

Announcement of a 2010 Public Tender in Research, Experimental Development and Innovations to Submit Proposed Research and Development Projects in the GESHER/MOST Programme

Ministry of Education, Youth and Sports

ANNOUNCEMENT OF A 2010 PUBLIC TENDER IN RESEARCH, EXPERIMENTAL DEVELOPMENT AND INNOVATIONS TO SUBMIT PROPOSED RESEARCH AND DEVELOPMENT PROJECTS IN AN INTERNATIONAL COOPERATION PROGRAMME BETWEEN THE CZECH REPUBLIC AND THE STATE OF ISRAEL IN APPLIED RESEARCH AND EXPERIMENTAL DEVELOPMENT GESHER/MOST

Pursuant to Act No. 130/2002 Coll., which makes provision with respect to supporting research, experimental development and innovations from public funds, as amended (hereinafter referred to as the “Act on the Support of Research, Experimental Development and Innovations”), and with view to the Agreement between the Government of the Czech Republic and the Government of the State of Israel on Bilateral Cooperation for the Support of Industrial Research and Development in the Private Sector concluded on 30 March 2009, implemented by Ministry of Education, Youth and Sports and Ministry of Industry and Trade, the Ministry of Education, Youth and Sports (hereinafter referred to as the “Provider”) and CzechInvest, an Investment and Business Development Agency (hereinafter referred to as “CzechInvest”), acting in its capacity as implementing agency of the GESHER/MOST international cooperation programme between the Czech Republic and the State of Israel (hereinafter referred to as the “GESHER/MOST Programme”), hereby announce a public tender in research, experimental development and innovations (hereinafter referred to as the “Public Tender”) in 2010 to submit proposed research and development (hereinafter referred to as the “R&D”) projects in the GESHER/MOST Programme.

Subject Matter of the GESHER/MOST Programme

The subject matter of the GESHER/MOST Programme is to support the participation of Czech companies involved in research and development in cooperation with their partner companies in the State of Israel in applied research and/or experimental development projects.

Objectives of the GESHER/MOST Programme

The objective of the GESHER/MOST Programme is to provide institutional aid for the implementation of selected R&D projects with the aim of promoting international cooperation between companies of both contracting parties, i.e. the Czech Republic and the State of Israel, in applied research and experimental development in the field of:

- Information and communication technologies;
- Sustainable and clean technologies;
- Agricultural and food-processing technologies;
- Biotechnologies and medical technology;
- Engineering (new materials, nanotechnologies, cybernetics and robotics);

and hence promote international cooperation in applied research, growth of Czech companies’ competitiveness and creation of new innovated products and services.

Proof of the Applicant's Eligibility

Pursuant to the provision of S. 18 of the Act on the Support of Research, Experimental Development and Innovations an applicant has to prove its eligibility to implement a proposed R&D project, including a proof of its professional prerequisites to implement an R&D project, proof of its licence to do business or another required licence, affirmation and due filling in of a software application form.

Provided more than one applicant jointly applies to implement one project, the duty to prove eligibility applies to all the applicants.

A failure to meet the condition to prove eligibility pursuant to the Act on the Support of Research, Experimental Development and Innovations is a reason to disqualify the submitted proposed R&D project from further evaluation and assessment.

Other Terms and Conditions of the 2010 Public Tender

In accordance with the provision of S. 17(3) of the Act on the Support of Research, Experimental Development and Innovations the Provider announces the following other terms and conditions:

- (a) An applicant for institutional aid from the GESHER/MOST Programme may only be a company defined in Part 2.2(a) and (b) of the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01), within the meaning of S. 2(2)(j) of the Act on the Support of Research, Experimental Development and Innovations; if need be, in cooperation with a public higher education institution, public research institution and/or other research entities that may be qualified as research organisations pursuant to Article 2.2(d) of the Community Framework. However, the above institutions as such cannot become applicants for institutional aid.
- (b) At least one participant from the Czech side and one participant from the Israeli side that do not have the same owner or promoter have to participate in each project. An application to grant institutional aid filed only with the Czech implementing agency (without its simultaneous filing with the Israeli implementing agency by the pertinent Israeli participant) is a reason to disqualify the proposed project from further evaluation and assessment.
- (c) Work on implementing the project by a Czech participant must not be launched before the decision to select the project to grant institutional aid is issued. Eligible costs for the purposes of institutional aid will be costs incurred from the day when the decision to grant institutional aid is issued.
- (d) The period of project implementation must not exceed 36 month from the day the decision to grant institutional aid is issued.
- (e) Applied research projects will receive institutional aid in the basic amount of up to 50% of eligible costs and development projects will receive institutional aid in the basic amount of up to 25% of eligible costs. Provided a company cooperates with a research institution, the possibility of a further bonus will be used so as to determine the amount of institutional aid pursuant to Article 3.2.2 and 5.1.3(b)(ii) of the Community Framework.
- (f) A research institution may participate in an R&D project with a maximum of 30% of total eligible project costs. Eligible costs of a research institution may receive aid up to the amount of 100%.
- (g) The following costs may be considered eligible:

- *Staffing costs (research workers, technicians and other support staff to the extent necessary for the purposes of a research project);*
 - *Costs of tools and equipment to the extent and for the period when they are utilised for the given R&D project; provided the whole service life of the above tools and equipment does not end with the project, eligible costs comprise only costs of depreciation that equals the duration of the project, calculated with the help of due accounting procedures;*
 - *Costs of contractual research, technical knowledge and patents either purchased or licensed from external parties at market prices provided the transaction took place under the conditions of free competition and no discrepancy occurred; as well as costs of advisory and equal services used solely for the purposes of research activities;*
 - *Additional overhead costs incurred immediately and directly in relation to the implementation of an R&D project;*
 - *Other operating costs including costs of material, supplies and similar products incurred directly as a result of implementing research activities.*
- (h) The minimum amount of institutional aid for a project in one calendar year stands at **CZK 500,000**. The maximum amount of institutional aid for a project in one calendar year must not exceed **CZK 4 million**. Recommended amount of institutional aid in one calendar year is approx. **CZK 2 million**. Institutional aid is provided once a year to the account of the aid beneficiary.

An applicant meets the terms and conditions for a proposed project to be accepted in the 2010 Public Tender provided it adheres to the elements of the submitted proposed project, meets other terms and conditions set forth by the Provider and submits a draft settlement of mutual relations among the applicants (i.e. among the beneficiaries or among the beneficiary and the co-beneficiary/co-beneficiaries).

Compliance with the conditions for a proposed project to be accepted will be evaluated by a commission charged with receiving proposed projects appointed by the Provider. The Czech side of the Joint Committee will decide on whether a proposed project will be accepted in the Public Tender.

For instance the following will be considered as a failure to meet the terms and conditions for a proposed project to be accepted:

- Late delivery of a proposed project in the CzechInvest filing room or delivery of the proposed project to another place than specified;
- Use of another than the valid version of the e-PROJEKT software application form;
- Submission of an incomplete or wrongly filled in proposed project;
- Failure to prove the applicant's eligibility in accordance with the provision of S. 18 of the Act on the Support of Research, Experimental Development and Innovations;
- Discrepancy between the documentary and software form of the proposed project;
- Failure to meet any of the above other terms and conditions of participation in the 2010 Public Tender pertaining to the GESHER/MOST Programme is also a reason to disqualify a proposed project from further evaluation and assessment.

Mode of, and Criteria for, Evaluating Proposed Projects

Proposed projects, delivered in accordance with the announced terms and conditions for proposed projects to be accepted, will be evaluated under valid legal regulations by the Czech side of the Joint Committee, which is the Provider's expert advisory body pursuant to S. 21(4) of the Act on the Support of Research, Experimental Development and Innovations. CzechInvest will provide for at least two opponent reviews for each proposed project as a

basis for assessment and evaluation of the proposed project by the Czech side of a Joint Committee.

A Joint Committee comprising representatives of the Czech and Israeli side will decide on the final selection of the submitted proposed projects. The Joint Committee will submit a list of selected R&D projects in the GESHER/MOST Programme to the Provider.

Successful applicants will receive a decision on granting institutional aid from public funds and will receive R&D institutional aid for the implementation of their respective projects.

Terms of Reference

The terms of reference are available at www.msmt-vyzkum.cz and www.czechinvest.org during the whole tender period (see below). The terms of reference, i.e. a set of source materials and information necessary to prepare and submit an R&D proposed project in the GESHER/MOST Programme, which then serves as the applicant's application to grant institutional aid, serve as a handbook for applicants in the 2010 Public Tender.

The text of the announcement of the 2010 Public Tender and the terms of reference are also available from the contact persons of the GESHER/MOST Programme.

Tender Period and Evaluation Period

The tender period starts on 1 April 2010 and ends on 17 May 2010 at 2:00 p.m.

The evaluation period starts on 18 May 2010 and ends on 15 September 2010.

Results of the Public Tender will be published at www.czechinvest.org and www.msmt-vyzkum.cz by 15 September 2010.

Place and Mode of Submission of Proposed Projects and Deadline for Submitting Proposed Projects

Proposed projects in the R&D Public Tender have to be prepared using the prescribed e-PROJEKT software application form available at www.msmt-vyzkum.cz and www.czechinvest.org; i.e. only proposed projects prepared by the applicant (applications in English and using the up-to-date version of the software application form) will be included in the 2010 Public Tender.

A proposed project has to be sent **electronically** by using the e-PROJEKT application (electronic application) by the latest by the deadline for receiving proposed projects, i.e. by 17 May 2010 by 2:00 p.m.

At the same time **one printed copy** of each R&D proposed project in the GESHER/MOST Programme has to be delivered, prepared by using the e-PROJEKT web application and signed by the authorised representative/authorised member/s in accordance with the charter or memorandum of association, together with an extract from the Commercial Register in a closed envelope addressed to the CzechInvest implementing agency “**CzechInvest, Štěpánská 15, 120 00 Praha 2**”, stating the title of the programme “**GESHER/MOST**” and a notice “**Veřejná soutěž 2010 – NEOTVÍRAT!**” [“**2010 Public Tender – DO NOT OPEN**”]:

- Either by registered post (in that case the envelope has to be provided with a postmark of 16 May 2010 at the latest as the day of submitting the application); or
- In person in the filing room of the CzechInvest implementing agency by the given deadline for receiving applications, i.e. by 17 May 2010 by 2:00 p.m.

The applicant is responsible for the timely delivery of a complete proposed project in accordance with the terms and conditions of, and criteria for, the announced 2010 Public Tender.

Important Notice:

Each envelope may contain only one complete proposed R&D project of the GESHER/MOST Programme.

There is no legal title for institutional aid to be granted in this Public Tender.

Pursuant to the provision of S. 24 of the Act on the Support of Research, Experimental Development and Innovations the Provider may cancel the announced Public Tender at any time.

An applicant may withdraw from its participation in the 2010 Public Tender at any time and is obliged to notify the CzechInvest implementing agency of this fact within 7 calendar days.

Contact Persons of the GESHER/MOST Programme

Ministry of Education, Youth and Sports:

Mgr. Libor Daněk

Karmelitská 7

118 12 Prague 1

Tel.: +420 234 811 154

Fax: +420 234 811 713

E-mail: libor.danek@msmt.cz

CzechInvest, Investment and Business Development Agency:

Ing. Marie Lejčková

Štěpánská 15

120 00 Praha 2

tel: +420 296 342 450

mobil: +420 724 372 817

e-mail: marie.lejckova@czechinvest.org

Ing. Ondřej Medovič

Štěpánská 15

120 000 Praha 2

tel: +420 296 342 864

fax: +420 296 342 502

e-mail: ondrej.medovic@czechinvest.org