

Annex No. 2 – Selection Criteria

INNOVATION Programme – Innovation Project

Call IV – II. continuation

Differentiation of selection criteria

The following types of criteria exist for every project:

- I. **Binary criteria** – YES/NO type criteria. All such criteria must be fulfilled in order for a project to advance further.
- II. **Points criteria** – these criteria serve for assessment of the given project's innovation parameters. In order for a project to be approved, it must receive at least the minimum number of points.

The applicant's financial health is the only binary criterion assessed upon submission of the registration application.

The applicant's financial health	YES – NO
a) Assessment of the applicant's financial and non-financial health (rating)	YES – NO
b) Evaluation of the applicant's links to other economically related entities	YES – NO
<p><i>Commentary:</i></p> <p>a) The applicant's rating includes the assessment of the applicant as at the date of submission of the registration application on the basis of the applicant's two-year history (i.e. the last two closed accounting periods) and the current quarter of the year. It is designed so that it reflects the applicant's financial and non-financial situation during the monitored period.</p> <p>b) It further assesses the entities of the economically related group (parent company, subsidiaries and other entities) and their links to troubled external business entities (negative information pertaining to, for example, bankruptcy, liquidation, execution, debtors) and liabilities thereof. <i>Information required for assessment:</i></p> <ul style="list-style-type: none"> • <i>Data from financial statements provided when submitting the registration application</i> 	

Selection criteria for product and process innovation

(supported activities a) and b) pursuant to Article 1.1. of the Call)

I. Binary Criteria

1.	The project is focused on the realisation of at least one of the supported activities defined in item 1.1 a) b) of the programme in the meaning of the definition of basic terms for product and process innovation.	YES – NO
	Product innovation	YES – NO
	Process innovation	
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • <i>Feasibility study – section 3.1-3.3, 4.1-4.4</i> 	

2.	The project's connection with R&D activities (use of R&D results, technology transfer, patents, licenses). The project must fulfil the following conditions:	YES – NO
	Development has already been completed.	YES – NO
	The project uses the results of proprietary R&D, R&D results arising through cooperation or in the form of technology transfer during implementation of the project.	YES – NO
	a) In the case of using R&D results arising from the applicant's own activities or through cooperation, the applicant shall have available a functional prototype or functional utility model. b) Within technology transfer, the applicant must demonstrate the existence of the functional prototype/utility model and such transfer must be contractually documented.	YES – NO
	<i>Commentary:</i> For the purposes of the INNOVATION Programme, technology transfer is understood as the transfer of a technology (e.g. prototypes, technological components, etc.) or technological process (e.g. technological solution, production process, etc.) including related intellectual property (e.g. patents, licences, etc.) and know-how developed by one entity for the purpose of industrial application on the part of another entity. The documentation proving the results of research and development, transfer of technology and the existence of functional prototype/sample is the obligatory attachment of the feasibility study. The unambiguous evidence of the existence of functional prototype/sample of the products and processes of the project is demanded via for example the documentation of protocols form examinations and tests. <i>Information required for the assessment:</i> <ul style="list-style-type: none"> • Feasibility study – section 3.4, 3.5 	
3.	The project has a positive or neutral impact on the environment.	YES – NO
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> • Feasibility study – section 9 	
4.	Technical feasibility of the project	YES – NO
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> • Feasibility study – sections 4.1-4.4, 5 	
5.	Economic and financial feasibility of the project	YES – NO
	a) financial feasibility and effectiveness of the project	YES – NO
	b) market niche and feasibility of the chosen means of exploiting it	YES – NO

	<p><i>Commentary:</i> The assessment of the project's economic and financial feasibility is focused directly on the project and its feasibility both from the perspective of the feasibility of using financial resources (the applicant's own resources as well as outside resources) for financing the project and from the perspective of applicability of the solution on the market.</p> <p>Whether the costs expended on the submitted project and revenues from the project are realistic (formulation of the operating CF) and the effective parameters of the project are assessed.</p> <p>In the case of one entity applying for a subsidy of CZK 25 million within one call, the economic and financial feasibility of the project(s) will be assessed by an external economic evaluator.</p> <p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • Feasibility study – sections 10, 11 • Form containing the project's projected cash-flow and the enterprise's financial plan 	
6.	Quality of the project's elaboration	YES – NO
	a) The feasibility study is formulated in the required structure.	YES – NO
	b) Full and relevant data are set forth in the project.	YES – NO
	Information required for the assessment:	
	<ul style="list-style-type: none"> • Feasibility study 	

II. Points criteria

- The maximum number of points that a project can receive is 87 points for small and medium-sized enterprises and 81 points for large enterprises.
- The minimum point threshold for project approval in both cases is 45 points.

A. The applicant's capabilities, experience and innovation potential

1.	The share of net turnover from new or innovated products, technologies or services introduced to the market over the last three years in the total net turnover (average % of total net turnover for the last three years)	
	<ul style="list-style-type: none"> • more than 30% 	2
	<ul style="list-style-type: none"> • 15% – 30% 	1
	<ul style="list-style-type: none"> • less than 15% 	0
	in the case that the three years' statistics show a growth trend, an additional one point shall be awarded.	1
	<p><i>Commentary:</i> Net turnover = revenues from sales of the applicant's own products and services + revenues from sales of goods</p> <p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • Feasibility study – section 2.1 	
2.	Realised technology transfers over the last three years in the form of utilisation of a patent or purchase/sale of a license, utility model	
	<ul style="list-style-type: none"> • More than one transfer 	2
	<ul style="list-style-type: none"> • At least one transfer 	1
	<ul style="list-style-type: none"> • No transfer 	0
	<p><i>Information required for the evaluation:</i></p> <ul style="list-style-type: none"> • Feasibility study – section 2.2 	
3.	Cooperation with R&D institutions and/or universities over the last three years (substantiated by contracts)	
	<ul style="list-style-type: none"> • Long-term contract on joint research 	2
	<ul style="list-style-type: none"> • At least one contract (e.g. measuring, testing) 	1

	<ul style="list-style-type: none"> No contract 	0
	<p><i>Commentary:</i> Cooperation is unambiguously related to cooperation in the area of R&D and does not in any way involve guidance of dissertation work, students' mandatory work, sponsoring, etc. <i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> Feasibility study – section 2.3 Contracts on cooperation 	
4.	Cooperation with other firms in the area or research and development (substantiated by contracts)	
	<ul style="list-style-type: none"> Long-term contract on joint research 	2
	<ul style="list-style-type: none"> At least one contract (e.g. measuring, testing) 	1
	<ul style="list-style-type: none"> No contract 	0
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> Feasibility study – section 2.3 Contracts on cooperation 	
5.	Costs of increasing employees' skills over the last three years (% of expended costs out of the company's total wage costs – average for three years)	
	For SMEs	
	<ul style="list-style-type: none"> more than 0.9% 	2
	<ul style="list-style-type: none"> 0.3% – 0.9% 	1
	<ul style="list-style-type: none"> less than 0.3% 	0
	For large enterprises	
	<ul style="list-style-type: none"> more than 1.5% 	2
	<ul style="list-style-type: none"> 0.6% – 1.5% 	1
	<ul style="list-style-type: none"> less than 0.6% 	0
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> Feasibility study – section 2.4 	
6.	Employees' education structure (% share of university-educated employees in engineering-technical fields in the total number of employees)	
	<ul style="list-style-type: none"> more than 30% 	2
	<ul style="list-style-type: none"> 10% – 30% 	1
	<ul style="list-style-type: none"> less than 10% 	0
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> Feasibility study – section 2.5 	
7.	Regular market research, benchmarking, determination of customers' needs (% of expended costs out of the company's net turnover – average for three years)	
	<ul style="list-style-type: none"> More than 3% 	2
	<ul style="list-style-type: none"> 1.5% – 3% 	1
	<ul style="list-style-type: none"> less than 1.5% 	0
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> Feasibility study – section 2.6 	
8.	The company has its own R&D department or innovation strategy	
	<ul style="list-style-type: none"> There is a functioning R&D department or the company is implementing its own innovation strategy 	2

	<ul style="list-style-type: none"> There is a design department, R&D section, design workers, etc. (only in the case of SMEs). 	1
	<ul style="list-style-type: none"> There is no R&D department. 	0
	<i>The applicant shall demonstrate the organisational structure. Information required for the assessment:</i> <ul style="list-style-type: none"> Feasibility study – section 2.7 	

 B. Necessity and relevance of the project (reasons for innovation)

1.	How does the project respond to the situation on the market?	
	<ul style="list-style-type: none"> Introduction of a new/innovated product or process that will lead to opening new markets. 	6
	<ul style="list-style-type: none"> Introduction of an environmentally friendly product or process, or expansion of the product portfolio, or improvement of the quality of products which will expand the existing market segment. 	4
	<ul style="list-style-type: none"> Introduction of environmentally friendly products or processes, or expansion of the product portfolio, or improvement of the quality of products that will serve the existing market segment. 	2
	<ul style="list-style-type: none"> Only passive response to the situation on the market (retention of market share, replacement of obsolescent products, reduction of production costs, etc.); the project will serve the existing market segment. 	1
	<ul style="list-style-type: none"> No connection or the applicant has not presented a connection. 	0
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> Feasibility study – sections 3.1, 3.2, 4.7, 9, 10 	
2.	What is the project's connection with the long-term business plan?	
	<ul style="list-style-type: none"> The project builds on the long-term business plan. 	3
	<ul style="list-style-type: none"> No connection or the applicant has not presented a connection. 	0
	<i>Commentary:</i> <i>Within the feasibility study, the applicant shall present the company's history in relation to the business plan.</i> <i>Information required for the assessment:</i> <i>Feasibility study – sections 1.4, 3.1, 3.2, 4.7, 10, 11</i>	

 C. Technical parameters of the innovation project

1.	What does the process's novelty consist in (from the perspective of the technical solution)? <i>This will be assessed only in the case of realisation of activity b) process innovation.</i>	
	<ul style="list-style-type: none"> The project will bring forth a technically new process. 	6
	<ul style="list-style-type: none"> The project will bring forth a technically improved process. 	3
	<ul style="list-style-type: none"> The project will bring forth only a differentiated solution, will only modify an existing process or will bring forth only a differentiated solution without leading to significant technical changes. 	0
	<i>Information required for the assessment:</i> <i>Feasibility study – sections 3.3, 4.1-4.4</i>	
2.	What is the process's degree of novelty (in relation to the market)? <i>This will be assessed only in the case of realisation of activity b) process innovation.</i>	
	For SMEs:	
	<ul style="list-style-type: none"> new in the world 	8
	<ul style="list-style-type: none"> new in the EU 	6

	<ul style="list-style-type: none"> new in the region of Central Europe (Czech Republic, Slovakia, Poland, Hungary) 	5
	<ul style="list-style-type: none"> new in the Czech Republic 	4
	<ul style="list-style-type: none"> new for the company 	1
	<ul style="list-style-type: none"> without innovation 	0
	For large enterprises:	
	<ul style="list-style-type: none"> new in the world 	6
	<ul style="list-style-type: none"> new in the EU 	5
	<ul style="list-style-type: none"> new in the Czech Republic 	3
	<ul style="list-style-type: none"> new for the company 	1
	<ul style="list-style-type: none"> without innovation 	0
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> Feasibility study – sections 3.3, 4.1-4.4 	
3.	Type of novelty of the resulting product (from the perspective of the technical solution) <i>This will be assessed only in the case of realisation of activity a) product innovation.</i>	
	<ul style="list-style-type: none"> technically new product 	6
	<ul style="list-style-type: none"> technically improved product 	3
	<ul style="list-style-type: none"> modification of an existing product 	0
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> Feasibility study – sections 3.3, 4.1-4.4 	
4.	Degree of novelty of the resulting product (in relation to the market) <i>This will be assessed only in the case of realisation of activity a) product innovation.</i>	
	For SMEs:	
	<ul style="list-style-type: none"> new in the world 	10
	<ul style="list-style-type: none"> new in the EU 	8
	<ul style="list-style-type: none"> new in the region of Central Europe (Czech Republic, Slovakia, Poland, Hungary) 	6
	<ul style="list-style-type: none"> new in the Czech Republic 	5
	<ul style="list-style-type: none"> new for the company 	1
	<ul style="list-style-type: none"> without innovation 	0
	For large enterprises:	
	<ul style="list-style-type: none"> new in the world 	8
	<ul style="list-style-type: none"> new in the EU 	6
	<ul style="list-style-type: none"> new in the Czech Republic 	4
	<ul style="list-style-type: none"> new for the company 	1
	<ul style="list-style-type: none"> without innovation 	0
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> Feasibility study – sections 3.3, 4.1-4.4, 10 	
5.	How is the protection of outside intellectual property assured within the project?	
	For SMEs	
	<ul style="list-style-type: none"> The applicant demonstrates that this involves the use of its own intellectual property. 	6
	<ul style="list-style-type: none"> Purchase of patents, licenses, utility models, etc. 	3
	<ul style="list-style-type: none"> The applicant demonstrates that this involves publicly available intellectual property. 	1
	<ul style="list-style-type: none"> The applicant does not demonstrate the assurance of intellectual-property protection. 	0
	For large enterprises	
	<ul style="list-style-type: none"> The applicant demonstrates that this involves the use of its own intellectual property. 	4

	<ul style="list-style-type: none"> • Purchase of patents, licenses, utility models, etc. 	2
	<ul style="list-style-type: none"> • The applicant demonstrates that this involves publicly available intellectual property. 	1
	<ul style="list-style-type: none"> • The applicant does not demonstrate the assurance of intellectual-property protection. 	0
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> • <i>Feasibility study – section 4.5</i> 	
6.	How is the protection of possible future intellectual property assured?	
	<ul style="list-style-type: none"> • The applicant is implementing a project that already has assurance of intellectual-property protection. 	2
	<ul style="list-style-type: none"> • The applicant describes the means of intellectual-property protection. 	1
	<ul style="list-style-type: none"> • The applicant does not demonstrate the assurance of intellectual-property protection. 	0
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> • <i>Feasibility study – section 4.6</i> 	
7.	What are the objectives of introducing the new/innovated process in relation to environmental protection? <i>This will be assessed only in the case of realisation of activity b) process innovation.</i>	
	<ul style="list-style-type: none"> • Environmental protection is the central aim (activity) of the project; the project's activities are targeted at environmental protection. 	4
	<ul style="list-style-type: none"> • Environmental protection is one of the integral components of the project. 	2
	<ul style="list-style-type: none"> • Environmental protection is not considered as one of the main (integral) objectives of the project. 	0
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> • <i>Feasibility study – sections 4.1-4.4, 4.7, 9</i> 	
8.	What are the objectives of introducing the new/innovated product in relation to environmental protection? <i>This will be assessed only in the case of realisation of activity a) product innovation.</i>	
	<ul style="list-style-type: none"> • Environmental protection is the central aim (activity) of the project; the project's activities are targeted at environmental protection. 	4
	<ul style="list-style-type: none"> • Environmental protection is one of the integral components of the project. 	2
	<ul style="list-style-type: none"> • Environmental protection is not considered as one of the main (integral) objectives of the project. 	0
	<i>Information required for the assessment:</i> <ul style="list-style-type: none"> • <i>Feasibility study – sections 4.1-4.4, 4.7, 9</i> 	

D. Benefit of the innovation project for the applicant's further development and competitiveness (results of the innovation)

1.	Use of R&D results in the project	
	<ul style="list-style-type: none"> • Comprehensive cooperation with an R&D institution or university with a common research goal (contractually documented)/use of the results of proprietary R&D 	5
	<ul style="list-style-type: none"> • Contractually documented acceptance of R&D results from a university/acceptance from a third-party firm 	3
	<ul style="list-style-type: none"> • Measuring of models, tests, consultation, etc. with an R&D institute or university/acceptance of R&D results from the parent company 	1
	<ul style="list-style-type: none"> • No cooperation 	0

	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • <i>Feasibility study – section 3.4, 3.5</i> 	
2.	<p>Does implementation of the project necessitate the further increase of employees' qualifications or retraining of employees?</p>	
	<ul style="list-style-type: none"> • Specific education beyond the framework of basic training (further professional education, training beyond the framework of the user level) 	2
	<ul style="list-style-type: none"> • Basic training connected with the acquisition of technologies (user training), training of new employees 	1
	<ul style="list-style-type: none"> • No necessity or the applicant does not demonstrate such necessity 	0
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • <i>Feasibility study – section 8.2</i> 	
3.	<p>Does the implementation of the project require the implementation of new quality-management standards or new management methods?</p>	
	<ul style="list-style-type: none"> • YES 	1
	<ul style="list-style-type: none"> • NO 	0
	<ul style="list-style-type: none"> • An additional one point if project implementation requires implementation of environmental quality-management standards. 	1
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • <i>Feasibility study – section 8.3</i> 	
4.	<p>What are the economic objectives leading to innovation? (increase of the share of net turnover from new or innovated products/technologies/services with respect to the total net turnover)</p>	
	<ul style="list-style-type: none"> • The project significantly increases the share 	2
	<ul style="list-style-type: none"> • The project somewhat increases the share 	1
	<ul style="list-style-type: none"> • The project slightly increases the share 	0
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • <i>Feasibility study – sections 3.2, 11.1</i> 	
5.	<p>Is the project part of another, larger project or is it related to other projects within the supply chain or other value chain?</p>	
	<ul style="list-style-type: none"> • The innovation project has a measurable connection to projects of cooperating companies (customers/suppliers); the project's results will fit into the related supply or value chain. 	2
	<ul style="list-style-type: none"> • The project is not part of another, larger project or is not related to other projects or the applicant does not present such a relationship. 	0
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • <i>Feasibility study – section 4.7</i> 	
6.	<p>Energy and material intensity</p>	
	<ul style="list-style-type: none"> • The project contributes to reducing the energy and material intensity of production. 	2
	<ul style="list-style-type: none"> • The project contributes to reducing the energy or material intensity of production. 	1
	<ul style="list-style-type: none"> • The project does not contribute to reducing either the energy or material intensity of production. 	0
	<p><i>Information required for the assessment:</i></p> <ul style="list-style-type: none"> • <i>Feasibility study – section 5.3</i> 	