



Programme Application - Call VII

Are you a business entity or a research and knowledge-dissemination organisation intending to conduct industrial research and experimental development? If so, the Application programme is just for you.

SCHEDULE

Receipt of applications for support:

- 16. 10. 2019 – 15. 1. 2020

SUPPORTED ACTIVITIES

- The conduct of industrial research and experimental development within the meaning of Article 25 of Commission Regulation (EU) No 651/2014 of 17 June 2014 (hereinafter “Commission Regulation No 651/2014”), declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the EC Treaty¹.

APPLICANT

- The Applicant is always one business entity.
- The Partner - co-beneficiary is a business entity (legal person) and research and knowledge-dissemination organisation (research organisation).
- The grant application may be submitted by individual entities and consortia composed of multiple partners from among enterprises and research and knowledge-dissemination organisations. In the event of consortia, always one entity of the consortium acts as the Applicant/Beneficiary; other entities act as partners involved in the project implementation with their own budgets or different intensity of aid.
- The Applicant shall keep accounting or tax records expanded with special requirements or separate accounting for the project.
- The Applicant proves professional competence to implement the project;
- is authorised to conduct business corresponding to the supported economic activity which is to be carried out through the project;

¹ EU Official Journal, L 187, 26 June 2014, p. 1-84.

- is, based on its statutory declaration, registered as an income tax payer in any of the EU member states and has been so continuously for at least two closed tax periods preceding the date of submitting the application; the applicant notes that it will have to have an establishment or a branch established in the Czech Republic at the moment of receiving the aid; The applicant must have the branch registered, as of the first request for payment, in the Register of Licensed Trades;
- based on its statutory declaration, the Applicant is not in arrears in respect of selected institutions in the country of its registration or in the country where its branch is registered, and in respect of providers of support from projects co-financed from the European Union budget;
- does not have any outstanding liabilities, according to its sworn declaration, based on its employees' wage and salary claims
- general partnership, limited liability company, limited partnership, public limited-liability company, cooperative, institute, State-owned and national enterprise, State contributory organisation by law, public-law institution, higher education institution (public, State-funded), European company, European cooperative society, branch of a foreign legal entity, branch and an analogous foreign legal form for the above, if the Applicant is a foreign entity.

SECTORAL DEFINITION

- The aid shall support projects with outputs affecting the sectors defined in CZ-NACE sections C 10 – 11, 13 – 18, 20 – 33, D 35, E 38, F 41 – 43, J 58, 59, 61 – 63, M 69 – 72, 74, 75, N 78, S 95 (see Annex 2 to this Call).
- The aid shall not be provided to projects with outputs directly affecting any of the sectors defined in Annex 2 to this Call.
 - production, processing and marketing of products listed in Annex 2 to the Call - Annex I to the Treaty on the Functioning of the EU,
 - agriculture, forestry, fishery, aquaculture (CZ-NACE A 01, A 02, A03)

KEY CONDITIONS OF THE CALL

- The project must be implemented in the Czech Republic outside NUTS 2 Prague.
- The applicant must clearly demonstrate ownership or other rights to buildings and land plots, where the project will be implemented.
- The project must include all mandatory elements listed in the Call for submission.
- The project does not expect any aid for activities linked to the quantities exported (export subsidies), aid for the establishment and operation of a distribution network abroad or for other current expenditure linked to the export activity (customs duties, insurance, etc.) or any aid contingent upon the use of domestic goods instead of imported goods.
- The project did not start before the submission of the application
- The project must not violate EU horizontal policies and their basic principles, in particular equal opportunities for men and women, equal opportunities and non-discrimination and sustainable development
- The financial health of the applicant, expressed in a simplified economic assessment of the intermediate body, must not be lower than 5 points

ELIGIBLE EXPENDITURE

- personnel costs: wages and insurance contributions of researchers, technicians and other technical support personnel at an extent necessary for the project ((personnel costs of administrative and management staff (financial manager, project manager, coordinator, accountant etc.) are eligible only under the item Other Overheads)); intangible fixed assets (if they are necessary for proper operation of the tangible fixed assets)
- costs of instruments, apparatus and equipment in the form of depreciation of tangible movable fixed assets, at the extent and during the time they are used for the project (the share of depreciations in the total eligible expenditure of the project must be adequate and justified); engineering activity
- costs of contractual research;
- non-investment related costs of licences purchase or obtained from third parties for the time of project implementation
- costs of R&D consulting services used exclusively for the purposes of the project;
- additional overhead and other operating costs including costs of material and supplies incurred directly as a result of the project.

FORM AND AMOUNT OF AID

The project grant shall be provided at the minimum amount of CZK 1 million and up to the maximum amount of

- **CZK 40 mil.** for projects implemented without so-called effective cooperation
- **CZK 80 mil.** for projects implemented as part of effective cooperation or under intervention codes 063 or 065.
 - The maximum intensity of State aid is shown in the table below, indicating the decisive categories of supported activities and the size of the enterprise:

category of activity	small enterprise	medium-sized enterprise	large enterprise
industrial research	70 %	60 %	50 %
experimental development	45 %	35 %	25 %

- If the project is implemented under **effective cooperation among consortium members**, the maximum intensity of State aid based on the category of supported activities and the size of the enterprise is as follows:

category of activity	small enterprise	medium-sized	large enterprise
industrial research	80 %	75 %	65 %
experimental development	60 %	50 %	40 %

- In **a scheme not constituting State aid**, the support is provided in line with the Framework for entities which meet the definition of a research organisation. The maximum intensity of aid must not exceed **85%** of the total eligible expenditure of a research organisation regardless of the size of the research organisation or the place of implementation.

category of activity	support not constituting State aid
	Research and knowledge-dissemination organisation
industrial research	85 %
experimental development	85 %

The participation of a research and knowledge-dissemination organisation in the project is not compulsory. The **maximum aid intensity** for the whole project is limited to 70%.