



Circular economy - Call I

The goal of this Call is to support the acceleration of the transition to a circular economy in the Czech Republic, prevent the generation of waste, increase the recycling infrastructure and limit the waste of secondary raw materials, increase the content of recycled materials in products, and increase the raw material security of the Czech Republic.

TIMETABLE

Receipt of grant applications:

- 02.10.2023 - 29.03.2024

SUPPORTED ACTIVITIES

- Introduction of technologies for the reuse of **own production waste** (not acquired) by including it back into the production cycle (**the Call does not support the use/processing of waste groups 01, 02, 03, 15, 17, 18 and 20 according to the Waste Catalogue¹ and mining waste according to Act 168/2013 Coll.²** (see Section 4.2. of the Call)).
- Introduction of technologies for the production of secondary raw materials, semi-finished products or products from selected wastes under group 16 Wastes not otherwise specified in this Catalogue. The support is focused on the processing of waste under Catalogue numbers: 16 01 03, 16 01 17, 16 01 18, 16 01 19, 16 02 14, 16 02 16, 16 03 04.
- Preventing the generation of waste – reducing the amount of material inputs in the production of a product in the amount of at least 10% of the weight of the manufactured product, while maintaining the product's parameters.
- Introduction of technologies to increase the recyclability of products. In this activity, the manufacturer replaces an existing product with a new one with the same useful properties, but with a higher degree of recyclability.

¹ Decree No 8/2021 Coll. on the Waste Catalogue,

https://www.mzp.cz/www/platnalegislativa.nsf/26B2B93E9CCDE5B0C125865B002C4914/%24file/VYHL_010521_OL.pdf

² Act No 168/2013 Coll., amending Act No 157/2009 Coll., on the management of mining waste and amending certain Acts
<https://www.zakonyprolidi.cz/cs/2013-168>

Only measures that increase the proportion of recyclable raw materials in the total weight of the product according to the following scale can be supported:

$$R_{N,min} = 0,875 \cdot R_p + 15$$

where R_p is the original mass proportion of recyclable content in a product in % and $R_{N,min}$ is the new minimum mass proportion of recyclable content in the product (i.e. recyclability of the product).

- Introducing technologies for tyre retreading.
- Introduction of technologies for the production of semi-finished products or products from secondary raw materials, or technologies enabling an increase in the proportion of secondary raw materials in the product. The secondary raw material must make up at least 5% of the weight of the manufactured semi-finished product or product.
- Introduction of technologies to replace selected input raw materials. The objective of the activity is to encourage manufacturers to change the production process and replace the existing product with a new product with the same useful properties, but with a lower consumption of some of the critical raw materials listed in Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions COM(2020) 474 final 03.09.2020. Only actions that reduce the weight of such selected input raw materials by at least 20% can be supported.
- Introduction of technologies for obtaining critical raw materials, listed in Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions COM(2020) 474 final of 3 September 2020, by processing waste or secondary raw materials. Support will only be granted to technologies whose final output is an obtained critical raw material.

THE APPLICANT

- is a **natural person** or **legal entity** pursuing business, that has been **assigned a Czech ID number** and is **authorized to do business**³.
- is authorized to conduct business corresponding to the **economic activity**⁴ in which the project is implemented.
- If it is a legal entity, it provided **the data to the extent required in Section 14, paragraph 3, letter e) of Act No 218/2000 Coll.**, the Act on Budgetary Rules and amending certain related acts, as amended:
 - in IS KP21+, it entered information on the identification of persons acting on behalf of the applicant, indicating whether they act as its statutory body or whether these persons act on the basis of a granted power of attorney,
 - has registered the real owners of the legal entity in accordance with Act No 37/2021 Coll., on the registration of real owners (fulfilment of the condition will be verified by IB),
 - in IS KP21+, it entered information on the identification of the entities in which it has a share and the amount of this share.
- According to its sworn statement, it is **not in liquidation**.

³ This is a trade license or license to do business according to other legal regulations (unless otherwise stated in the Rules for Applicants and Beneficiaries of OP TAC - specific part).

⁴ In the application in IS KP21+, the applicant indicated the CZ-NACE in which the project is implemented, which corresponds to the activity recorded in the public registers. The registered CZ-NACE must not be listed in the Call Annex titled "Unsupported CZ-NACE".

- According to its sworn statement, it has been registered as an income tax payer in the Czech Republic, continuously for at least two tax periods⁵ preceding the date of submission of the grant application.

TERRITORIAL FOCUS

- **Target territory:** The territory of the Czech Republic, except NUTS 2 Prague
- The territorial eligibility is not assessed based on the registered office of the applicant (beneficiary) but based on the actual place of project implementation, i.e. the territory where the physical implementation takes place and the project expenses are incurred.

MAIN CONDITIONS OF THE CALL

- The project must not violate horizontal EU policies and their basic principles. In particular, the project must comply:
 - with principles of non-discrimination (primarily non-discrimination based on race, gender, religion, ethnic origin, disability, age or sexual orientation),
 - with the principles of sustainable development,
 - with the Charter of Fundamental Rights of the European Union.
- The project objectives shall be in line with the objectives of the operational programme and the Call.
- For projects whose total eligible expenses are equal to/higher than CZK 5 million, the score obtained in the simplified economic evaluation, which expresses the financial health of the applicant, must not be lower than 5 points.
- The project, its activities and results do not lead to significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation").
- Investments in infrastructure with an expected lifetime of at least 5 years have been examined in terms of climate impact in accordance with Article 73(2)(j) of Regulation (EU) 1060/2021 of the EP and of the Council on common provisions for the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund.
- Grant applications of applicants who have submitted a similar active project (in any PP status) under OP EIC will not be approved in the phase of appraisal of formal requirements and eligibility, unless the applicant has withdrawn from the project. A similar project is a project that has the same place of implementation (up to the level of the municipality), similar activities and a similar amount of budget and its structure. The aim of the above-mentioned measure is to prevent blocking of budget funds by the fact that the still unfinished project proposals from OP EIC are submitted again in an identical wording, or slightly modified, in OP TAC. The applicant must choose whether it can realistically complete the project in OP EIC, or whether it will end the administration of this project and submit the project proposal in OP TAC.

ELIGIBLE EXPENDITURE

- Tangible fixed assets
- Intangible fixed assets (if necessary for the proper operation of the tangible fixed assets).

⁵ This is a tax period according to Section 16b for natural persons / Section 21a for legal entities of Act No 586/1992 Coll., on income taxes.

FORM AND AMOUNT OF AID

- The aid is provided in the form of a grant.
- The grant for a project is provided in the minimum amount of CZK 1 million⁶ and up to a maximum of CZK 100 million.
- The aid will be paid in accordance with the "Rules for the co-financing of the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, the European Maritime, Fisheries and Aquaculture Fund, the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for financial support for border management and visas for the 2021-2027 programming period"⁷ and will be reimbursed **retrospectively after the end of the project** or its stage (if the project is staged in accordance with the Rules for applicants and beneficiaries - general part) provided that the conditions of the Decision are met.
- The beneficiary is obliged to ensure the financing of expenses for the implementation of the project, including VAT.
- The aid may not be provided for the same project expenses for which other aid from public sources has already been or will be provided, including an aid from Union funds that are centrally managed by bodies, agencies, joint ventures and other Union entities and that are not directly or indirectly under control of member states.
- The aid may not be provided to a beneficiary who has an unpaid obligation arising from a recovery order issued after a previous decision of the Commission declaring that the aid received from a provider from the Czech Republic is illegal and incompatible with the internal market.

AID INTENSITY AND BREAKDOWN OF FUNDING SOURCES⁸

Funding sources (% shares of documented eligible expenditure)	
Type of entity	EU share
Small enterprise	60%
Medium-sized enterprise	50%
small mid-cap	40%

⁶ Valid at the stage of approval by the selection committee.

⁷ Document of the Ministry of Finance approved by the Government of the Czech Republic in Resolution No 354 of 12 April 2021.

⁸ The chapter shows the EU share. The remaining part of the funding will be covered from the beneficiary's resources.