



## Cooperation Support Programme – Clusters – Call VII

The objective of the programme is to support the development of innovation networks – clusters as an instrument to increase the intensity of research, development and innovation-related activities conducted jointly by businesses and the research sector. Strengthening interconnections at the regional, supra regional and international levels will lead to the development of an economy based on knowledge and innovation and the fulfilment of the concept of smart specialisation.

### SCHEDULE

#### Receipt of applications for support:

- 22. 06. 2020 – 30. 09. 2020

### SUPPORTED ACTIVITIES

- Collective research – the projects must meet the requirements stipulated in the definition of collective and pre-competitive research. For each project proposal, the applicants must demonstrate at least 3 potential users of the project results (small and medium-sized enterprises), who will establish a user committee, which is to oversee the project implementation and may influence the direction of research with regard to the usability of results. The projects must be carried out in cooperation with research and development centres<sup>2</sup> in the form of the award of contractual research. The project also supports implementation of collective research projects within the CORNET international network.
- Shared infrastructure – establishment/development and equipment of the cluster's centre with open access for the purposes of industrial research, development and innovation.
- Cluster internationalisation – establishment of cooperation in the European Research Area, participation in cross-border networks of excellent clusters (with emphasis on future challenges and key technologies), coordinated access to third markets, etc.
- Development of cluster organisation – activities leading to expansion of the cluster and improved quality of its management, improvement of cooperation, knowledge sharing, marketing, networking, etc.

### APPLICANT

- A legal entity within the meaning of Section 118 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended, if it is an association of entrepreneurs and research and knowledge-dissemination organisations or other institutions and organisations, and if it aims to fulfil the objectives referred to in Chapter 2 and 12 of the Call, may be an applicant / a beneficiary. The applicant/ beneficiary must stipulate in its statutes that one of its principal activities is support for innovation and increasing competitiveness, and the beneficiary's line of

business defined in the statutes or the memorandum of association must include an establishment and operation of a cluster.

- The applicant/beneficiary must meet the definition of a small and medium-sized enterprise (SME), which is, for the purposes of this Call, understood as an enterprise meeting the conditions stipulated in Annex I to the European Commission Regulation No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the common market in accordance with Article 107 and 108 of the EU Treaty. The beneficiary, according to the conditions of the programme, shall:
  - a. keep accounts or tax records including special requirements; or
  - b. keep separate accounts of the project.
- The cluster must consist of at least 15 members independent of each other. As far as business entities are concerned, for the purposes of this Call an independent member is a business entity meeting the conditions of independence within the meaning of the SME definition (regardless of its size). Interconnected or partner enterprises within the cluster represent, for this purpose, a single independent member.
- At least 10 SMEs, which meet the definition of SME in the case of a developing cluster, 15 in the case of a developed cluster and 20 in the case of an excellent cluster, must be members of the cluster.
- At least one research and knowledge-dissemination organisation,<sup>8</sup> i.e. an entity meeting the definition of a research and knowledge-dissemination organisation under Article 2(83) of Commission Regulation (EU) No. 651/2014, must be a member. <sup>9</sup>
- The cluster must be open to new members and the rules for entry and exit of new members shall be included directly in the statutes or the memorandum of association, and it must be managed transparently. Each member has 1 vote when voting.
- It is authorized to conduct business corresponding to the supported economic activity which is to be carried out through the project;
- It is, according to its affidavit, registered as an income tax payer in any of the EU member states and has been so continuously for at least one closed tax period preceding the date of submitting the Grant Application; the applicant notes that it will have to have an establishment or a registered branch established in the Czech Republic at the moment of receiving the grant. The applicant must have the branch registered, as of the first request for payment, in the Register of Licensed Trades.
- It is not, according to its affidavit, in arrears to selected institutions in the country of its registration, or in the country where its branch is registered, and to providers of aid from projects co-financed from the European Union budget. Deferral of outstanding arrears or an agreement to pay the arrears shall be considered to constitute settled arrears.
- The applicant does not have any outstanding liabilities (according to its affidavit) based on its employees' wage and salary claims.
- A demonstrative list of the types of supported legal forms: General Partnership (veřejná obchodní společnost – v.o.s.), Limited Liability Company (společnost s ručením omezeným – s.r.o.), Limited Partnership, Joint Stock Company (akciová společnost – a.s.), Cooperative, Registered Branch of a Foreign Legal Entity, Registered Branch, University (public, state), School Legal Entity, Public Research Institute, Association, Branch Association, Chamber (economic, agrarian), Interest Group of Legal Entities, Foreign Association, European Economic Interest Association, European Society, European Cooperative Society, Foreign Affiliate or a foreign legal form analogous to the above, if the applicant is a foreign entity.

## SECTORAL DEFINITION

- The aid shall be provided to projects with outputs affecting the sectors defined in CZ-NACE C10, 11, 13-33, E 38.32, J 58, 59, 60, 62, 63. Section CZ-NACE M 71.2, 72, 73.2, 74.1 S 95.1) may be supported as secondary outputs of the project.
- The aid shall not be provided to projects with outputs directly affecting any of the following sectors:
  - production, processing and marketing of products listed in Annex I to the Treaty on European Union
  - agriculture, forestry, fishing, aquaculture (CZ-NACE A 01, A 02, A03);

## KEY CONDITIONS OF THE CALL

- The project must be implemented in the Czech Republic outside NUTS II Prague, the location of the establishment where the project of the enterprise is to be implemented is decisive.
- The applicant must have ownership or other rights to the property and land plots where the project will be implemented and demonstrate such rights upon request.
- The project must include all mandatory elements listed in the Call for its 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 on the use of domestic goods instead of imported goods and/or contingent on the use of domestic services.
- The project has not started before the date of filing the Grant Application.
- The project must comply with the EU horizontal policies and their basic principles, namely:
  - equal opportunities (equality of men and women, removing discrimination based on sex, race, ethnic origin, religious belief, world view, disability, age or sexual orientation),
  - equal opportunities and non-discrimination (e.g. due to social exclusion or disability)
  - sustainable development (observing the EU and national regulations concerning environmental protection).
- The objectives of the project must comply with the objectives of the aid programme and of the Call.
- Projects with total eligible expenditure at and over CZK 5 million and at the same time with investment expenditure that forms more than 50% of the total eligible expenditure will be required to carry out a Financial Analysis of the investment. Projects with total eligible expenditure at and over CZK 100 million and at the same time with investment expenditure that forms more than 50% of the total eligible expenditure will be required to carry out an economic analysis taking into account socio-economic impacts of the project based on a set code-book. More detailed information on the cost-benefit analysis is provided in the CBA – Applicant's Manual.

## ELIGIBLE EXPENDITURE

- for activity 3.1a):
  - Wages and insurance premiums, externally acquired services in research and development (contractual research, consultancy services), material, additional overhead costs.
  - Contracts for externally procured research and development services may not be awarded to a person with a personal or economic connection.

- Expenditure on this activity is eligible only under the condition that the project or its supported part falls fully under the category of industrial research or experimental development.16 Expenditure must be assigned to a specific category – industrial research, experimental development.
- Additional overhead costs are applied at a flat rate of up to 15% of the budget line Wages and Insurance Premiums
- for activity 3.1b):
  - Purchase of buildings, technical assessment of buildings, machinery and equipment including hardware and networks, software and data, intellectual property rights, rent.)
- c) for activity 3.1c)
  - Wages and contributions, travel costs, services of consultants, experts, studies, marketing and promotion, seminars, conferences.
- d) for activity 3.1d)
  - Wages and insurance premiums, marketing and promotion, seminars, conferences, rent, overhead costs.
  - Overhead costs are applied at a flat rate of up to 15% of the budget line Wages and Insurance Premiums.

## FORM AND AMOUNT OF AID

Aid is provided through grants.

- The aid shall be provided in accordance with the “European Structural and Investment Funds Co-Financing Rules for the 2014-2020 Programming Period” and shall be reimbursed ex-post after the completion of the project or its stage subject to meeting the Conditions on the basis of documents submitted in the Payment Application by the beneficiary.
- It requires initial full pre-financing of project costs (or completed project phases) from the beneficiary’s own resources.
- The aid is provided exclusively to the subsidy recipient, i.e. the legal entity that operates the innovation cluster. The fees charged for the use of the cluster’s facilities and participation in its activities must correspond to the market price or reflect the relevant costs of the cluster.
- In the case of aid granted under Commission Regulation (EU) No. 651/2014, the amount of which exceeds EUR 500,000, the aid provider shall disclose information on each individual aid award in accordance with Article 9(1)(c) and Annex III. Commission Regulation (EU) No 651/2014 on a general State aid website.

## AID INTENSITY - BREAKDOWN OF FUNDING SOURCES

- a) for activity 3.1a)
  - 45% of the eligible expenditure for small enterprises and 35% of the eligible expenditure for medium-sized enterprises for the experimental development category
  - 70% of the eligible expenditure for small enterprises and 60% of the eligible expenditure for medium-sized enterprises for the industrial research category100% of the proven eligible expenditure in the case of beneficiaries who are intermediaries of the aid under the Framework.
- for activity 3.1b), c) and d):
  - 50% of eligible expenditure

## Maximum and Minimum Amount of Grant

- The minimum absolute grant per project: CZK 500,000
- The maximum absolute grant per project within the activity 3.1a)
  - CZK 40,000,000 for excellent clusters / per 1 sub-project max. CZK 15,000,000.
  - CZK 20,000,000 for developed clusters / per 1 sub-project max. CZK 10,000,000.
- The maximum absolute grant per project within the activity 3.1b)
  - CZK 15,000,000 for excellent clusters / CZK 10,000,000 for developed clusters.
- The maximum absolute grant per project within the activity 3.1c) and 3.1d)
  - CZK 5,000,000 for excellent clusters / CZK 4,000,000 for developed clusters / CZK 3,000,000 for developing clusters