

# Call for proposals

Quantum Delta NL SME programme-Round 2



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# 1 Background

Quantum technology can have a major disruptive effect for companies in, for example, chemistry, logistics, IoT, life sciences, health and cybersecurity. High-tech SMEs in the Netherlands could play a significant role in the value chain, for example; in software development, consultancy and the supply of-materials, equipment and electronics.

The Quantum Delta NL GrowthFund initiative enabled by the Dutch Ministry of Economic Affairs and Climate comprises an SME programme with the aim of connecting 125 high-tech SMEs in the Netherlands to quantum technology in the next seven years. The programme is inspired by best practices from NanoNextNL (Nano4Society) and MinacNed, who will fulfil a coordinating role.

A budget of  $\in$  4.75 million per year is available in the form of grants, intended for R&D projects geared towards developing products and services that serve the quantum technology roadmaps directly or enable derivative products in the value chain. This will allow SMEs to play a role in the quantum technology roadmaps at the national level but also at the European level.

Proposals can range between €500,000 and €2 million per project, and can be submitted by an individual company or on behalf of a consortium; a private or public-private partnership (PPP). The subsidy comprises max. 2/3 of the total project amount. The remainder is contributed by applicant(s), either in cash and/or in-kind.

# 2 Available budget and timetable

The available contribution for this Call for proposals is  $\le 4,75$  million. The timetable is as follows:

Date	Time	Deadline
1 March 2023	23:59	Pre-application – intention to submit
7 April 2023	23:59	Submission application
16 April 2023	23:59	Submission updated proposal
1 May 2023		Pre-review available



7 May 2023	23:59	Rebuttal pre-review
22 – 25 May 2023		Interview dates (to be planned)
21 June 2023		Notice of decision approval/rejection proposal
1 October 2023		Start project
1 September 2024-2027		Progress reports/meetings
2028		Final report- deadlines to be announced

# 3 Scope

Projects can comprise industrial research and/or experimental development. This may include efforts by supporting fields such as nanotechnology and particularly nanofabrication, but also the development of software to support projects provided certain criteria are met.

#### 3.1 Industrial research

Industrial research is critical research aimed at acquiring new knowledge and skills necessary for developing new products, processes or services, or significantly improving existing products, processes or services. It includes the creation of parts for complex systems and may also include the construction of prototypes in a laboratory environment and/or in an environment with simulated interfaces to existing systems, as well as pilot lines- when necessary for industrial research- and in particular for the validation of generic technology.

Industrial research spans Technology Readiness Levels (TRL) 2-4.

## 3.2 Experimental development

Experimental development comprises the acquisition, design and use of all existing knowledge and skills aimed at developing new products, processes or services. This includes activities aimed at the conceptual formulation, planning and documentation of new products, processes or services.

Experimental development may include prototyping, demonstration, pilot development, testing and validation of new products, processes or services in environments representative of functioning under real-world conditions, aimed at making further technical improvements. This may include the development of a commercially viable prototype or pilot considering that this would otherwise be too expensive to manufacture.

Experimental development **does not** include routine or periodic changes to existing products, production lines, manufacturing processes, services and other current activities, even if such changes lead to improvements.

Experimental development spans Technology Readiness Levels (TRL) 5-8.



## 3.3 Software development

Software development particularly for either industrial or experimental purposes must adhere to the following conditions:

- it should be part of the development of an innovative physical process (control software)
- the development of the software carries a technical risk and the intended functionality cannot be achieved with existing techniques.

Software-related activities that are not eligible include:

- the development of business application software and information systems using known methods and existing software tools;
- adding user functionality to existing application programs;
- creating websites or software using existing tools;
- · filling databases.

## 4 Duration

Projects have a maximum duration of 4 years, yet are ultimately limited by the programme deadline of December 31, 2028. As such, projects awarded in calls for proposals that start later than December 31, 2024, have less time until completion. Projects are expected to start within 6 months of the decision date.

A grace period of 1 year is allowed in case of project delays related to calamities, sickness and/or parental leaves. Project extensions must be applied for in writing prior to the initial project deadline, motivating the reason for the extension. This can be sent to <a href="mailto:sme@quantumdelta.nl">sme@quantumdelta.nl</a>

In any event, all projects need to be completed by the programme deadline of December 31, 2028. This includes those that have been granted a grace period.



# 5 Who can submit

Representatives of **Small and Medium sized enterprises** that adhere to the following definition.

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

(source: https://ec.europa.eu/growth/smes/sme-definition\_nl)

Companies must be registered as a *Besloten Vennootschap* (BV) or a *Naamloze vennootschap* (NV) in The Netherlands. Their activities in The Netherlands must be substantial.

SMEs can apply on their own or as part of a consortium with other SMEs and/or a 'research and knowledge dissemination organisation' or 'research organisation' which conforms to the following definition:

an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such an entity also pursues economic activities, the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert a decisive influence upon such an entity, for example in the quality of shareholders or members, may not enjoy preferential access to the results generated by it.

Examples of such organisations in The Netherlands are:

- Universities, University Medical Centres and Polytechnics;
- TNO:
- Advanced Research Centre for NanoLithography (ARCNL);
- ...

Representatives from **research organisations** can also submit as lead applicant provided that at least one co-applicant is an SME.

In addition, the organisation **SURF** (cooperative association of Dutch educational and research institutions) is also eligible to receive a contribution in partnership with an SME, either as lead applicant or co-applicant. SURF is <a href="here">here</a> labelled as a 'Medium Sized' company (note table under heading 6 Cost Eligibility).

**Large companies** can be part of a consortium but cannot receive a financial contribution. The same holds for SMEs based outside The Netherlands.

Lead applicants who successfully submitted proposals in earlier rounds are **excluded** from submitting a new proposal as a lead applicant in this round.



# 6 Cost eligibility

Project sizes can vary between € 500,000 and a maximum of € 2,000,000. The Quantum Delta NL contribution, therefore, amounts to a maximum of € 1,340,000, but can effectively turn out lower due to the contribution caps associated with the type of project and consortium make-up. The reimbursement percentages for project costs are displayed in the following table.

Contribution percentages (Article 25 AGVV)	Basic contributi	ion %	*Additional contribution <b>Small</b> sized company %	*Additional contribution <b>Medium</b> sized company %	Max %
Industrial research	50	+	20	10	67*
Experimental development	25	+	20	10	60*

<sup>\*</sup>companies can be eligible for 15 % extra yet capped at the Max%, if one of the following conditions is met:

i) the project involves a collaboration:

- between consortium partners of which at least one is an SME, or the project is carried out in at least two EU Member States, or a Member State and a partner registered in a country with an EEA status; provided that a single partner does not exceed 70 % of the eligible project costs,
- 01
- between an enterprise and one or more knowledge institutions, whereby the knowledge institute(s) bears at least 10 % of the eligible project costs and has the right to publish their own research results;

ii) the project results are widely disseminated through conferences, publications, open access repositories, or free or open source software

Research organisations are eligible for 100% contribution provided that they meet the following criteria (art. 21, Framework for State aid for research and development and innovation (PbEU 2022/C 414/01):

Where the research organisation or research infrastructure is used almost exclusively for a non-economic activity, its funding may fall outside State aid rules in its entirety (41), provided that the economic use remains purely ancillary, that is to say, corresponds to an activity which is directly related to and necessary for the operation of the research organisation or research infrastructure or intrinsically linked to its main non-economic use, and which is limited in scope.

This contribution is based on a project budget that applies the salary caps indicated by the Universities of the Netherlands salary- guidance, please note the next section. Also, the eligible contribution granted to the research organisation may not exceed the contribution received by the SME partner.

#### 6.1 Labour costs

- For SME's project-related labour costs to be accounted for by applying either:
  - The salary costs plus surcharge method, whereby the direct wage costs per hour are increased by a fixed surcharge of 50% for indirect costs.
  - o The *fixed hourly rate* method, using an hourly rate of max. €60.
- For TNO the integral cost system (IKS-rates).
- For other research institutions- labour costs are capped by the Universities of the Netherlands salary guidance per respective position i.e. for technicians and postdocs. See <a href="https://www.nwo.nl/en/salary-tables">https://www.nwo.nl/en/salary-tables</a>, for an overview of current rates.
- The actual hours worked must be recorded in a timesheet.

#### 6.2 Other costs

Third-party costs directly related to project activities, are capped at a rate of € 125 per hour.
Third-party costs entail costs related to external services such as consulting- provided by
companies or freelancers.



- Costs for consumables, small instruments and aids.
- Investments in equipment, for SMEs only.
- Cost for travel and lodging.
- Costs for buying the rights to patents necessary for the project, for the duration of the project.
- Miscellaneous costs directly related to the project.

All third-party costs stated may include VAT unless the beneficiary is VAT exempt. Only actual costs incurred post to the start and prior to the end of the project are eligible for (partial) reimbursement.

The maximum allowance for budget deviations between cost types is 15%. In excess of this percentage, prior written permission is required. Requests for permission must be motivated and can be sent to sme@quantumdelta.nl.

# 7 Deadline proposals

## 7.1 Pre-application

The pre-application submission is an expression of interest indicating your intention to submit a full proposal. It will allow the programme office to gauge the level of interest and provide feedback on eligibility if deemed necessary. Fill out the pre-application form as completely as possible and send it to <a href="mailto:sme@quantumdelta.nl">sme@quantumdelta.nl</a> before the deadline as mentioned in 'Available budget and timetable' to express your interest. The pre-application form should at least include the following information:

- name of the applicant(s);
- contact information of main applicant;
- overview of intended co-applicants;
- project budget indication;
- brief project description (max. 1 a4).

The pre-application submission is a prerequisite for the full application but the information submitted does not need to be definitive in this phase, changes are allowed for the full application. The template for the pre-application form can be downloaded from <a href="https://www.quantumdelta.nl/sme">www.quantumdelta.nl/sme</a>.

## 7.2 Full application

The full application comprises the following:

- a signed application form, provided the signatory is authorized to sign;
- a digitally signed copy of registration with the Dutch Chamber of Commerce, not older than 3 months;
- a completed project plan and project budget, including appendices;
- relevant support letters.

Allowed length of the project plan:



- sections 2-5- a maximum of 20 pages (A4);
- project summary a maximum of 1 page (A4).

Templates for the (pre-)application form, project plan and project budget can be downloaded from <a href="https://www.quantumdelta.nl/sme">www.quantumdelta.nl/sme</a>. The full application can be sent to <a href="mailto:sme@quantumdelta.nl">sme@quantumdelta.nl</a>.

# 8 Proposal evaluation

Proposals will be evaluated by an advisory committee appointed by the Quantum Delta NL Board. This advisory committee consists of research and innovation experts from science and business.

To avoid a conflict of interest, the committee members adhere to a code of conduct which can be found on <a href="https://guantumdelta.nl/sme-programme//">https://guantumdelta.nl/sme-programme//</a>

## 8.1 Admissibility check

Upon receipt of an application, a check will be performed taking note of the following criteria:

- the application was submitted before the deadline;
- the application was submitted by an eligible organisation (5) and authorized representatives;
- the project proposal has been drawn up correctly and completely;
- the project costs are between € 500,000 and € 2,000,000;
- the budget (template) is balanced and meets the eligible costs (6.0) requirements;
- there is demonstrable alignment with the Quantum Delta Growth Fund proposalhttps://quantumdelta.nl/general-overview-and-documents/.

If the application is deemed inadmissible, the applicant will be notified and provided with one opportunity to make the necessary alterations to the proposal and resubmit within 2 working days. Upon receipt, the admissibility check will be performed again.

#### 8.2 Written evaluation

After the application has been declared admissible, it will first be assessed in writing by the Advisory Committee on the basis of the set ranking criteria. A report with these preliminary findings will be drafted and shared with the applicant. Subsequently, the applicant can share a written rebuttal with the SME programme team by sending it to <a href="mailto:sme@quantumdelta.nl">sme@quantumdelta.nl</a>. These findings can be used to prepare for the interviews



## 8.3 Interviews and ranking

Applicants will be invited to present their proposal to the Advisory Committee. The committee members individually score the applications on the ranking criteria. The ranking criteria centre on:

- 1. technological potential;
- 2. quality and feasibility of the project plan;
- 3. business potential and economic impact;
- 4. societal impact.

Each criterion carries equal weight. The average marks of the various criteria form the basis for ranking at the end of the interviews. This is discussed by the Advisory Committee, after which the Advisory Committee draws up a final ranking.

#### 8.4 Conclusion

All proposals above the quality threshold are eligible for financing. The committee may advise lowering the requested contribution for certain eligible proposals. The Advisory Committee advises the Quantum Delta NL board on the final rankings. The projects will be awarded in order until the total budget has been allocated. Applicants will be duly informed about the final board decision. In case of a decision-challenge, certain guidelines apply which can be found on <a href="https://guantumdelta.nl/sme-programme/">https://guantumdelta.nl/sme-programme//</a>



## 9 Contribution terms

#### 9.1 Payment

The contribution is paid out in 4 instalments to the main applicant. The first instalment amounts to 40% at the start of the project and will be transferred after all the stipulated funding conditions have been met. This includes a signed acceptance of the contribution and the associated terms. A second tranche of 40% will be paid upon approval of the Mid Term Report. A third tranche of 10% will be paid at the end of the project upon approval of the End Term Report comprising a financial justification, which is to be sent to sme@quantumdelta.nl within 3 months of project completion and at least 3 months before December 31, 2028, at the latest. The final 10% will be paid at the end of the Quantum Delta NL programme.

Reporting guidance and templates will be provided in due course.

#### Schedule:

Instalment	Project fase	Requirement		
40%	Project start	Proposal approved		
40%	Project mid term	Mid Term report approved		
10%	Project completion	End Term report approved		
10%	Quantum Delta NL Programme End	Programme completion		

## 9.2 Reporting

Reporting is required at several stages, every year around 1 September for the duration of the project, with a Mid Term Report halfway the project and the End Term Report at the end of the project. Reporting should cover the status of the goals and milestones pursued by the project as well as the financial status.

In case the project is discontinued prematurely, applicants will be required to justify such a decision and report on the final status. This can inherently lead to a reduction in the eligible contribution.

Upon project completion, you will be required to provide a Financial Statement Audit adjacent to the End Term Report. You may use your own accountant in which case a maximum of € 10 thousand euros (VAT included) will be provided by Quantum Delta NL, additionally- to help cover the costs. Alternatively, you may turn to Quantum Delta NL to perform the said audit.

Reporting guidance and templates will be provided in due course.



## 9.3 Cross border cooperation

The contribution recipient should assess if and to what extent cross border activities are part of the proposal scope and comply with: <a href="https://quantumdelta.nl/international-strategy/">https://quantumdelta.nl/international-strategy/</a>.

#### 9.4 Intellectual property

The contribution recipient should apprise him/herself of the intellectual property (IP) policy pursued by Quantum Delta NL. The recipient will be expected to adopt said IP policy in so much as it applies to the scope of the proposal. One cardinal guideline is that all major economic activities related to IP must remain in NL/EU for more than 5 years. In any case, IP ownership rests with the party who created said IP.

## 9.5 Ethical aspects

The contribution recipient is responsible for determining whether an ethics statement or authorization is required to conduct the proposed study and for obtaining it in a timely manner from the relevant ethics committee. If deemed a requirement, the necessary ethics statement or permit will need to be in place before the starting date of the project, after it has been awarded.

#### 9.6 Manifesto

The contribution recipient should apprise him/herself of the Quantum Delta NL Manifesto: <a href="https://issuu.com/quantumdelta.nl/docs/quantum delta nl manifest artwork 19 for issue">https://issuu.com/quantumdelta.nl/docs/quantum delta nl manifest artwork 19 for issue</a>. As part of the Quantum Delta NL community, the recipient will be expected to act in accordance with the values stated therein.



#### Disclaimer

This document takes its guidance from the Framework for State aid for research and development and innovation (PbEU 2022/C 414/01). Any conflicting statements or misinterpretations arising from this document are superseded by this source reference. Quantum Delta NL cannot be held accountable for possible errors residing in this publication.





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