









croatian competitiveness cluster of defence industry



Level 1 Accelerator for Defence Sector (LEVIATAD)

Second call for proposals: Frequently Asked Questions

Supporting the innovation and internationalisation of European small and medium-sized enterprises in the defence sector



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About LEVIATAD project

The project "Level 1 Accelerator for Defence Sector" (hereinafter LEVIATAD) aims at creating the 1st Eurocluster of excellence on naval defence. The plan to achieve such an ambitious result consists of three steps.

- 1) Obtain a mapping of the naval and aero-naval defence sector's value chain post COVID-19 crisis to better understand the European ecosystem's structure as well as potential transnational synergies and complementarities. This will allow the project's consortium to draw the lesson concerning disruptions and dependencies and manage a more efficient industrial strategy (including green and digital transition) to increase the resilience and boost the competitiveness of a long-term European strategic approach.
- 2) Put in place actions to support SMEs in their up-skilling towards strategic technological innovation that will provide the basis for their path towards resilience and autonomy, ultimately boosting European sovereignty in the defence sector.
- 3) Go-to-international, the third and final step, consists of further supporting measures that will help SMEs to acquire skills in third countries' markets as well as to achieve internationalisation to foster synergies and create new business lines in non-EU countries.

The activities carried out within LEVIATAD will enhance the European position in the value chain of naval and aero-naval defence sector. The same activities will support resilience by fostering innovation processes, and will help SMEs in joining forces and better cooperate with both major public and private groups in European and international markets. For these reasons all the activities will have a strong focus on resilience and synergy.

Basic information about the call

Following the activities carried out during the implementation phase of the project, such as the mapping of the ecosystems, reporting on SMEs needs and opportunities, LEVIATAD has identified specific investment priorities:

- (i) autonomous ships and drones
- (ii) communication, cybersecurity and electronic warfare
- (iii) on-board equipment: development, performance improvement
- (iv) predictive maintenance
- (v) weapon systems improvement
- (vi) decarbonization of ships

The general objective of the call for proposals is to financially support small projects involving SMEs and start-ups who can contribute to the abovementioned key areas.

LEVIATAD second open call will finance a number small scale projects contextually to the availability of funds. The total available budget is € 469.721,52, with a maximum individual grant amounting to €20.000 per SME participating in one project.











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Frequently asked questions

What is the subject of the call?

The call aims to support the innovation and internationalization of European companies operating (or wishing to operate) in the naval and aero-naval defense sector. The goal is to make the European defense ecosystem and its players more resilient, present and competitive in national and international markets.

Who are the beneficiaries of the call?

Can benefit from the support of the call European small and medium-sized enterprises as well as start-ups operating (or willing to operate) in the naval and aero-naval defense sector. Enterprises are eligible either they directly work in the defense sector or provide support (i.e. services) to the organizations of the sector.

Are SMEs entitled to candidate joint projects?

Although the call is intended to support projects of individual enterprises, there is no restriction on submitting joint projects (involving two or more organizations). However, must be clear that no award mechanism specifically dedicated to groups of companies is foreseen in the call. Consequently, there is no chance of adding up score points or funds on the basis of the number of enterprises involved in a single project. Both the final score and funding will be assigned to a single enterprise.

How can an organization check its size?

Applicants shall comply with the provisions contained in Art. 2 of Commission recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (<u>C2003/1422</u>). In any case, an organization can perform a self-check using the <u>self-assessment tool</u> provided by the European Commission.

What if a start-up doesn't comply with the turnover thresholds required?

If a start-up has a turnover from economic activity lower than the minimum threshold indicated in the call, the very organization may be considered eligible under condition. In this case, the condition is represented by the proof of received payments amounting to a level sufficient to respect the limits of the grant before signing the sub-grant agreement.

Are organizations from all over Europe entitled to apply to the call?

Yes. The call will accept applications from companies registered in any of the EU's Member states:

- EU-27: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.







What are the call's eligibility criteria?

The call require potential applicants to fulfil a set of 14 criteria in order to be eligible:

- 1. being a small or medium sized-enterprises (SME);
- 2. being registered EU-27 country;
- 3. being a member of an organization that promotes defence value chain in Europe;
- 4. being not considered an undertaking in difficulty nor falling in any of the other defined situations;
- 5. having a turnover from economic activity equal to the grant requested or higher;
- 6. having at least one person employed;
- 7. application in English language;
- 8. application submitted to the official email address;
- 9. application form completed in its entirety and all requested annexes submitted;
- 10. only one project application per SME;
- 11. adding reference to the Digital and sustainable innovation and internationalization plan (DSIIP);
- 12. project respecting the call's priorities;
- 13. requested grant amount respecting the thresholds of the call;
- 14. project that presupposes at least two activities.

What projects can apply and how many time to implement them?

Eligible projects shall foresee action intended to launch and/or boost processes of innovation and/or internationalisation of an enterprise. The actions must address one or both call's main objectives, and fall in one or more of the indicated investment priorities.

Projects' implementation period begins with the formal communication of awarding from the Consortium via the official e-mail address <u>leviatad@dltm.it</u>. In any case, projects' activities must be concluded no later than January 9th 2025.

What are the main objectives of the call?

SMEs' projects shall contribute to one or both the main objectives of the call:

- 1) fostering innovation as well as green and digital transition of SMEs (innovation);
- 2) increasing the presence of European SMEs in the international value chains (internationalization).

What are the investment priorities of the call?

The call indicates 6 investment priorities:

- 1. Autonomous ships and drones;
- 2. Communication, cybersecurity, and electronic warfare;
- 3. On-board equipment, development, performance improvement;
- 4. Predictive maintenance;







- 5. Weapon systems improvement;
- 6. Decarbonization of ships.

Is the sub-priorities' list exhaustive?

Although explanations or examples are provided for in the call's text to each investment priority, the list of sub-priorities is not exhaustive. Therefore, applicants are free to propose additional project ideas as long as they fall within the overall investment priorities.

Can a single project include more activities?

Yes. Regardless the objective (innovation and/or internationalisation) a proposal must address at least 2 project activities among the following:

- Innovation activities leading to new products and/or services;
- Green and digital activities;
- Promoting innovation by integrating mature technologies commercial steps;
- Market analysis;
- Access to finance and partnership, consultancy, building consortium agreements, IPR protection;
- Visit to target market (outside the country of origin).

What type of costs are eligible for the implementation of project's activities?

Provided that they are strictly related to the implementation of project's activities and aimed at the achievement of project's objectives, the following cost categories are considered eligible:

- personnel costs;
- Sub-contracting costs (i.e. services, etc.);
- Purchase costs (i.e. travel, accommodation, subsistence, equipment, goods, etc.);

What type of costs are considered eligible under Objective 2, activity "Visit to target market (outside the country of origin)"?

- travel costs (accommodation, travel tickets and daily subsistence allowances);
- costs of stand rental in international fairs, commercial delegations visits etc.;
- costs of setting up/ the booth/exhibitor space, booth set up charges (extra chairs, tables, etc);
- additional services: visitor passes, assembly and dismantling passes, waste services, electricity, catering during the exhibition, host services etc.;
- costs of designing specific communication material for certain fair/exhibition/delegation. Any communication material, paper or digital, shall clearly indicate the reference to the European as well as LEVIATAD support.

In the sole case of activities related to "Objective 2: Internationalization", project activity "Visit to target market (outside the country of origin)", SMEs may purchase airline tickets, access to







<u>trade fairs, industry exhibitions and conferences immediately after the submission of the</u> <u>project proposal.</u> In any case, such expenditures will be regarded as eligible costs only if the following three conditions are all fulfilled:

- the purchasing occurs after the submission date of project's application, and
- following the assessment procedure the project's application is awarded, and
- the events, flight, etc. occurs after the awarding date of the financial support.

What is the type of contribution?

The call uses lump sums as form of financial support. Applicants are free to determine the amount for each project activity as long as they respect the indicated limits as well as the overall thresholds.

What is the funding scheme?

Selected projects will receive a 40% pre-financing within 30 days from the signature of the sub-grant agreement. The final balance will be paid at the end of the projects upon the approval of the final report from the LEVIATAD Consortium.

How can I apply to the call?

Applicants shall fill the necessary documents and submit them only to the official e-mail address <u>leviatad@dltm.it</u>. The documents can be downloaded from the project's website <u>https://www.navigotoscana.it/leviatad/</u>, from Coordinator's website at <u>https://www.dltm.it/en/news/734-leviatad second open call.html</u>, or from the project partners' official websites.

What are the necessary documents to apply?

In order to submit a project proposal, applicants are required to complete the following documents:

- Application form
- Annex I Detailed costs breakdown
- Annex II Declaration of honour (signed by the authorized person or legal representative of the applicant).

How the proposals will be evaluated?

Only proposals presenting all the requested documents are eligible for financing and will be evaluated for grant approval. Project applications will be assessed by the Evaluation Review Panel (ERP) on the basis of three-step evaluation procedure, safeguarding the principles of transparency, conflict of interest and equal treatment as described below:

- *I. eligibility check of the applicant;*
- *II.* qualitative assessment of the proposal: each member of the ERP will evaluate the application form on the basis of the evaluation criteria;







III. evaluator consensus: on the basis of the distribution of application within the ERP, each project application will be evaluated by two members of the panel. This stage is finalized after ERP collective agreement on the general outcomes of the assessment procedure.

What are the evaluation criteria?

Main qualitative evaluation criteria will consider:

- the level/quality of innovation of the project;
- the quality of green transition activities;
- the quality of digital transition or digitalisation activities;
- the level/quality of internationalisation of the project;
- the impact on LEVIATAD's objectives and value chain in Europe;
- the relevance of the project to the naval, aero-naval and defence sector.

