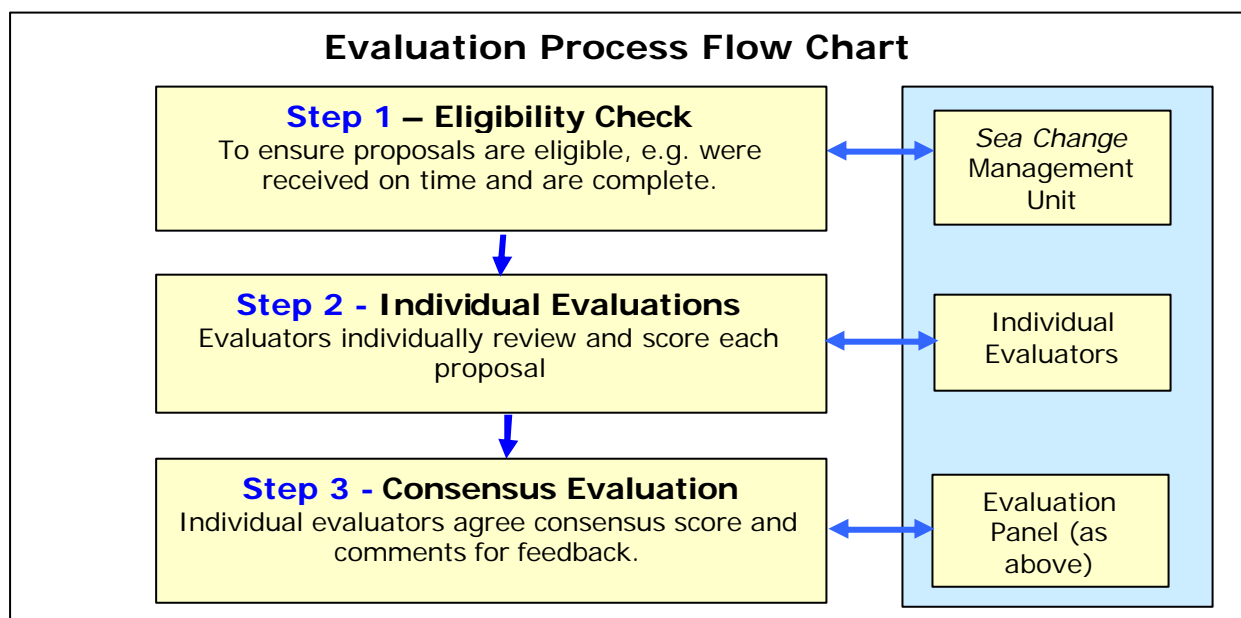
APPENDIX 4 - EVALUATION PROCEDURE

The evaluation of proposals is managed by the *Sea Change* Management Unit Funding and Administration Office. The process aims to be fair and transparent and to provide constructive feedback to applicants. Evaluation of proposals is based on the established principles of **Transparency**, **Equality of Treatment**, **Impartiality**, and **Efficiency and Speed**.

Evaluation is conducted in four steps, as follows:

Step	Undertaken by
1. Eligibility Check	<i>Sea Change</i> Management Unit
2. Individual Expert Evaluation	Independent Experts, overseen by the <i>Sea Change</i> Management Unit
3. Consensus Evaluation	Independent Experts, overseen by the <i>Sea Change</i> Management Unit

In accepting and evaluating research proposals the Marine Institute does not commit funding to any project or guarantee that funds will be made available to research proposals submitted under any call for proposals.



1) Eligibility Check

Proposals for funding received by the notified submission date are checked for compliance with the general **Eligibility Criteria**. These criteria include:

- Was a completed application received on time?
- Is the proposal from an eligible institution/company?
- Are all sections of the application form completed correctly—including the statement by the lead institution, with appropriate signatures?
- Does the application form contain adequate information to allow the proposal to be properly evaluated?

Proposals considered to be ineligible are returned to the applicant with a note explaining why they were considered to be ineligible. Proposals meeting the eligibility criteria will be allocated a unique reference number and a letter of receipt will be sent to the applicant. The unique reference number should be used in any subsequent correspondence or enquiry with the Marine Institute.

2) Individual Expert Evaluation

The Marine Institute maintains a panel of independent expert evaluators to assist in the evaluation of all proposals for funding. The names of the experts assigned to individual proposals are not made public. However, the Marine Institute makes available lists of all the experts participating on its evaluation panels at regular intervals.

Proposals meeting the eligibility criteria are evaluated based on their individual merit by a minimum of three individual experts chosen from the Panel of Experts. Where feasible, the same experts evaluate all eligible proposals received for a particular topic/project. The experts examine the proposal(s) assigned to them and score and comment on each proposal under each of the **Evaluation Criteria** using an **Individual Evaluation Form**. Applicants are advised of these evaluation criteria in the **Guidelines for Applicants**.

3) Consensus Evaluation

Once the individual experts to whom proposals have been assigned have completed their individual evaluations, a **Consensus Meeting** is convened to enable joint consideration of proposals by the individual experts. An officer from the *Sea Change* Management Unit may act as moderator/rapporteur for each consensus meeting. Their role is to support the process and ensure that the panel evaluation is carried out in a fair and proper fashion.

During the consensus meeting the experts consider each proposal and agree on a final mark for each of the evaluation criteria and an overall mark (score) for the proposal. They justify their marks with constructive and informative comments suitable for feedback to the applicant and agree on an overall **Consensus Evaluation Report**. All applicants, whether successful or unsuccessful, receive a copy of the Consensus Evaluation Report for their proposal.

4) Evaluation criteria

Criteria	Marks
1. <i>The scientific and technical quality of the research proposal</i> <ul style="list-style-type: none"> • Scientific and technical scope and complexity of the research proposal • Scientific excellence of the research proposal • Originality/degree of novelty in the proposed approach/ methodology 	25%
2. <i>Extent to which the project addresses the objectives of Sea Change Will the research:</i> <ul style="list-style-type: none"> • Be directed towards development of new or significantly improved services, products or processes? • Strengthen research, technical and innovative capacity with firms? • Underpin a sustainable advance in the firm's scientific or technological capability? • Create new industrial and commercial opportunities for firms in the marine sector? • Stimulate the application or use of scientific or technical knowledge and expertise to advance the competitiveness or environmental sustainability of marine firms? 	10%
3. <i>Extent to which the proposed research project is an integral component in the firms' strategic/business plan</i> <ul style="list-style-type: none"> • How will the research contribute to the firm's competitiveness? • Are market opportunities understood? • Will the firm be able to access new markets? • The extent to which the firm can demonstrate it has plans for commercialising the research or advancing the results of the research within one year of completing the project. • Are the financial resources available? • The extent to which the firms R&D capability will be increased • Extent and scale of additional R&D staff • Ability to engage in further research 	15%

Cont.

Criteria	Marks
<p>4. <i>The technical capability and track record of the project team and the ability of the firm/partners to carry out the work</i></p> <ul style="list-style-type: none"> • Qualifications, experience and suitability of the proposed research team • Participation in similar work or other research programmes (past & current) • Outcomes from previous research projects 	30%
<p>5. <i>Management of the project</i></p> <ul style="list-style-type: none"> • Is there a clear project plan? • Are tasks identified and time allocations realistic? • Time-scale, co-ordination etc. • Consideration of commercialisation potential 	10%
<p>6. <i>Value for money</i></p> <ul style="list-style-type: none"> • Is there a budget and is it feasible? • Total cost • Detail of costs • Facilities and other contributions of the firm 	10%

Successful applicants may be asked to make minor changes to their proposals during the grant-aid negotiation phase to accommodate the comments of the evaluators.

Declaration of Confidentiality and Conflict of Interest

Evaluators are required to read and sign a Declaration of Confidentiality and Conflict of Interest Form. If an expert considers that they may have a vested interest in a proposal or that potential conflict of interest may arise as a result of their participation in the evaluation of any proposal they are asked to declare this and may not participate in the evaluation process.

Freedom of Information

The Freedom of Information (FOI) Act provides a legal right to individuals to obtain access to information held by public bodies, to the greatest extent possible consistent with the public interest and the right to privacy. The Act provides strong protections for information supplied in applications that is confidential, commercially sensitive or personal (Sections 26, 27 and 28 of the FOI Act refer). The Act also gives certain rights to individuals or companies who supply such information. These rights ensure that information that is confidential, commercially sensitive or personal cannot be released under FOI without the person supplying such information being consulted. There is also a right of appeal to the Information Commissioner, who is an independent authority for FOI matters.

APPENDIX 5 – DE MINIMIS REGULATIONS

The aid being sought is provided under the European Commission Regulation on De Minimis Aid.

Article 3 (1) of the De Minimis Regulation (EC) No 1998/2006 states that where a Member State grants *de minimis* aid to an enterprise it shall inform the enterprise about the *de minimis* character of the aid and obtain from the enterprise concerned full information about other *de minimis* aid received during the previous three years.

Small amounts of State aid, up to 200,000 Euros in any three-year period to any one enterprise, are regarded as too small to significantly affect trade or competition in the common market. Such amounts are regarded as falling outside the category of State aid that is banned by the EC Treaty and can be awarded without notification to or clearance by the European Commission.

Member States are required to have a mechanism to track such aid (called 'De Minimis aid') and to ensure that the combined amount of De Minimis aid payments from all sources to one enterprise in any three-year period respects the ceiling.

Successful applicants will be asked to provide details of all other De Minimis aid which has been granted to their company within the past three years. It should be noted that a false declaration by a company resulting in the threshold of 200,000 Euro being exceeded could later give rise to the aid being recovered with interest.

A declaration as follows will be required from successful applicants prior to signing of any Grant-aid Agreement:

I wish to apply for [insert name of grant/aid sought] under the *De Minimis* Regulation (EC) No 1998/2006. I confirm that:

the company has been granted only the following *de minimis* aid within the past three years (details to be supplied)

Signed for Company:

Date:

or

no *de minimis* aid has been granted to the company within the past three years

Signed for Company:

Date: