

**Submission Documentation for  
the 1st Public Tender of the  
Competence Centres Programme**

**2011**

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# **Submission Documentation for the Technology Agency of the Czech Republic programme for the Support of Long-term Cooperation in Research, Development and Innovation between the Public and Private Sectors, “Competence Centres”**

## **1. Basic Information**

### ***1.1. Publication of Public Tender***

The Technology Agency CR (hereafter just “TA CR”) has published a two-stage public tender in research, experimental development and innovation on 29 June 2011 for the Technology Agency CR’s programme for the support of long-term cooperation in research, development and innovation between the public and private sectors, “Competence Centres” (hereafter just “programme”), as approved by the government regulation no. 55 from 19 January 2011. The full text of the programme is available from [www.tacr.cz](http://www.tacr.cz) and is attached to this submission documentation.

### ***1.2. Legal Framework***

The public tender in research, development and innovation is published in accordance with Act No. 130/2002 Coll., on the support of research, experimental development and innovation from public funds and on the amendment of some related acts (the Act on the Support of Research, Experimental Development and Innovation), as amended (hereafter just “Act”), and is in accord with the Community Framework for State Aid for Research and Development and Innovation from 30 December 2006, published in the Official Journal of the European Union C 323, 30.12. 2006 (hereafter just “Framework”).

The programme is exempt from the informing duty stipulated by Article 108, Paragraph 3 of the Treaty on the Functioning of the European Union because it meets the criteria of Chapter I and Article 31 of the Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) – Official Journal of the European Union L 214, 9. 8. 2008, p. 3–47 (hereafter just “Commission Regulation”).

This submission documentation has been prepared, in accord with the Act, as submission documentation for both the first and second stage of the public tender in research, experimental development and innovation.

Applicants for support must ensure that their submitted project proposals are in accord with the aforementioned regulations and this submission documentation. In the event of any discrepancies between the English and Czech language versions, the Czech version shall prevail.

### **1.3. Information about Provider**

The Technology Agency CR was founded in accordance with the Act, or its amendment No. 110/2009 Coll., valid from 1 July 2009. The main task of TA CR is to prepare and implement, in accord with the Act, programmes of applied research, experimental development and innovation and thus improve the competitiveness of the Czech Republic and contribute to its economic growth. Other important tasks of TA CR include, in accord with the Act, supporting cooperation between research organisations and the private sector.

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### **1.4. Definition of Terms**

For the purposes of this public tender, terms defined in Section 2 of the Act are used. Beyond the scope of those definitions, the following terms are defined:

applicant – the submitter of a project proposal who seeks to be chosen for the provision of support and who is, if an agreement on the provision of support is signed/decision on the provision of support is issued, called the “support beneficiary”;

applicant founder – an enterprise or a research organisation that has, together with the other stipulated founders, founded a new legal entity (consortium with legal subjectivity) to serve as the project’s applicant (comp. Article 3, Paragraph 3);

application – project proposal;

beneficiary – an applicant whom the provider decided to provide with support; concludes Contract on the Provision of Support with the provider/the provider issues Decision on the Provision of Support for the benefit of the beneficiary;

competence centre – a centre characterised by a common strategic research agenda, with or without legal subjectivity, connecting top capacities of research, development and innovation with the private sector. The main purpose of a centre is to create conditions for long-term cooperation of research organisations and enterprises and to create conditions for systematic research and development and subsequent realisation in areas important for future growth of the CR’s competitiveness. A centre is established with the idea of future

sustainability, it is not a single-use project. The term competence centre (or centre) denotes a consortium of partners after the signing of the Contract or after the issuance of the Decision on the Provision of Support;

consortium – association of partners with or without legal subjectivity from the research and application sectors formed for the purpose of establishing a competence centre as a “resulting product”, which the partners will use together to fulfil their stated long-term goals in research, development and innovation. The term consortium denotes an association of partners before the signing of the Contract or before the issuance of the Decision on the Provision of Support;

consortium legal status – a consortium consisting of an applicant and other participants (comp. Section 8 of the Competence Centres programme) may submit an application for the programme either as a free consortium without legal subjectivity through its applicant, or as a consortium with legal subjectivity founded by stipulated entities (comp. Section 8 of the Competence Centres programme) as an enterprise or a research organisation. Legal status of a consortium may not change during the public tender for the Competence Centres programme;

consortium members – in case of a consortium without legal subjectivity, the members are applicants and other participants, in case of a consortium with legal subjectivity, the members are applicant founders (the applicant is the consortium with legal subjectivity itself);

contract for the provision of support – a contract concluded between the beneficiary and the provider, which stipulates the conditions on the basis of which the provider provides the beneficiary with specific support for the investigation of a given project by means of a grant from the state budget for research, development and innovation for the entire duration of project investigation. It also stipulates related obligations of the beneficiary;

contract for the participation in project investigation (hereafter just “Contract for Cooperation”) – a contract concluded between consortium members with no legal subjectivity, i.e. between the applicant and other project participants. The main purpose of the Contract for Cooperation is to define mutual rights and obligations. The Contract for Cooperation is attached to the Contract for the Provision of Support/Decision on the Provision of Support, and it must be compatible with it;

Decision on the Provision of Support - a decision issued by the provider for the benefit of a beneficiary or other participant (acting as an organisational unit of the state or an organisational unit of the ministry) that stipulates conditions under which the provider provides the beneficiary or the other participant with specific support for the investigation of a given project in the form of a grant from the state budget expenditures, allocated for research, development and innovation, for the entire duration of project investigation. It also stipulates related obligations for the beneficiary;

(project) deliverables – concrete, planned deliverables (such as regulations, protocols, prototypes, demonstration technological units etc.), which, together with milestones, serve as indicators of project investigation progress. The achievement of milestones is evaluated and controlled;

governing board – an executive body consisting of representatives of individual consortium members. The governing board defines conceptual and strategic directions for the competence centre and adopts decisions regarding its operation;

investigation team – a group of physical entities who have a labour relation with the beneficiary or another participant, or work on the basis of a contract to perform work or an employment contract. The group either directly or indirectly contributes to the investigation of the project, and its members consist of the investigator, investigators for other project participants and professional employees;

investigator – a physical entity with each project participant who will be, following the conclusion of the contract for the provision of support (or the issuance of the decision on the provision of support), responsible to the beneficiary, or other project participant, for the overall and professional standard of the project. The investigator must be an employee of the beneficiary, or other participant, or must be performing his or her duties on the basis of a contract to perform work or an employment contract, or one of the aforementioned relationships must be established on the basis of the provided support. Every project proposal must have an investigator. The investigator may be the same person as the project manager;

milestone – conclusion of a certain stage of a project or a work package, or a moment when an important decision is made regarding the future direction of the project based on hitherto work progress; it is one of the indicators of project investigation progress;

other participant – a consortium member without legal subjectivity outside of the applicant;

project manager – a physical entity authorised by all members of a consortium to act as the main coordinator who ensures administration and management of the project consortium/competence centre. The project manager is also the contact person for internal and external communication of the project consortium/competence centre, including communication with the provider;

project proposal – an electronic application form for the public tender containing all information requested by the provider. Applicants submit project proposals electronically by means of a web application. Print versions of project proposals in requested format and extent, identical to the electronic versions, are to be delivered to the provider's address;

provider – the Technology Agency CR, in accordance with the definition in Section 2, Paragraph 2, item a) of the Act;

strategic research agenda (SRA) – preparation of a strategic research agenda is a key prerequisite for the establishment and operation of a competence centre. It is a strategic programme document of the competence centre in which all participants formulate their common strategic and operational goals in research, development and innovation, which must reflect both research and application interests of project participants in a balanced fashion;

work packages – all activities of the strategic research agenda (comp. strategic research agenda) must be divided into logically comprehensive parts, so-called work packages, within which individual research tasks are investigated by different consortium partners using the budget allocated for the given work package. Work packages must be related and interconnected so that together they form a comprehensive set of activities leading towards the fulfilment of the strategic research agenda. Every project proposal contains descriptions (in specified extent) of individual work packages and their research tasks, including definitions of who, when and in what way will be realising them.

### ***1.5. Information about the Programme***

#### Programme Focus

The focus of the programme is to support the creation and operation of research, development and innovation centres in progressive fields with strong application potential and a perspective for significant contributions to the growth of the competitiveness of the Czech Republic, i.e. especially in fields with a high added value whose results have a strong potential for application in new products, production processes and services. At the same time, these centres will create conditions for the development of long-term collaboration between the public and private sectors on research, development and innovations. Competence centres do not represent a single-use project, instead the project is intended to be sustainable in the future.

#### Programme Objectives

The main objective of the programme is to increase the competitiveness of the Czech Republic in progressive fields with a strong potential for the application of R&D results in innovations. In order to achieve this objective, the programme will support the creation and operation of research, development and innovation centres (competence centres) which will pool top research and application capacities of the public and private sectors as a part of a long-term collaboration effort.

Deliverables derived from the described main goal of the programme include:

- reinforcing long-term collaboration of the public and private sectors in R&D&I,

- establishing strategic partnerships between the research and enterprise sectors in order to achieve progress in research and development and to implement the results in innovations,
- reinforcing interdisciplinary aspects of research and development,
- establishing conditions for the development of human resources in R&D&I, especially with an emphasis on beginning researchers,
- establishing conditions for a horizontal mobility of researchers.

#### Strategic Research Agenda (SRA)

A key prerequisite for the creation and operation of a centre is the formulation of its SRA, i.e. long-term strategic and operational objectives in research, development and innovation (for 6–10 years) that the applicants wish to achieve together. The SRA is structured into so-called work packages. It must be drawn up by all the applicants (research organisations and enterprises) together, and it must reflect both research and application interests and competences in a balanced fashion. The SRA should be in accord with participating organisation's plans for strategic development, and it should respect business intentions of participating enterprises. The quality of the SRA, including the balanced representation of research and application objectives, will play a significant role during the assessment of project proposals.

#### Field Focus

The field focus of the centres will be defined by project partners in the strategic research agenda, i.e. "bottom-up".

#### Time Limit

The period of programme duration is expected to be 2012–2019, i.e. 8 years. Support will be provided to projects investigated for at least 48 months and not more than 96 months. To receive support for the period starting with the 49th month, the beneficiary will have to submit a proposal for the continuation of centre activities, and the provider will have to give a positive evaluation.

#### Amount of Support

For the entire duration of the Competence Centres programme, the state budget allocated CZK 6 016 million. CZK 366 million will be distributed to beneficiaries during the first public tender. A maximum amount of support for a single centre for the entire period of its activity is EUR 10 million if the predominant activity is applied research, or EUR 7.5 million if the predominant activity is experimental research (calculated using the exchange rate valid on the day of the publication of the public tender, i.e. CZK 244 million in case of the applied research and CZK 183 million in case of the experimental research). This limit is based on the conditions stipulated by Article 6, Paragraph 1 of the Commission Regulation.

#### Extent of Support

The extent of support, determined as a percentage of approved project costs, will be calculated for each project and each beneficiary and other participants. The maximum extent of support for one centre (regardless of the type of the beneficiary) and all beneficiaries together is 70% of overall approved costs. The extent of support for each beneficiary and

other participants will be calculated in accordance with the Framework and the Commission Regulation (see the comparison table below).

The minimum of 30% of funds, which the beneficiary and other project participants must invest together to help finance the project, should motivate support beneficiaries to strive for an efficient utilisation of public support during the realisation of their projects. Support beneficiaries must provide the aforesaid 30% of funds required for co-financing from non-public sources. The extent of co-financing is just recommended, not obligatory, for research organisations.

Investment costs or expenditures may be only covered from the co-financing from non-public sources. Costs of acquiring tangible property may not exceed 20% of overall approved project costs.

In accordance with the conditions of the Framework, the programme will provide more support to efficient collaboration of enterprises and research organisations. Collaboration is considered to possess the attributes of an efficient collaboration between enterprises and research organisations if the research organisation contributes to the investigation of the project, its approved costs and its results by at least 10%. At the same time, research organisations have the right to publish the results of research projects, which do not result in the formation of intellectual property rights, to the extent of their involvement in the realisation of the projects. Intellectual property rights arising from project results belong to research organisations to the extent outlined in contract for cooperation and depend on their contributions to project activities. These intellectual property rights may be transferred to the collaborating enterprises for the market price of this share.

The basis for assessing whether a project proposal incorporates an efficient collaboration between an enterprise and a research organisation will be project proposal and the draft of the contract for cooperation or one of the documents listed in article 5 item j) if the applicant is applying to this programme as laid down in Article 3, Paragraph 3 of this submission documentation. Adherence to these conditions will be monitored, and a failure to adhere to them may result in a requirement to return the provided support.

The basic extent of support for individual types of beneficiaries is shown in the table below:

Beneficiary / other participant	Applied research		Experimental research	
	Extent of support with supplementary payments to small and medium enterprises	Extent of support when proven an <u>efficient</u> collaboration with a research organisation	Extent of support with supplementary payments to small and medium enterprises	Extent of support when proven an <u>efficient</u> collaboration with a research organisation

Small enterprises*	70%	80%	45%	60%
Medium enterprises*	60%	75%	35%	50%
Large enterprises	50%	65%	25%	40%
Research organisations**	100%***	100%***	100%***	100%***

Notes:

- \* Small and medium enterprises are determined according to the definition included in Annex I of the Commission Regulation.<sup>1</sup>
- \*\* Research organisations must satisfy the definition in the Act and the Framework.
- \*\*\* When respecting the maximum extent of support of 70% per project. The extent of support in the case of research organisations will also conform to the Recommendation of the Research and Development Council for the Application of the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01), 4. Annex I: Research Organisations as Beneficiaries of Public Funding.

### Form of Expected Results

This programme may be only used to support projects that can be reasonably expected to achieve the following types of results (in accordance with the Methodology valid at the time of result application and the Register of R&D Results, RIV); the results have to be either realised or it must be possible to realise them following further research or preparation of production or conclusion of the approval process. The number and quality of results will be one of the main criteria during project proposal evaluation.

- P – patent
- Z – pilot plant, verified technology
- F – results with legal protection – utility design, industrial design
- G – technically realised results – prototype, functional sample

<sup>1</sup> When creating the electronic version of a project proposal, applicants/other participants have to declare, among other things, the type of organisation their organisation belongs to (e.g. small enterprise, medium enterprise etc.). Organisation types are determined in accordance with the Commission Regulation. In order to provide more accurate information, the application definition intended for the application of Annex I of the Commission Regulation in the Czech Republic prepared by the Ministry of Industry and Trade and the Office for the Protection of Competition (hereafter just "Application Definition of SME") may be used qualify the terms micro, small and medium-sized enterprise and methods for classifying enterprises as belonging to the individual categories.

Note: This definition applies generally to any enterprise as defined by the Commission Regulation, not only to enterprises according to national law!

- The category of medium-sized enterprises ("SMEs") is made up of enterprises that:
  - a) employ fewer than 250 persons and
  - b) have assets/property not exceeding the equivalent of EUR 43 million in Czech crowns, or turnover/revenues not exceeding the equivalent of EUR 50 million in Czech crowns.
- A small enterprise is defined as an enterprise that:
  - a) employs fewer than 50 persons and
  - b) has assets/property or turnover/revenues not exceeding the equivalent of EUR 10 million in Czech crowns.

Full text of the Application Definition of SME is available on [www.tacr.cz](http://www.tacr.cz)

assets – from the balance sheet of an enterprise that keeps accounts

property – from the tax records of an enterprise that does not keep accounts

In order to determine the size category of an enterprise, existing ownership relations need to be taken into consideration. If an enterprise is owned by another enterprise, it is necessary to adjust the size of the enterprise taking part in the public tender by a corresponding portion of employees and turnover according to the size of the owner and its ownership share. For example, if 20% of an enterprise that is participating in a given project is owned by a large enterprise, it is necessary to adjust the participating enterprise's size, i.e. to add 20% of employees and 20% of turnover from the large enterprise.

- N – certified methodologies and procedures, including specialised maps with professional content
- R – software

For the purposes of this programme, a new result is considered to be a result that was achieved entirely within a project supported by this programme and that is and will be applied in the register of results solely as a result of this project.

As the programme supports projects of applied research and experimental development, support beneficiaries will be required to attach a plan for the application of achieved results in practice (i.e. implementation plan) to their final report. Before the conclusion of project investigation, they will be also required to submit a contract for the utilisation of results to the provider. The plan for the application of achieved results in practice (i.e. implementation plan) will be also submitted by beneficiaries as a part of their proposals to investigate their projects during the period starting with the 49th month. The plan must be submitted no later than by the end of the 42nd month of project investigation.

Project results must contribute to the fulfilment of the main objectives of the programme, especially to the improvement of the competitiveness of the Czech Republic, concentration of research capacities in critical research directions, participation of application partners and the development of long-term multilateral cooperation with research organisations and enterprises on research, development and innovations.

Following the period allotted for project investigation, the provider will, while evaluating achieved results and practical effects of projects, inspect these types of results and acknowledge their application in accordance with rules of the verifiability of recorded results as defined in the Methodology of Evaluated Results (valid at the time of result evaluation).

## **2. Tender Conditions**

### ***2.1. General Information***

Participation in the public tender of the Competence Centres programme does not disqualify applicants from taking part in other public tenders in the Czech Republic or abroad. However, in case support is received from the Competence Centres programme, other support provided by a different programme may not be given for the same eligible costs.

Erroneously filled out applications, incomplete applications and applications in any other way not in compliance with stipulated conditions will be discarded on formal grounds. Applications for support will not be returned to applicants.

Project proposals may not be modified or rescinded (withdrawn) after the final electronic version of the project proposal has been sent. The same applies to the print version of project proposals. Applicants are free to withdraw their application for support any time during project evaluation. The request for the withdrawal of the application for support must be signed by a person/persons authorised to act on behalf of the applicant, and it must be delivered in writing to the provider's address.

The programme's public tender has two stages. During the first stage, and subsequently during the second stage as well, formal checks of all accepted project proposals will be carried out. The first stage of the public tender will mainly evaluate consistency, topicality and quality of the SRA. For the second stage of the public tender, satisfaction of all formal requirements will be required (e.g. proof of eligibility). Detailed budgetary information will be required (including budgets for individual work packages) as well as information pertaining to project results/deliverables, SRA implementation, detailed consortium structure, possible risks etc.

No modifications, with the exception of completing the project proposal for the second stage, may be made in the project proposal between the first and second stage of the public tender in research, development and innovation. Especially the following aspects may not be modified: project goals, consortium legal status, basic budget etc.

No information pertaining to individual applications and projects or actual evaluation results will be provided during the two tender periods and the evaluation period. General information about the programme and the submission documentation will be provided by the contact person listed in the beginning of the submission documentation. It will not be possible to amend or modify the project proposal or its attachments after the end of the tender period. Project proposals and their attachments also may not be amended or modified after sending the print version of the project proposal.

The provider, in accordance with Section 24 of the Act, reserves the right to cancel a published public tender and refuse to support project proposals evaluated in this tender (programme). The decision to cancel the public tender or limit the number of supported projects will depend on the overall amount of funds allocated to TA CR for the support of applied research, experimental development and innovation from the state budget.

No legal claim exists for receiving support from the state budget for project investigation. Provider's decisions cannot be appealed, but applicants may file a complaint with the Control Board of TA CR regarding the procedure adopted by the provider during project proposal evaluation.

## ***2.2. Subject of Public Tender***

The subject of the public tender in research, experimental development and innovation is to evaluate project proposals submitted by applicants in accordance with the conditions and rules of the public tender for the Technology Agency CR's programme for the support of long-term cooperation of the public and private sectors on research, development and innovations, "Competence Centres". Project proposals will be evaluated within the frame of the two-stage public tender on the basis of the quality of their strategic research agenda, fulfilment of goals, necessity, usefulness and the potential for the utilisation of results in practice. The purpose is to choose projects of the best quality.

In accordance with the conditions of the programme, only projects of applied research and/or experimental development may be submitted in the public tender, i.e. projects whose applied

results are mainly intended for practical use. Definitions of both of these terms can be found in Section 2, Paragraph 1, item b) and c) of the Act.

### ***2.3. Duration of Project Investigation***

In order to ensure suitable conditions for long-term collaboration in research, development and innovations within the established competence centres, support will be provided to projects investigated for at least 48 months and not more than 96 months. Projects investigated for more than 48 months must satisfy requirements to receive support for the period starting with the 49th month (comp. Article 8 of the submission documentation). Unless the conditions for the provision of support for the period of project investigation starting with the 49th month are satisfied, the provider will proceed to terminate the project. All projects must be concluded by December 2019. Project investigation will commence in March 2012 at the earliest and no later than in July 2012.

### ***2.4. Tender and Evaluation Period – First and Second Stage***

The tender period for the first stage of the public tender starts on the day following the day of the publication of the public tender, i.e. on 30 June 2011, and ends on 10 August 2011 at 4:30 pm.

The tender period for the second stage will be announced on the TA CR website together with the publication of results of the first stage.

The evaluation period of the two- stage public tender starts on the day following the day of the conclusion of the tender period and ends on the day of the publication of final results of the public tender in research, development and innovation, but no later than 19 March 2012.

### ***2.5. Announcement of Public Tender Results – First and Second Stage***

Results of the first stage of the public tender will be published on the web ([www.tacr.cz](http://www.tacr.cz)) by the end of evaluation period of the first stage. If a project proposal advances to the second stage of the public tender, the applicant will be notified in writing of the deadline of the tender period for the second stage of the public tender. At the same time, the deadline of the tender period will be published on the web ([www.tacr.cz](http://www.tacr.cz)).

Applicants advancing to the second stage of the public tender will be asked to complete their project proposals in accordance with the submission documentation. They will be also given supporting materials in the form of the final evaluation report from the first stage of the public tender (comp. 7.1).

Results of the second stage of the public tender will be published on the web ([www.tacr.cz](http://www.tacr.cz)) by the end of the evaluation period of the second stage, and successful applicants will be also notified in writing.

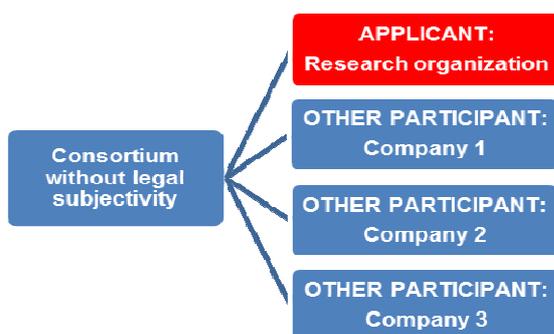
### 3. Eligible Applicants

In accordance with the Act and the Framework, applicants for project support may be:

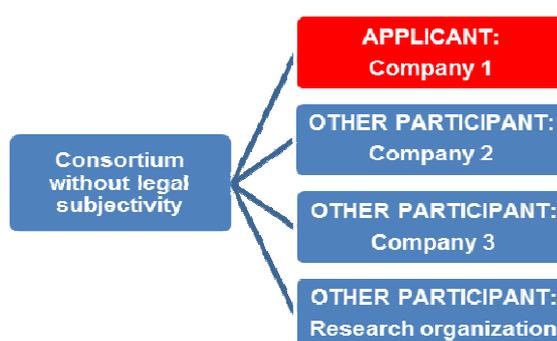
- 1) Enterprises – any entities, regardless of their legal status or method of financing, that, in accord with Annex I of the Commission Regulation, carry out economic activities and investigate projects in collaboration with other participants of which at least two must be independent enterprises and one a research organisation (comp. model A1).
- 2) Research organisations – legal entities, organisational units of the government or organisational units of the ministry, that fulfil the definition of a research organisation as stipulated by the Act and the Framework and investigate projects in collaboration with other participants of which at least three must be independent enterprises (comp. model A2).

Chart no. 1: Consortium without legal subjectivity

Model A1



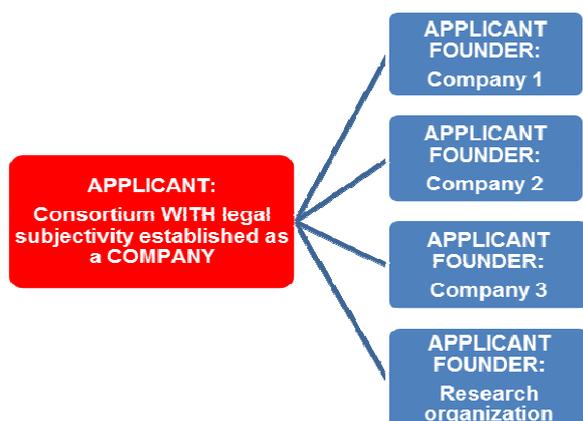
Model A2



- 3) An enterprise or a research organisation founded by at least three independent enterprises and at least one research organisation for the purpose of achieving common goals in research, development and innovation (comp. models B1 and B2).

Chart no. 2: Consortium with legal subjectivity

Model B1



Model B2



A physical entity, who is not an enterprise and does not conduct economic activity, as defined in Annex I of the Commission Regulation, cannot be an eligible member of a consortium.

Autonomous enterprises are defined in Article 3 of Annex I of the Commission Regulation. The condition of autonomy must be satisfied only with regard to relationships between the entities (that form a consortium) themselves. The condition of autonomy in the case of research organisations is measured the same way in accord with the aforesaid article.

### Foreign Participants

Any legal entity with a registered office in a member state of the European Union, European Economic Area or the Swiss Confederation may take part in the public tender in research, development and innovation. Foreign entities from outside of the member states of the European Union, European Economic Area and the Swiss Confederation may not take part even if they do not request any financial aid from the programme.

In case of a consortium without legal subjectivity, at least one of its members must have a registered office in the Czech Republic. In case of a consortium with legal subjectivity, the consortium must have a registered office in the Czech Republic, and at least one of the applicant (consortium) founders also has to have a registered office in the Czech Republic.

A universal condition for the participation of foreign entities is their commitment to realise project results in the Czech Republic or some other significant benefit to the Czech Republic.

## **3.1. Proving Eligibility of Applicants/Other Participants**

### **3.1.1. Eligibility Conditions**

Project support from this programme can be only given to applicants/other participants who are in compliance with the eligibility conditions laid down in Section 18 of the Act and Article 1, Paragraph 6 of the Commission Regulation.

Applicants/other participants prove their eligibility during the second stage of the public tender, and then if the decision on the provision of support is given in accordance with Paragraph 7 Section 21, of the Act.

### **3.1.2. Documents for Proving Eligibility of Applicants/Other Participants**

Every applicant/other participant is obligated to prove their eligibility in accordance with Section 18 of the Act and Article 1, Paragraph 6, items a) and c) of the Commission Regulation, during the second stage of the public tender.

Requirements laid down in Section 18 of the Act and in the Commission Regulation are proven by submitting all mandatory attachments on behalf of the applicant/other participant in the form of regular copies of the required documents and originals of statutory declarations (not older than 90 calendar days) by means of the prescribed form. Every applicant/other

participant from every project delivers a proper proof of eligibility to the provider's address in a separate envelope marked "ATTACHMENTS – public tender (second stage) – Competence Centres programme – DO NOT OPEN!" by the end of the announced tender period for the second stage of the public tender.

All sheets of paper in the attachments delivered on behalf of applicants/other participants must be firmly bound (tied) in one piece so as not to make it possible to take them apart. They must be also secured by an interweaving thread or a ribbon whose ends will be taped over, and one piece of the tape will be stamped to overlap on the last sheet of the attachments, so that it would not be possible to remove or add individual attachments (or tied with book binding).

If an applicant/other participant submits multiple project proposals to the Competence Centres programme, a single proper proof of eligibility sent in a separate envelope during the second stage of the public tender will be sufficient. This does not concern the proof of eligibility in accordance with Section 18, Paragraph 2, item a) (professional qualifications for project investigation) where the proof of eligibility is required for all submitted projects and is a part of the project proposal.

Satisfaction of the eligibility conditions will be assessed by the commission for the acceptance of project proposals to the second stage of the public tender before assessing the project proposals. Failure to satisfy any of the eligibility conditions constitutes a reason for refusing to accept the project proposal for the second stage of the public tender.

### **3.1.3. Proving Continuance of Eligibility after Publication of Public Tender Results**

Following the publication of the results of the second stage of the public tender in research, experimental development and innovation, all project participants will prove the continuance of their eligibility through their consortium project manager with whom the Contract for the Provision of Support should be concluded or for whose benefit the Decision on the Provision of Support should be issued as follows:

- With reference to Article 3.1.2., Documents for Proving Eligibility of Applicants/Other Participants, and in accordance with Section 18, Paragraph 2, item b) (with the exception of institutions established on the basis of a special legal enactment, such as public universities and public research organisations), all project participants will submit a verified copy of one of the following documents depending on the type of the applicant: license to perform activities, foundation deed, foundation charter or other document pertaining to establishment or foundation, statement from the Company Register or a statement from some other register specified by the law. Originals of the above mentioned documents must not be older than 90 days.

## 4. Project Proposal

It is absolutely essential to respect the objectives of the programme, comply with its main principles and correctly describe project goals and investigation methods when preparing a project proposal for applied research, experimental development and innovation. All information in the project proposal must be true and in accord with the required documents (in accord with a statement from the Company Register, foundation deed etc.). For institutions established on the basis of the law, this information must be in accord with the corresponding legal regulation.

The form of project proposals is given by the valid version of the software application for this programme. Other forms of project proposals are inadmissible. Project proposals are submitted in prescribed forms through the information system. Individual items of the software application usually include help.

Applicants and other project participants are required to divide the planned period of project investigation to calendar years in the submitted project proposals. The planned period of project investigation may be shorter than one year during the first and last years of project investigation.

Submitted project proposals must not contain any classified information as defined by Act No. 412/2005 Coll., on the Protection of Classified Information and Security Eligibility as amended.

Applicants are obliged to notify the provider in writing of any changes that occur in the period from the submission of the applicant's project proposal until the Contract for the Provision of Support is concluded or the Decision on the Provision of Support issued and that are related to his legal status or data required for proving eligibility or other facts that could affect the provider's decision, within seven calendar days from the day the applicant learns of such facts.

TA CR will make sure that no documents contained in project proposals become accessible to unauthorised persons. All persons authorised to access the contents of project proposals will keep all information learned therein confidential. These authorised persons only include employees of the Office of TA CR, members of TA CR bodies, members of expert advisory body and opponents. For this purpose and based on the legal relationship with any such person, TA CR will require compliance with these obligations.

### ***4.1. Conditions for Accepting Project Proposals to the Tender – First Stage***

Failure to comply with any of the following conditions will result in the project proposal not being accepted to the public tender (Section 21, Paragraph 3 of the Act):

- a) Project proposals are submitted in the English language. A project proposal includes a concise summary of basic information about the project in Czech (approx. 3600–5400 characters), which gives the essence and focus of the project.

- b) Project proposals may be submitted only during the tender period during which project proposals for the first stage of the public tender may be submitted. The tender period starts on **30 June and ends on 10 August 2011 at 4.30 pm**.
- c) The form of project proposals depends on the valid version of the software application for the first stage of the public tender for the programme available from the provider's website ([www.tacr.cz](http://www.tacr.cz)). After sending the software application, it is also necessary to send its print version in one original copy to the provider's address.
- d) Project proposals first need to be sent electronically, and only then may the final version be printed and the print version of this final draft may be delivered! The print version of the project proposal delivered to the provider must be identical to the electronic project proposal delivered to the provider electronically through the information system.
- e) Project proposals may not be sent using a data box.
- f) Print versions of project proposals must be delivered to the provider by the end of the tender period, comp. with item b). The complete project proposal must be placed in a single envelope marked "**Public Tender – Competence Centres programme (first stage) – DO NOT OPEN!**" with the applicant's name and address. All sheets of paper must be firmly bound (tied) in one piece so as not to make it possible to take them apart. They must be also secured by an interweaving thread or a ribbon whose ends will be taped over, and one piece of the tape will be stamped to overlap on the last sheet of the project proposal, so that it would not be possible to remove or add individual sheets (or tied with book binding). Only one project proposal may be in one envelope.
- g) Possible attachments (such as full powers) must be firmly bound (tied) in one piece with the project proposal so as not to make it possible to take them apart (comp. item f).
- h) Only such project proposal is considered a complete project proposal that contains all required information and is signed by person/persons authorised to act on behalf of the applicant and other project participants, who also has the authority to sign on behalf of the organisation (according to the attached statement from the Company Register, Trade Register, foundation charter or foundation deed). A person authorised to act on behalf of the applicant/other participant is a member of a statutory body. In case that, in accordance with the applicant's/other participant's internal regulation, more members of the statutory body are required for negotiations, or this obligation arises from other legal regulations, the title page of the project must be signed by all of these members. A person authorised to act on behalf of the applicant/other participant is a person acting on the basis of full powers. If it is not a case of a statutory authorisation (e.g. Section 13, Paragraph 3 of the Commercial Code), the project proposal must include the original full powers (not older than 90 days) or a verified copy of the full powers (not older than 90 days).

- i) In case of a consortium without legal subjectivity, at least one of the consortium partners has to have their registered office in the Czech Republic. In case of a consortium with legal subjectivity, the consortium has to have its registered office in the Czech Republic, and at least one of the applicant (consortium) founders has to have their registered office in the Czech Republic.
- j) Foreign applicants and all other potential foreign project participants/applicant founders must be legal entities with a registered office in one of the member states of the European Union, European Economic Area or the Swiss Confederation.

#### **4.2. Project Application Outline – First Stage**

Project proposals for the first stage of the public tender are submitted in the English language.

- Project Identification Data
  - full name of the project, public tender, including its stage and the programme for which the project is being submitted, project investigation period, consortium/centre legal status, applicant/other participants, project manager etc.
- Project Introduction
  - purpose, goals, basic principles of project investigation, direction etc., in Czech and English,
- Strategic Research Agenda (SRA)
  - situation of research in the relevant field/branch on a national and international level, general approach towards SRA investigation,
  - introduction of the project's main goals, expected benefits and results,
  - reflection of the CR's socio-economic needs or problems,
  - introduction of market opportunities and a plan for the utilisation of project results in practice,
  - brief overview of work packages,
- Competence Centre/consortium
  - consortium/centre legal status,
  - brief introduction of consortium members, ways and extent of their participation, previous experiences,
  - brief introduction of the investigation team,
  - brief description of the consortium's organisational structure, character of internal collaboration, project management, assertion of rights of the individual partners,
  - introduction of the consortium's external relations,
- Financial plan
  - co-financing concept, specific shares of consortium partners,

- basic budget parameters,
- ways of acquiring additional resources for implementing the SRA,
- investigation schedule and schedule for the implementation of project results in practice.

#### **4.3. Conditions for Accepting Project Proposals to the Tender – Second Stage**

Failure to comply with any of the following conditions will result in the project proposal not being accepted to the second stage of the public tender in accordance with Section 21, of the Act:

- a) Project proposals are submitted in the Czech language.
- b) Project proposals may be submitted only during the tender period during which project proposals for the second stage of the public tender may be submitted. The tender period will be announced on the website of TA CR together with the publication of results of the first stage.
- c) The form of project proposals depends on the valid version of the software application for the second stage of the public tender for the programme available from the provider's website ([www.tacr.cz](http://www.tacr.cz)). After sending the software application, it is also necessary to send its print version in one original copy to the provider's address.
- d) Project proposals first need to be sent electronically, and only then may the final version be printed and the print version of this final draft delivered to the provider! The print version of the project proposal delivered to the provider must be identical to the electronic project proposal delivered to the provider electronically through the information system.
- e) Project proposals may not be sent using a data box.
- f) Print versions of project proposals must be delivered to the provider by the date announced on the website of TA CR. The complete project proposal must be placed in a single envelope marked “**Public Tender – Competence Centres programme (second stage) – DO NOT OPEN!**” with the applicant's name and address. All sheets of paper that the project proposal consists of, including attachments on behalf of the project (see Article 4.4, part Attachments), must be firmly bound (tied) in one piece so as not to make it possible to take them apart. They must be also secured by an interweaving thread or a ribbon whose ends will be taped over, and one piece of the tape will be stamped to overlap on the last sheet of the project proposal, so that it would not be possible to remove or add individual sheets (or tied with book binding). Only one project proposal may be in one envelope.
- g) Attachments on behalf of the applicant/other participant/applicant founder/foreign participant (comp. Article 4.4.1) will be sent together in a separate envelope marked

**“ATTACHMENTS – Public Tender – Competence Centres programme (second stage) – DO NOT OPEN!”**. All sheets of paper that the attachments consist of must be firmly bound (tied) in one piece so as not to make it possible to take them apart. They must be also secured by an interweaving thread or a ribbon whose ends will be taped over, and one piece of the tape will be stamped to overlap on the last sheet of the attachments, so that it would not be possible to remove or add any attachments.

- h) Only such project proposal is considered a complete project proposal that contains all required information, attachments on behalf of the applicant/other participant/applicant founder/foreign participant (sent in a separate envelope), attachments on behalf of the project, and is signed by person/persons authorised to act on behalf of the applicant and other project participants, who also has the authority to sign on behalf of the organisation (according to the attached statement from the Company Register, Trade Register, foundation charter or foundation deed). A person authorised to act on behalf of the applicant/other participant is a member of a statutory body. In case that, in accordance with the applicant's/other participant's internal regulation, more members of the statutory body are required for negotiations, or this obligation arises from other legal regulations, the title page of the project must be signed by all of these members. A person authorised to act on behalf of the applicant/other participant is a person acting on the basis of full powers. If it is not a case of a statutory authorisation (e.g. Section 13, Paragraph 3 of the Commercial Code), the project proposal must include the original full powers (not older than 90 days) or a verified copy of the full powers (not older than 90 days).
- i) Every applicant must prove their eligibility (comp. Articles 3.1 and 4.4.1).

#### **4.4. Project Application Outline – Second Stage**

Project proposals for the second stage of the public tender are submitted **in the Czech language**.

1. Strategic Research Agenda (SRA)
  - specification of main and partial goals,
  - description of SRA implementation,
  - project investigation, used methods, processes etc.,
  - expected results and their application potential,
  - specification of work packages,
  - market research (attachment),
2. Consortium/Competence Centre
  - specification of consortium members,
  - investigation team: composition, experiences etc.,

- students and beginner researchers: number, participation, quality, horizontal mobility etc.,
  - specification organisational structure,
3. Quantification of external relations:
- national (universities, research organisations, enterprises, professional associations etc.),
  - international relations of consortium members,
4. Financial plan
- specification of costs,
  - specification of co-financing by consortium members,
  - economic preparedness of consortium members,
  - project schedule (Gantt chart),
5. Motivational effect of support
- import of support allocation,
  - motivational effect on individual consortium members,
6. Risk analysis

#### **4.4.1. Attachments**

##### **4.4.1.1. Attachments on Behalf of Applicant/Other Participant Based on Their Type**

Attachments on behalf of the applicant/other participant will be sent together in a separate envelope marked “ATTACHMENTS – Public Tender – Competence Centres programme (second stage) – DO NOT OPEN!”. All sheets of paper that the attachments consist of must be firmly bound (tied) in one piece so as not to make it possible to take them apart. They must be also secured by an interweaving thread or a ribbon whose ends will be taped over, and one piece of the tape will be stamped to overlap on the last sheet of the attachments, so that it would not be possible to remove or add any attachments (or tied with book binding). If the applicant/other participant submits multiple project proposals to the Competence Centres programme, a single proper proof of eligibility (attachments on behalf of the applicant) sent in a separate envelope will be sufficient. This does not concern the proof of eligibility in accordance with Section 18, Paragraph 2, item a) (professional qualifications for project investigation) where the proof of eligibility is required for all submitted projects. Apart from the project proposal, the applicants and other project participants are required to submit the following list of mandatory attachments with the project:

##### **4.4.1.1.1. Enterprise**

- regular copy of a statement from the Company Register (statement from [www.justice.cz](http://www.justice.cz)) OR a statement from the Trade Register not older than 90

days OR a regular copy of the foundation deed or charter OR some other appropriate license to perform activities if required by a special regulation,

- statutory declaration no. 1 – on behalf of the statutory representative with the authority to sign on behalf of the applicant/other participant,
- statutory declaration no. 2 – on behalf of every member of the statutory body of the applicant/other participant, with the exception of the member who signed the statutory declaration no. 1.

#### **4.4.1.1.2. Research Organisation**

##### **b) public and state university established on the basis of the law**

- statutory declaration no. 1 – on behalf of the statutory representative with the authority to sign on behalf of the applicant/other participant;

##### **c) public research institution** defined by Act no. 341/2005 Coll., on Public Research Institutions, as amended

- statutory declaration no. 1 – on behalf of the statutory representative with the authority to sign on behalf of the applicant/other participant;

##### **d) other research organisations**

- regular copy of a statement from the Company Register (statement from [www.justice.cz](http://www.justice.cz)) OR a statement from the Trade Register not older than 90 days OR a regular copy of the foundation deed or charter OR some other appropriate license to perform activities if required by a special regulation,
- statutory declaration no. 1 – on behalf of the statutory representative with the authority to sign on behalf of the applicant/other participant;
- statutory declaration no. 2 – on behalf of every member of the statutory body of the applicant/other participant, with the exception of the member who signed the statutory declaration no. 1.

#### **4.4.1.2. Attachments on Behalf of Applicant Founder**

Only submitted in case of a consortium with legal subjectivity.

- regular copy of a statement from the Company Register (statement from [www.justice.cz](http://www.justice.cz)) OR a statement from the Trade Register not older than 90 days OR a regular copy of the foundation deed or charter OR some other appropriate license to perform activities if required by a special regulation.

#### **4.4.1.3. Foreign participant (enterprise or research organisation)**

- statutory declaration no. 1 – on behalf of the statutory representative with the authority to sign on behalf of the applicant/other participant;

- statutory declaration no. 2 – on behalf of every member of the statutory body of the applicant/other participant, with the exception of the member who signed the statutory declaration no. 1.

#### 4.4.1.4. Attachments on Behalf of Project

These attachments form an integral part of the project proposal for the second stage of the public tender and are submitted on behalf of the whole project:

- **Market research,**  
Model outline of market research:
  - market extent and description,
  - prognosis of demand for the product or service,
  - consumer characteristics,
  - method and introduction of the product on the market.
- **Draft of Contract for Cooperation** or one of the documents listed in article 5 item j) if the applicant is applying to this programme as laid down in Article 3, Paragraph 3 of this submission documentation.

## 5. Other Conditions Laid Down for Applicants – Activity and Organisation of Centre

- a) Centre operation must be in accord with the main objective of the programme, which is to improve the competitiveness of the Czech Republic.
- b) The centre is being established with a view of a sustainable future, it is not a single-use project.
- c) A consortium made up of an applicant and other participants (comp. Article 8 of the Competence Centres programme) may submit an application to the programme either as a free consortium without legal subjectivity through its applicant, or as a consortium with legal subjectivity founded by stipulated entities (comp. Article 8 of the Competence Centres programme) as an enterprise or a research organisation. The legal status of consortia may not change during the public tender for the Competence Centres programme.
- d) A centre's activities must have a relevant, coherent nature. It may not be formed by separate, little-related research activities. A centre's activity is defined by the common strategic research agenda, which is structured into work packages, and its links to research and business activities in which the individual institutions already achieved proven results. The strategic research agenda is a key prerequisite for the creation and operation of a centre. It is a strategic programme document in which all participants formulate their common strategic and operational goals in research, development and innovations, which must reflect both research and application interests in a balanced fashion.

- e) All activities defined by the strategic research agenda must be divided into logically comprehensive parts, so-called work packages, within which individual research tasks are investigated by different consortium partners using the budget allocated for the given work package. Work packages must be related and interconnected so that together they form a comprehensive set of activities leading towards the fulfilment of the SRA. Project proposals contain descriptions of individual work packages (in extent depending on the stage of the public tender). Generally, all consortium members must specify their contribution to the investigation and realisation of individual work packages and related costs. There will also be a description of planned deliverables, including a schedule for the conclusion of given project stages or specific work packages, in the form of so-called milestones. The achievement of deliverables and milestones will be evaluated and monitored. The number of work packages is not strictly set by the provider, but one of them must be “project management” (methods and frequency of communication – e.g. meetings of work teams, method and form of message delivery, decision-making, control mechanisms). Every work package has a work package leader (a consortium member or an applicant founder, i.e. an enterprise or a research organisation) responsible for its execution. A detailed elaboration of work packages, including, for example, their budget and schedule (Gantt chart), will be required for the second stage of the public tender;
- f) Every consortium will appoint its own control body, a governing board. Meetings of the governing board are presided by an elected chairman, members of the governing board are representatives of the individual consortium partners, investigators or independent experts. The governing board bears material responsibility for the operation of the centre and its strategic direction and development, and passes decisions regarding fundamental operational issues. A proposed list of members and an order of procedure are a part of the proposed Contract for Cooperation. It could also be a part of one of the documents listed in item j) of this article (if the applicant is applying to this programme as laid down in Article 3, Paragraph 3 of this submission documentation). Governing board meetings must allow for the presence of a representative of the provider.
- g) Every consortium will appoint its project manager. It should be an independent person, respected by all members, tasked (by all consortium members) with control and management of the project consortium/centre as the main coordinator. Besides coordinating the management and operation of the centre, the project manager also ensures efficient internal and external communication of the centre, i.e. both communication between centre participants and uniform external communication on behalf of the centre as a whole, including representing the centre in external relations, including communication with the provider.
- h) Project proposals for the second stage of the public tender must include a draft of the contract for cooperation between the applicant and all other participants in accordance with Act no. 513/1991 Coll., the Commercial Code or draft of one of the documents listed in item j) of this article (if the applicant is applying to this programme as laid down in Article 3, Paragraph 3 of this submission documentation).

- i) At the time of the conclusion of the Contract for the Provision of Support, the Contract for Cooperation must be valid and in effect. The Contract for Cooperation:
- regulates relations between applicants participating in the operation of the centre,
  - defines the centre's activities and bodies, as well as decision-making and management competences within the centre,
  - makes provisions for the distribution of the financial contribution from TA CR,
  - regulates ownership rights for project results, application rights and intellectual property issues,
  - defines methods for dealing with internal disputes, including abuse of authority,
  - contains an agreement by project partners regarding liability for damage, compensation and potential confidentiality obligations,
  - contains provisions that set the same obligations, as the applicant has towards the provider, for other participants with regard to the performance of project investigation checks by other project participants,
  - must be signed by all participants who have together applied for project investigation,
  - must contain governing board Statutes and Order of procedure.
- j) In case a single applicant is applying to the programme, as defined in Article 3, Paragraph 3 of this submission documentation, the applicant will satisfy the obligations listed in item h) of this article by submitting any of the following documents, which will be also attached to the project proposal in the second stage of the public tender and also to the proposed Contract for the Provision of Support:
- applicant's foundation document (e.g. social contract, founding contract etc.) – if this document contains appropriate essentials in accord with item i) of this article, or
  - internal regulation – if it contains appropriate essentials in accord with item i) of this article.

## 6. Financial Matters

### ***6.1. Form of Specific Support Provision by Provider***

For the entire duration of the programme, CZK 6 016 million has been allocated from the TA CR category of the state budget. CZK 366 million will be distributed to beneficiaries within the first year of investigation following the first public tender.

The support will be given in the form of grants for legal or physical entities or by increasing the expenditures of state organisational bodies, municipal organisational bodies or organisational bodies of ministries concerned with research and development.

In accordance with Section 10, Paragraph 2 of the Act, TA CR will give the approved funds only to the beneficiary and only using a direct transfer to the beneficiary's bank account. The beneficiary's account will be credited with the entire amount of funds for a given calendar

year. Parts of the funds intended for other project participants will be transferred to these entities of the beneficiary on the basis of a concluded contract for cooperation.

If the beneficiary or other project participant is an organisational unit of the state, TA CR will ask the Ministry of Finance of the Czech Republic to perform a budget measure. Funds intended for this beneficiary, or other project participant, will be transferred through a budget category of the corresponding founder. In case the other project participant is an organisational unit of the state, the grant beneficiary will receive support less this part of the funds.

The provider places a lot of emphasis on maximum efficacy and purposefulness of funds extended from the state budget for the support of applied research, experimental development and innovations. For this reason, the provider will pay much attention to whether project goals are achieved, both during the continuous year-round monitoring of investigated projects and during the in-depth evaluations performed every two years. If these evaluations indicate that a project is failing to fulfil its objectives, the provider reserves the right to initiate a process for the termination of project funding with the beneficiary. The beneficiary will be informed of the entire procedure and the method used for the termination of project funding in a timely manner.

Projects with a period of investigation exceeding 48 months must satisfy the conditions laid down in Article 8 of this submission documentation in order to receive support for the period starting with the 49th month.

## **6.2. General Rules of Eligible Costs**

Support will be provided to cover eligible project costs defined in accordance with the Act and the Framework. Only costs incurred after the date when the Contract for the Provision of Support came into effect or the Decision on the Provision of support was issued may be considered eligible. However, if the Contract for the Provision of Support comes into effect or the Decision on the Provision of support is issued on a later date than the date listed as the beginning of project investigation in an approved project proposal, costs incurred in between these dates will be regarded as costs incurred after the contract comes into effect. This public tender accepts projects that plan the start of project investigation on 1 March 2012 or later.

All eligible project costs must be assigned to specific categories of research and development, i.e. to applied research or experimental development.

Every request must be specified and properly substantiated with regard to the necessity of its use in the project. The information will be stated for the entire duration of the project to an extent relevant for each stage of the public tender.

Regardless of the type of beneficiary, the maximum extent of support for one project is 70% of overall approved costs. The provider will determine the amount of approved costs for a given project and the amount of specific support on the basis of a two-stage process of project proposal evaluation within the published programme.

Applicants are obligated to keep separate accounting records for all eligible costs or project expenses.

In keeping with Section 9, Paragraph 7 of the Act, approved costs and the related amount of support provided for project investigation for the entire period of investigation may be changed by a maximum of 50% of the amount of approved costs or the amount of support from public funds defined in the Contract for the Provision of Support or the Decision on the Provision of Support, as determined by the provider during the evaluation of the public tender in research, development and innovation. Changes in the amount of approved costs and the related amount of support must be substantiated and backed up by approved costs, and the changes must be carried out in the form of an amendment to the Contract for the Provision of Support or in the form of a new Decision on the Provision of Support. The changes must be in accord with the conditions for the provision of support laid down in the Act.

There is no legal obligation to provide funding!

### **6.3. Eligible Costs of Project Investigation**

Eligible costs must satisfy the following conditions. They must be:

- a) incurred in accord with the programme objectives and immediately related to project realisation,
- b) provably paid by the beneficiary or other project participant,
- c) documented by conclusive proofs of purchase, paid to suppliers,
- d) reasonable (must correspond with prices usual for the time and place)
- e) incurred in accord with the following principles:
  - i. economy (minimisation of costs while respecting project goals),
  - ii. purposefulness (direct relation with the project and necessity for project realisation),
  - iii. efficacy (maximisation of project input/output ratio).

#### **Eligible project costs for this programme are:**

- 1) personal costs or expenditures, including stipends,
- 2) investment costs or expenditures – acquisition of long-term tangible property (paid only from non-public funds),
- 3) investment costs or expenditures – acquisition of long-term intangible property (paid only from non-public funds),
- 4) other – other operational costs or expenditures,
- 5) other – additional costs or expenditures (overhead),
- 6) other – travel expenses,
- 7) other – costs or expenditures associated with the acquisition and recognition of industrial property rights (SME or RO)

8) operational costs or expenditures for services (max. 20% of overall eligible costs).

1) personal costs or expenditures, including stipends

- costs of salaries and mandatory insurance payments for qualified personnel (researchers, especially graduates), technical employees and other supporting personnel of the beneficiary, costs or expenditures from contracts to perform work and employment contracts, costs of stipends for students or young researchers;

2) investment costs or expenditures – acquisition of long-term tangible property (paid only from non-public funds)

- in their project proposals, applicants are obligated to state the extent and period during which the long-term tangible property will be used by the project,
- eligible costs or expenditures, deemed necessary for project investigation and associated with the acquisition of long-term tangible property, are considered to include only the part of the initial investment equal to the amount of depreciation costs that correspond with the period of project duration and the extent and period for which the property was used for the purposes of project investigation, calculated with the use of standard accounting procedures,
- book depreciation or tax depreciation may be used for depreciation, with the following restriction in the case of book depreciation: if you use book depreciation, the period of depreciation may not be shorter than the period stipulated for tax depreciation (in accordance with Act no. 563/1991 Coll.),
- costs of the acquisition of long-term tangible and intangible property (together) may amount to a maximum of 20% of overall approved costs, and it is not possible to cover them from the support from the Competence Centres programme.

3) investment costs or expenditures – acquisition of long-term intangible property (paid only from non-public funds)

- eligible costs or expenditures, deemed necessary for project investigation and associated with the acquisition of long-term intangible property, are considered to include only the part of the initial investment equal to the amount of tax depreciation that correspond with the period of project duration and the extent and period for which the property was used for the purposes of project investigation, calculated with the use of standard accounting procedures (technical knowledge, patents, software),
- costs of the acquisition of long-term tangible and intangible property (together) may amount to a maximum of 20% of overall approved costs, and it is not possible to cover them from the support from the Competence Centres programme.

4) other – other operational costs or expenditures

- other operational costs or expenditures incurred in direct relation with project investigation (such as material, reserves and small tangible and intangible property kept in separate records in accordance with a special legal regulation<sup>2</sup>),
  - costs or expenditures associated with operating or maintaining long-term tangible property with a service life of 1 year or more, or tangible property with operational technical functions longer than 1 year that was not acquired with public funds and is, at the same time, used for project investigation and whose purchase price was higher than CZK 40 000; a part of depreciations in an amount corresponding to the time and extent of expected use of this property for project investigation.
- 5) other – additional costs or expenditures (overhead)
- additional (overhead) costs or expenditures incurred in direct relation with project investigation, such as administrative costs, expenditures for supporting personnel and infrastructure, energy and services – unless they are already listed in other categories. Overhead costs must be project-related, must be recorded in accord with the methodology for recording real indirect costs and must be always specified. These costs and expenditures must be recorded in accord with the methodology for recording real indirect costs, i.e. “full cost model”, or on the basis of a fixed rate of 20% for all types of beneficiaries.
- 6) other – travel expenses
- travel expenses incurred in direct relation with project investigation, travel expenses up to the amount specified for employers listed in Section 109, Paragraph 3 of the Labour Code; eligible travel expenses are based on the necessary length of a business trip, with at least one day including provable active participation by the employee (e.g. participation in a meeting, presentation at a conference).
- 7) other – costs or expenditures associated with the acquisition and recognition of industrial property rights (SME or RO)
- for small and medium-sized enterprises and for research organisations: costs or expenditures associated with the acquisition of industrial property rights arising from project results (fees, translations),
  - expenses incurred in relation to potential legal disputes cannot be considered eligible.
- 8) operational costs or expenditures for services
- operational costs or expenditures for services incurred in direct relation with project investigation (e.g. collection of data – questioner network, publication of project results). The supplier for these orders may not be any member of the investigation team, nor any other employee of the beneficiary or co-beneficiary, or

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<sup>2</sup> Act No. 563/1991 Coll., on accounting, as amended.

- a person connected (in the sense of Section 23, Paragraph 7 of the Act on Income Taxes) with the beneficiary, co-beneficiary, investigator or co-investigator,
- the amount of funds for the acquisition of services is limited to 20% of the overall eligible costs; costs for the protection of intellectual property rights are not included in the 20% limit on services.

## 7. Evaluation of Project Proposals

### *7.1. System of Evaluating Project Proposals – First Stage*

Project proposals, delivered in accordance with the published conditions for the acceptance of project proposals, will be evaluated by a commission for the evaluation of project proposals to determine whether they satisfy the conditions for the acceptance of project proposals in the public tender in research, development and innovation.

Project proposals will be further evaluated by independent opponents and an independent advisory body of the provider – the Programme Board. Meetings of the Programme Board are governed by the approved statutes and order of procedure available from the web at [www.tacr.cz](http://www.tacr.cz).

Every project proposal will be evaluated by two Czech and two foreign opponents who do not participate in project investigation, satisfy the condition of not being prejudiced and do not work for any of the organisations.

Opponents will write up an expert report for each project they have been assigned in which they will assign a point rating to each criterion. They will also provide reasons for their assessment of each criterion and the project as a whole.

Subsequent evaluations will be carried out by the individual members of the Programme Board who will write up a final evaluation report for each project proposal, which will summarise the contents of all opponent reports pertaining to a given project proposal. The conclusion of the report will contain a recommendation for the Programme Board stating whether they recommend the project proposal for the second stage of the public tender or not.

The Programme Board will discuss the final evaluation reports, propose an order of project proposals and turn the results of its evaluation over to the Board of TA CR, which will approve project proposals progressing to the second stage of the public tender.

The number of project proposals advancing to the second stage of the public tender in research, development and innovation will correspond to a number of projects that could be financed by a double of the programme's funds for 2012.

On the occasion of the announcement of results of the first stage of the public tender, applicants advancing to the second stage of the public tender will be asked to complete their project proposals in accordance with the submission documentation. Project manager of the consortium will be also given supporting materials in the form of the final evaluation report.

## **7.2. Evaluation Criteria – First Stage**

### **I. Binary criteria**

1. Does the strategic research agenda represent a set of strong activities with sufficiently ambitious, concrete and quantifiable goals leading to the improvement of the competitiveness of the CR?
2. Does the quality of the consortium's composition guarantee sufficient capacities for the fulfilment of the goals presented by the strategic research agenda?

### **II. Point criteria**

1. Strategic research agenda (SRA) (max. 30 points, threshold value 18 points)
  - 1.1. Quality, topicality and feasibility of the strategic research agenda
    - 1.1.1. Is the definition of the SRA sufficient with regard to the situation of research in the given area?
    - 1.1.2. How does the SRA reflect the current situation in research in related or dependent areas?
    - 1.1.3. Is the general approach towards the investigation of the SRA adequate with regard to the project's stated goals?
  - 1.2. Accord of goals and expected benefits of the SRA with the objectives of the programme
    - 1.2.1. Are the goals of the project relevant with regard to global challenges in the context of the ERA?
    - 1.2.2. Does the SRA create conditions for broader application of results in practice?
    - 1.2.3. Do the expected results have a realistic chance of (market) application in practice?
    - 1.2.4. Does the SRA react to specific identified market opportunities?
  - 1.3. Complexity of the SRA in relation to stated goals
    - 1.3.1. Does the SRA and the proposed approach towards the investigation of the SRA take sufficiently into consideration all related aspects of research and practical application?
2. Quality and readiness of the consortium and the character of collaboration within the centre (max. 15 points, threshold value 9 points)
  - 2.1. Quality and readiness of the consortium
    - 2.1.1. Previous experiences with investigation of complex, long-term projects.
    - 2.1.2. Balance in the consortium with regard to research and application orientation.
    - 2.1.3. Complementarity of knowledge and experience of the individual partners for the investigation of the SRA.

- 2.2. Collaboration within the centre
  - 2.2.1. Extent a method of participation of ROs and enterprises in the centre.
3. Organisational provisions for centre activities (max. 20 points, threshold value 12 point)
  - 3.1. Does the organisational structure of the centre correspond with the character of collaboration within the centre?
  - 3.2. Are there provisions for a responsible project management and a possibility for a balanced assertion of interests of the individual partners?
  - 3.3. Is the role of a project manager laid down and defined?
4. External relations of the centre (max. 10 points, threshold value 6 points)
  - 4.1. Relations with universities, ROs and enterprises, or professional associations outside of the centre
    - 4.1.1. Relations with education in the given area
    - 4.1.2. Relations with technology platforms or other cooperation groups
  - 4.2. International relations
    - 4.2.1. Existing international relations of consortium partners
    - 4.2.2. Ambitions for further development of international relations
5. Economic and time indicators of the project (max. 25 points, threshold value 15 points)
  - 5.1. Proving the capacity to finance 30% of the project from non-public sources
    - 5.1.1. Is there a listing of specific contributions by the individual participants from non-public sources?
  - 5.2. Adequacy of the project schedule
    - 5.2.1. Does the project investigation schedule correspond with stated goals?
    - 5.2.2. Is the time reserved for the implementation of results in practice sufficient?
  - 5.3. Adequacy of the proposed overall approved costs of project investigation
    - 5.3.1. Does the overall amount of approved costs correspond with the stated goals of the SRA?
  - 5.4. Generation of additional resources for the implementation of the SRA
    - 5.4.1. Is there a plan to acquire additional resources (public resources outside of TA, projects from other framework programmes of the EU, non-public) during the investigation of the project in order to realise related projects (with separate costs)?

### **7.3. System of Evaluating Project Proposals – Second Stage**

Project proposals, delivered in accordance with the published conditions for the acceptance of project proposals, will be evaluated by a commission for the evaluation of project proposals to determine whether they satisfy the conditions for the acceptance of project proposals.

Project proposals will be further evaluated by independent opponents, an Expert evaluation commission and an expert advisory body of the provider – the Programme Board. Meetings

of the Programme Board and the Expert evaluation commission are governed by the approved statutes and order of procedure available from the web at [www.tacr.cz](http://www.tacr.cz).

Every project proposal will be evaluated by three Czech opponents and an assigned reporter chosen from among the members of the Expert evaluation commission. Neither the opponents, nor the reporter participates in project investigation, but they all satisfy the condition of not being prejudiced and do not work for any of the organisations.

Opponents will write up an expert report for each project proposal they have been assigned in which they will assign a point rating to each criterion. They will also provide reasons for their assessment of each criterion and the project as a whole. The reporter will introduce the project at the meeting of the Expert evaluation commission, state his or her professional opinion of the project and the opinions of the opponents. The meeting of the Expert evaluation commission will result in the compilation of an order of projects, which will be submitted to the Programme Board.

The Programme Board will subsequently discuss the order of project proposals and turn the results of its evaluation over to the Board of TA CR, which will decide whether to provide support or not.

Prior to the signing of contracts, negotiations may be held with some of the applicants regarding particular conditions for the provisions of support. The main subject of negotiations will be financial issues (changes to the extent of support), legal aspects of project realisation or other issues pertaining to definitions of competences and contractual relations between partners.

#### ***7.4. Evaluation Criteria – Second Stage***

1. Strategic research agenda (SRA) (max. 24 points, threshold value 14 points)
  - 1.1. Specification of main and partial goals
    - 1.1.1. Are the partial goals internally and mutually consistent and in direct relation to achieving the main goals of the project?
  - 1.2. Proposed method for implementing the SRA
    - 1.2.1. Is the contents and schedule of individual work packages appropriate in view of the goals and expected project results?
    - 1.2.2. Is the flow and interconnectedness of individual work packages ensured in order for them to together lead towards the fulfilment of the goals of the project?
  - 1.3. Are the used research and development methods, laboratory procedures etc. relevant with regard to the stated goals?
  - 1.4. Has knowledge been proven of investigations of analogous problems abroad and has the proposed solution been compared with the current situation in the Czech Republic and abroad with regard to technical, economical and ecological parameters, quality and price?

- 1.5. Expected project results
    - 1.5.1. What is the benefit of establishing the centre compared to current situation?
    - 1.5.2. Is the portfolio of expected results balanced with regard to directly applicable results and results developing knowledge in the given area?
  - 1.6. Application potential of expected results of R&D
    - 1.6.1. Has the usefulness and potential for application of results been substantiated by a market research?
    - 1.6.2. Has the beneficiary's ability to apply project results in practice been substantiated by previously realised cases and/or an implemented system for commercialisation or other application of the research and development results?
2. Quality and readiness of the consortium and the character of collaboration within the centre (max. 16 points, threshold value 10 points)
- 2.1. Consortium members and the investigation team
    - 2.1.1. Is the participation of the individual consortium members in the project balanced with regard to their contributions to work packages (i.e. in relation to approved costs of the work packages)?
    - 2.1.2. Is there a guarantee of a complementarity of professional orientations of the individual project participants on the level of the centre and the level of work packages?
    - 2.1.3. Does the applicant (beneficiary) and other participants possess a provable capacity to provide material and technical support to the project, including the implementation of results on the required level (technical equipment, space, material, supporting technical and service personnel, or production and laboratory capacities etc.)?
    - 2.1.4. Do the project participants and members of the investigation team have provable experiences necessary to achieve project goals and results and apply them in practice?
    - 2.1.5. Is the composition of the investigation team adequate and balanced with regard to planned activities (expertise, experience, length of practice)?
  - 2.2. Participation of students and beginner researchers
    - 2.2.1. Do Ph.D. students and beginner researchers participate in the project?
    - 2.2.2. Is their representation and activities adequate to their experiences?
    - 2.2.3. How does the project provide for the mobility of students and beginner researchers between the public and private sectors (i.e. horizontal mobility)?
3. Organisational provisions for centre activities (max. 16 points, threshold value 10 points)

- 3.1. Does the organisational structure of the centre allow for a timely identification of problems related to project investigation (e.g. overdue fulfilment of individual activities, deviations from stated goals etc.)?
  - 3.2. How does the project management guarantee an equal position for all individual partners with regard to the possibility to assert their interests?
  - 3.3. What are the project's organisational provisions for ensuring conditions for an efficient transfer of knowledge and the application of results in practice?
4. External relations of the centre (max. 6 points, threshold value 4 points)
- 4.1. Are there provisions for ensuring efficient relations of the centre with other research organisations, enterprises or professional associations outside of the centre?
  - 4.2. Do existing international relations of the consortium partners create conditions for the realisation of research on an internationally comparable level?
5. Economic efficacy of the project (max. 20 points, threshold value 12 points)
- 5.1. Are the proposed overall approved costs of project investigation and costs of work packages investigation adequate to expected results?
  - 5.2. Are there provisions for co-financing – stability and trustworthiness of non-public funding sources?
  - 5.3. Does the applicant (beneficiary) and other project participants have economic potential to complete the investigation of the project and subsequently apply its results in practice?
6. Motivational effect of support (max. 6 points, threshold value 4 points)
- 6.1. What is the significance of the provision of support for the establishment of the centre in comparison to a zero-variant (i.e. no support provided) with regard to the extent, goals and speed of realisation of the project?
  - 6.2. What motivational effect does the support have on the individual consortium members with regard to the intensity of their participation in centre activities and the orientation of their future research and business activities?
7. Risk analysis (max. 12 points, threshold value 7 points)
- 7.1. Is the included risk analysis trustworthy enough?
  - 7.2. Does the risk analysis take into consideration all aspects relevant to a successful realisation of the project (changes in the investigation team, changes in financial situations of the partners)?
  - 7.3. Does the risk analysis propose adequate solutions for each listed risk?

## 8. Provision of Support for the Period of Investigation Starting with the 49th Month

Projects investigated for more than 48 months must satisfy the following requirements to receive support for the period starting with the 49th month:

- The intermediate evaluation of the project, which will be carried out by the provider no later than 42 months into the investigation of the project, will be satisfactory with regard to the fulfilment of the objectives of the strategic research agenda and the objectives of this programme. Other conditions for the provision of public funds will have been also met. The provider will confirm the satisfaction of these conditions on the basis of controls carried out in accordance with Section 13 of the Act.
- The beneficiary submits a proposal for project investigation in the next period (further 48 months), and this proposal will be considered satisfactory by the provider.

Unless these conditions are satisfied, the provider will proceed to terminate the financing of the project after the 48th month of investigation.

### 8.1. Evaluation Process

The evaluation of proposals for the investigation of projects in the next period will be carried out by the provider on the basis of proposals for investigation in the next period submitted by beneficiaries no later than by the end of the 42nd month of project investigation.

Proposals for the investigation of projects in the next period, delivered in accord with the published conditions for the acceptance of proposals for project investigation, will be evaluated by opponents and an expert advisory body of the provider.

Opponents will write up an expert report for each project they have been assigned in which they will assign a point rating to each criterion. They will also provide reasons for their assessment of each criterion and the project as a whole.

The reports will include evaluations of hitherto activities and results of centres. Both professional (fulfilment of the goals of the strategic research agenda) and economic (efficacy) aspects of centre operation will be taken into consideration. A second focus of the evaluations will be concerned with future strategies of centre operations.

The expert advisory body will discuss all proposals for project investigation from the 49th month onward and, on the basis of opponent evaluations and its own assessment, propose an order of the projects. The Board of TA CR will then decide whether to provide support for project investigation from the 49th month onward or not. There is no legal obligation to provide funding. In case the conditions for the provision of support for project investigation from the 49th month onward are not satisfied, the provider will proceed to terminate the project.

Provider's decisions cannot be appealed, but applicants may file a complaint with the Control Board of TA CR regarding the procedure adopted by the provider during project proposal evaluation.

## **8.2. Evaluation Criteria**

Proposals for the provision of support for the investigation of projects in the period starting with the 49th month will be evaluated mainly on the basis of:

- hitherto achieved results,
- proposed method of implementation of the strategic research agenda,
- application potential of expected R&D results,
- adequacy of costs for the implementation of the strategic research agenda,
- extent and character of collaboration within the consortium,
- method of organisational arrangement of the centre's activities and
- submitted Implementation plan.

## **9. Publication of Information about Projects**

In accordance with the Act, the Technology Agency CR has the right to publish information specifying a project, name and investigation subject of a project, its beneficiary, investigator, other participant and the person responsible to the other participant for project investigation, period of project investigation, overall project costs and their classification, amount of support with a specification of expenses from the state budget, stage of information confidentiality and, following the conclusion of a project, its evaluation by the provider.

Confidential information, such as details of investigated questions and their solutions, names of opponents and their evaluations, or investigators' personal data, will not be published by TA CR. Information about rejected projects will not be published.

In accordance with Section 31, Paragraph 3 of the Act and the government regulation No. 397/2009 Coll., on an information system for research, experimental development and innovation, beneficiaries are obligated to submit to the provider information about projects, their results, activities in research, development and innovations and the results of research organisations in the extent laid down in Sections 2 and 4 of the government regulation No. 397/2009 Coll., on an information system for research, experimental development and innovation. The provider will then submit this information into the research and development information system.