

Guidance for COVID-19 RD&I Application

Before we provide financing to you, we undertake checks for the purposes of preventing fraud and money laundering, and to verify your identity. These checks require us to process personal data about you.

During the appraisal of your application we will carry out due diligence checks using various systems (e.g Creditsafe)

For more information see Appendix A (Fair Processing Notice)

The purpose of this document is to provide guidance to applicants completing the Application for COVID-19 RD&I Support.

The Application is open to Businesses and/or Research Organisations.

Proposals may also be submitted as Collaborations.

SECTION 1 – PROJECT SUMMARY

1	Guidance
Project Title	Please provide a title for your project that summarises the key features and what you are setting out to achieve.
	Guidance
Duration of Project being applied for	Please provide details of the length of time you expect the project to take to deliver.
	Guidance
Total Project Cost	Please indicate the total cost of the project you are undertaking, inclusive of any grant element you are looking to access.
	Guidance
Public Domain Abstract	<p>The Welsh Government publishes information relating to the projects it supports. This provides an opportunity to showcase the Innovation taking place in Wales.</p> <p>Please provide a short description (no more than 250 words) of your project in a way that is comprehensible to the general public and does not disclose any confidential information.</p> <p>The description should include detail of the issue that is addressed by the Innovation. How the project will be able to address the issue, and the benefits that will be derived.</p> <p>We may need to redraft the description for consistency in terminology but any changes will be discussed with you prior to the agreed content being published.</p>

SECTION 2 - APPLICANT DETAILS

2	Guidance
	<p>Please provide details for a contact within your organisation who will be able to assist in resolving any queries around the application.</p> <p>For Businesses, you will need to give business registration details, such as Company Registration number. You will also need to provide baseline financial figures (Turnover and Balance Sheet Total)</p> <p>For Research Organisations, you should indicate the role that you have within the organisation and the relevant department.</p>

SECTION 2a – PARTNER DETAILS

	Guidance
	<p>This section is to be used to provide details of any collaborating partners involved in the project.</p>

SECTION 3 – CURRENT BUSINESS ACTIVITY (Business Applicants Only)

	Guidance
	<p>This section looks at the background of the business and establishing where you are today. You should provide a summary description of the business background and the current position. This would include details of the current business and/or manufacturing processes that are in use within the business.</p> <p>This gives a context to the planned innovation and allows us to assess the rationale behind the innovation and the capability of the business to deliver it.</p>

SECTION 4 – THE PROJECT

4.1	Guidance
Project Description	<p>This gives you the opportunity to set out how the proposed product or process contributes to the response to the Covid-19 outbreak.</p>
4.2	Guidance
The Innovation	<p>We need to gain a good understanding of the advancement in your product or process. Consider the differences to the technologies or solutions that are currently in use and how your project uses new or adjusted methods to</p>

	meet the demands placed on society by the Covid-19 outbreak. For this, you need to cover how the work contributes to the advancement and the innovation step that it gives you.
4.3	Guidance
Deliverables	We are looking for a clear description of what is within the scope of this project.
4.4	Guidance
Project Risks and Challenges	Please provide details of the risks associated with the project. This will help build a picture of the make up of the project and demonstrates that the innovation has been well planned, with consideration of how risks can be mitigated.
4.5	Guidance
Project and Resources Management	We are looking for an outline of the management of the elements of the project to show that consideration has been given to the resources required internally, and from the related supply chain..
4.6	Guidance
Project Schedule	We are looking for an anticipated start and end date for the project that fits in realistically with your application and other priorities.

SECTION 5 – BENEFITS to WALES

	Guidance
	<p>This section provides the opportunity to show how the project will deliver benefits to Wales. Give consideration to the wider impact of the product or process developed and how its application contributes to the efforts to combat the Covid-19 outbreak.</p> <p>You can refer to the challenges set out in the initial call;</p> <ul style="list-style-type: none"> • Development of medical products, devices and equipment • Infection Control and Testing • Meeting the demand for Personal Protective Equipment • Development of rapid Sanitisation techniques and products

SECTION 6 – PROJECT COSTS

	Guidance
	<p>This section asks you to provide details of the costs you will incur in your project. (There is a separate section for the costs incurred by collaborative partners involved in the project)</p> <p>These are broken down into the categories.</p> <p>All applications need to be supported by an indicative pricing for all the goods/services within the scope of the application. This will often be in the form of an estimate from the supplier or a published price list.</p> <p>Whatever form the indicative pricing takes should also carry enough technical detail to allow us to evaluate the value for money of the item and the suitability in line with the desired outcomes of your project.</p> <p>In some instances, it may be that the option you have chosen is unique. In this case, rationale is required to explain why the option chosen is the only one available.</p>

	Guidance
6.1 Proposed Project Expenditure	This section asks you to set out the costs associated with the project. This initial summary of the costs involved will assist in monitoring the progress of the project.
	Guidance
6.2 Breakdown and Justification of the costs	This section asks you to provide detail on each of the specific types of cost that will be incurred. Please provide brief explanations as to how the project budget figures for each category have been reached. It is your opportunity to illustrate that the requirements of the project have been fully considered and are realistic.
	Guidance
Staff Time	You are able to include the time staff have been involved in developing, installing, commissioning, scaling up, testing, optimisation and the first implementation of the new process. You need to calculate the percentage of time each individual will spend directly working on the project and include details of their Gross Salary, NI contribution and Contracted hours to allow their contribution to the project to be measured.
	Guidance
Staff expenses	Travelling & subsistence related to the activity of the project is eligible

	for support. Travelling at a rate of 45p per mile or standard class public transport costs can be included. Any foreign travel related to the project would require prior approval.
	Guidance
Project Overheads	This category can be used to cover indirect costs such as rent, electricity and water rates incurred by the business during the time you are involved in project activity. A simple calculation can be used to arrive at an eligible figure for simplified costs. This is 15% of the eligible direct staff salary costs identified for the project.
	Guidance
Materials & Consumables	You can receive support for the cost of consumables. These items will have no residual value at the end of the project. This includes individual items less than £5,000 in value.
	Guidance
Sub-Contract & Consultancy (Including Certification Costs)	You can include details of the cost that you incur on the project; to bring in external expertise and any Certification and registration expense.
	Guidance
Capital & Running Costs	<p>All applications need to be supported by an indicative pricing for all the goods/services within the scope of the application. This will often be in the form of an estimate from the supplier or a published price list.</p> <p>Whatever form the indicative pricing takes should also carry enough technical detail to allow us to evaluate the value for money of the item and the suitability in line with the desired outcomes of your project.</p> <p>The running costs of capital equipment owned by the business can only be claimed for the period of the project, and to the extent the equipment is used for project purposes. You will need to provide a breakdown of how these running costs have calculated.</p>
	Guidance
New Facility Costs	Identify any additional costs directly related to accommodating the delivery of the project. This may include alterations to buildings to accommodate the delivery of the project.
Other	You can take this opportunity to provide detail of any additional expenditure related to the project that doesn't fit with any of the earlier categories.

SECTION 7 – PROJECT FUNDING

	Guidance
	It is necessary to demonstrate how the full cost of the project phase is being met. To demonstrate that the project is viable, you would need to list the funding sources that will be used. This may include copies of loan agreements or bank overdraft facility.

SECTION 8 – OTHER PUBLIC SECTOR FUNDING (LAST 5 YEARS)

	Guidance
	Please provide detail of any public sector funding that you have received for this, or other projects in the last 5 years. This will allow us to confirm your eligibility for support and also helps build a picture of the wider support being accessed by Welsh businesses. You will need to detail if you have received any support under de minimis state aid. More info on De Minimis can be found here: https://www.gov.uk/state-aid#de-minimis-aid-regulations

SECTION 9 – SUPPORTING DOCUMENTATION CHECKLIST

	Guidance
	This section covers the supporting paperwork that gives context to your application. Please list any further documents you have included with your application.

SECTION 10 – DECLARATIONS

	Guidance
	The application must be signed by an authorised signatory. There is specific reference to the COVID-19 Temporary Framework that relates to our ability to use this method to support your project. Within this section you are asked to self-declare any other COVID related support the business may have received, and to provide confirmation of you status as relates to “an undertaking in difficulty”. Please see our Undertaking in Difficulty Assessment (Appendix C) for more detail. Our Key Fact Sheet on the Temporary Framework (Appendix D) has

	<p>more information on the scope and conditions of the support.</p> <p>The form must be signed and submitted as a scanned PDF (or equivalent) to the Covid19.innovation@gov.wales mailbox along with any supporting documents.</p>
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Appendix A – FAIR PROCESSING NOTICE

WHAT WE PROCESS AND SHARE

The data you have provided or we have collected from publicly available sources, which may include but is not limited to your:

- name
- date of birth
- residential address and address history
- contact details such as email address and telephone numbers
- financial information
- employment details
- device identification including your IP address

may be shared with fraud prevention agencies if we suspect or detect fraud.

We, and fraud prevention agencies, may use this information, including any personal data, to prevent fraud and money laundering, and to verify your identity. We and fraud prevention agencies may also enable law enforcement agencies to access and use your personal data to detect, investigate and prevent crime.

Fraud prevention agencies can hold your personal data for different periods of time, depending on how that data is being used. Please contact them for more information. If you are considered to pose a fraud or money laundering risk, your data can be held by fraud prevention agencies for up to six years from its receipt.

CONSEQUENCES OF PROCESSING

If we, or a fraud prevention agency, determine that you pose a fraud or money laundering risk, we may refuse to provide the financing you have requested, or we may stop providing existing financing to you. If you would like to know more, please contact us for more information using the details provided above.

A record of any fraud or money laundering risk will be retained by the fraud prevention agencies, and may result in others refusing to provide services, financing or employment to you. If you have any questions about this, please contact us for more information using the details provided above.

DATA TRANSFERS

Some fraud prevention agencies may transfer your personal data outside of the European Economic Area. Where they do, they impose contractual obligations on the recipients of that data. Those obligations require the recipient to protect your personal data to the standard required in the European Economic Area. They may also require

the recipient to subscribe to 'international frameworks' intended to enable secure data sharing.

LAWFUL PROCESSING

When we process your personal data, we do so on the basis that it is in the public interest to prevent fraud and money laundering, and to verify identities, in order to protect us and to comply with legislation that applies to us. Such processing is also a requirement of the financing you have requested.

YOUR RIGHTS

Your personal data is protected by legal rights, which include your rights to:

- object to our processing of your personal data;
- request that your personal data is erased or corrected;
- request access to your personal data.

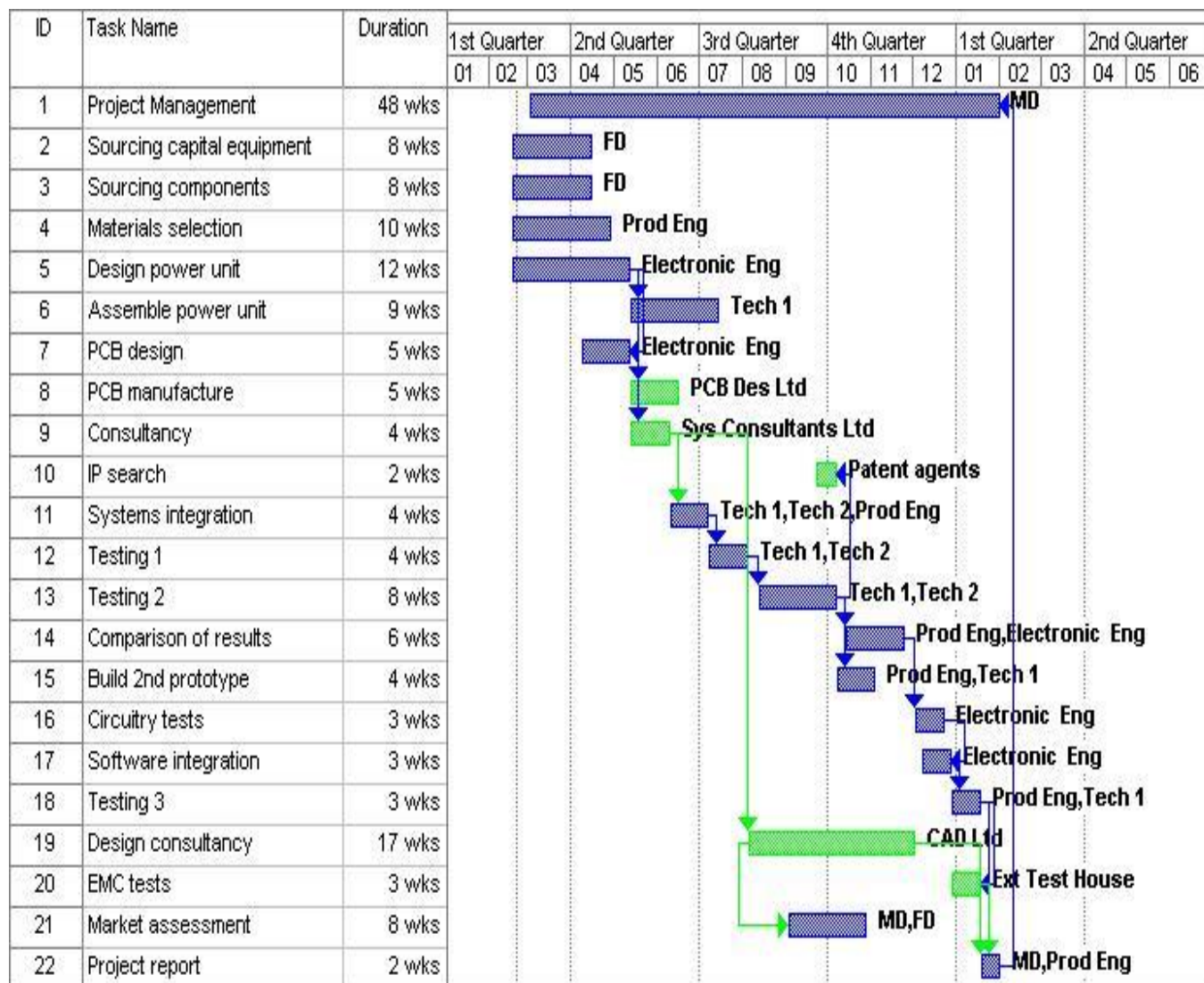
If you want to exercise any of these rights, please contact us using the details provided above

If you are unhappy about how your personal data has been used please refer to our complaints policy:

<https://documents.hf.wales.gov.uk/id:A19668779/document/versions/published>.

You may also complain to the Information Commissioner's Office ([wales.ico.org.uk](https://www.wales.ico.org.uk)) which regulates the processing of personal data.

Appendix B - Example of a Gantt Chart



Gantt Key

Internal resources

MD	Managing Director
FD	Financial Director
Prod Eng	Production Engineer
Electronic Eng	Electronics Engineer
Tech 1, Tech 2	Craft Technicians

Internal tasks and resources shown as:

 Prod Eng

External tasks and resources shown as:

 Ext Test House

Appendix C – Undertaking in Difficulty Assessment

Source: Section 2(18) General Block Exemption Regulations²³

(18) ‘undertaking in difficulty’ means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, ‘limited liability company’ refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU (1) and ‘share capital’ includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, ‘a company where at least some members have unlimited liability for the debt of the company’ refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years: (1) the undertaking's book debt to equity ratio has been greater than 7,5 and (2) the undertaking's EBITDA interest coverage ratio has been below 1,0.

Appendix D – COVID-19 Temporary State Aid Framework

Background

On the 3rd April 2020 the European Commission issued an “Amendment to the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak” which included specific reference to Research Development & Innovation activity.

Section 3.6 Aid for COVID-19 relevant research and development

and

Section 3.8 Investment aid for the production of COVID-19 relevant products

Conditions that apply to both elements

- The aid must be granted by 31st December 2020.
- For projects started as of 1st February 2020 the aid is deemed to have an incentive effect.
- Aid may not be granted to undertakings that were already in difficulty on 31st December 2019. An Undertaking in difficulty assessment and self-declaration is included in the application process.
- The maximum level of aid that a company may receive is €800 000 (€120,000 per undertaking active in the fishery and aquaculture sector or €100,000 per undertaking active in the primary production of agricultural products). This is across all UK measures under the terms of the European Commission’s Temporary Framework. A self-declaration is included in the application process.

Section 3.6 Aid for COVID-19 relevant research and development

Eligible project costs may refer to all the costs necessary for the R&D project during its duration, including;

- Personnel costs, costs for digital and computing equipment, for diagnostic tools,

for data collection and processing tools, for R&D services, for pre-clinical and clinical trials (trial phases I-IV), for obtaining, validating and defending patents and other intangible assets, for obtaining the conformity assessments and/or authorisations necessary for the marketing of new and improved vaccines and medicinal products, medical devices, hospital and medical equipment, disinfectants, and personal protective equipment; phase-IV trials are eligible as long as they allow further scientific or technological advance;

- The aid intensity for each beneficiary may cover 100% of eligible costs for fundamental research and shall not exceed 80% of eligible costs for industrial research and experimental development;
- The aid beneficiary shall commit to grant non-exclusive licences under non-discriminatory market conditions to third parties in the EEA

Note: This condition explained: The grant recipient shall commit, if approached by any third party from the European Economic Area, to negotiate a licence at normal market rates for the intellectual property rights generated during the project and can't be selective in who or where they award licences within the EEA. These licences can only be granted on a non-exclusive basis to third parties, ensuring the licensor is able to grant other licensees non-exclusive licences to exploit the same IPRs.

Section 3.8 Investment aid for the production of COVID-19 relevant products

- The investment aid is granted for the production of COVID-19 relevant products, such as medicinal products (including vaccines) and treatments, their intermediates, active pharmaceutical ingredients and raw materials; medical devices, hospital and medical equipment (including ventilators, protective clothing and equipment as well as diagnostic tools) and necessary raw materials; disinfectants and their intermediary products and raw chemical materials necessary for their production; data collection/processing tools;
- The project is completed within six months after the date of granting the aid. Where the six-month deadline is not met, per month of delay, 25% of the amount of aid awarded in form of direct grants or tax advantages is to be reimbursed, unless the delay is due to factors outside the control of the aid beneficiary;
- Eligible costs relate to all investment costs necessary for the production of the products and to the costs of trial runs of the new production facilities.