

COOPERATION

This Programme implements Priority Axis 5 “Environment for Enterprise and Innovation” of the Operational Programme Enterprise and Innovation 2007-2013.

1. Objective of the Programme

The objective of the Programme is support for establishing and developing cooperative sectoral associations – clusters, poles of excellence, technology platforms and cooperative projects at regional, supraregional and international levels as a tool for boosting competitiveness of the economy and economic growth.

The Programme’s general objective is continuous creation of a favourable business environment, improvement of conditions for enterprise and innovation and development of competitive edge by closer interrelations among research, universities and the business sector.

Fundamental provisions

- a) The Managing Authority is the Ministry of Industry and Trade of the Czech Republic (hereinafter the “MIT”), (www.mpo.cz).
- b) The intermediate body for this Programme is the Investment and Business Development Agency – CzechInvest, organisation receiving contributions from the Ministry of Industry and Trade of the Czech Republic, with its seat at Štěpánská 15, 120 00 Praha 2 (hereinafter the “CI”), (www.czechinvest.org).
- c) The Programme is implemented based on calls, which shall specify detailed Programme criteria.

Basic terms

- **Cluster** – a territorially concentrated network of cooperating firms, specialised suppliers, service providers, associated institutions and organisations whose cooperative links have a potential to strengthen and enhance their competitiveness. Cluster activities shall be focused on development of innovation and international competitiveness. From this point of view, clusters shall have permanent links with the

research and development base and educational facilities. Clusters shall have a clearly defined field of activity and include a certain critical mass of companies concentrated within a particular geographical area.

- **Poles of Excellence** – cooperative groupings of research, business and other entities within a clearly defined field of activity, focusing on high-tech research and technology development. Poles of excellence shall implement common activities based on the cooperation of research and educational institutions with the industry and have a potential of attracting researchers, investors and key players in a given sector and raising the share of private investments in research and development. As a research and development infrastructure, poles of excellence have a demonstrable potential of contributing to development of competitiveness both within the Czech Republic and the EU through the synergic effect of merging capacities and projects.
- **Technology Platforms** – cooperative groupings affiliating industrial enterprises, professional associations and unions, research and financial institutions, national bodies of state administration, associations of users and consumers participating in research, development and innovation in strategically significant technological areas at national or international levels. The goal of these groupings is to conceive, support and fulfil a medium to long-term vision of future technological development and a coherent dynamic strategy to achieve a vision that includes important issues of future economic growth, competitiveness and sustainable development both in the Czech Republic and Europe.

2. Supported Activities

2.1 Supported activities shall include:

- a) Clusters – support for establishing and developing territorially concentrated branch or sectoral groupings of business entities, research and development, educational and other supporting institutions;
- b) Poles of Excellence – support for establishing and developing groupings of research, business and other entities focusing on high-tech research; Infrastructure support for joint cooperative activities and intense cooperation of research and educational institutions with the business sector;
- c) Technology Platforms – support for establishing and developing national technology platforms and interconnection of the public sector and the private sector in R&D in

strategically significant technological areas. Support for integration of Czech research institutions and enterprises into international technology platforms;

- d) Activities related to the Programme implementation and project generation – mapping and development of a potential to develop new projects, study implementation, international experience application, networking, educational, promotional and other supportive activities to efficiently use funds for support of cooperative groupings.

3. Beneficiary

- a) The beneficiary is a legal person within the meaning of S. 18 of Act No. 40/1964 Coll., Civil Code, as amended, which, according to the Programme criteria, shall keep separate accounting records related to the eligible costs of a project. It shall have included in its Articles of Association that one of the key activities is support of innovation and enhancing competitiveness. Activities under item 2(d) do not require the above specified definition of the activity in the Articles of Association.
- b) The Investment and Business Development Agency – CzechInvest, organisation receiving contributions from the Ministry of Industry and Trade of the Czech Republic – for activities specified under item 2(d).

The beneficiaries for particular activities shall be further specified in particular calls.

4. Criteria of the Programme

4.1 Formal eligibility criteria of a project:

- a) The project shall be implemented in the Czech Republic, outside of the territory of the Capital City of Prague.
- b) The beneficiary shall demonstrably prove his/her title or other rights to buildings and land plots where the project shall be implemented. The method and deadline required to prove such ownership or other rights shall be specified by the Managing Authority in the respective call.
- c) The project shall contain all mandatory elements specified in the call for submission.
- d) The project does not violate the horizontal policies of the EU and their basic principles, particularly:
- Equal opportunities of men and women,
 - Sustainable development.

4.2 Other criteria

- a) The subsidy shall be provided to the beneficiary based on a Decision to Provide Subsidy issued by the Managing Authority (hereinafter the “Decision”), containing also the binding Terms and Conditions of Subsidy Provision (hereinafter the “Terms and Conditions”).
- b) The beneficiary shall keep separate records and documents on eligible project expenditure and on the use of the subsidy intended for the funding of the eligible expenditure as stipulated in the Terms and Conditions of the Decision, and keep it for a period of 10 years following the date of closure of the project, and at the same time for a period of at least three years following the closure of the OP Enterprise and Innovation (anticipated in 2020) in compliance with Article 90 of Council Regulation (EC) No. 1083/2006. All beneficiaries shall be informed of the closing date of OP Enterprise and Innovation.
- c) Tangible and intangible fixed assets acquired by the beneficiary fully or partially from the provided support shall be owned by the beneficiary for three years after the closure of the project; or for a period of three years in the case of SMEs.
- d) The beneficiary may not be an entrepreneur, if, as at the date of submission of the application, s/he is the beneficiary to rescue and restructure a firm in difficulty as specified in the Community guidelines on state aid for rescuing and restructuring firms in difficulty, Communication No. 2004/C 244/02 from the Commission; this shall not apply to small entrepreneurs.
- e) The subsidy is paid out to the beneficiary retroactively upon closure of the project, or a particular project phase, provided that the Terms and Conditions are observed.
- f) Other obligations of beneficiaries are specified in the Terms and Conditions.

4.3 Eligible expenditure

4.3.1 Eligible expenditure shall comply with the following criteria:

- Shall be expended in accordance with the objectives of the Programme and be immediately related to the project implementation,
- Shall be expended no sooner than on the date of eligibility of a project,¹

¹ The project eligibility date shall be the date when the provider or the relevant agency confirms in writing to the beneficiary that it complies with the eligibility criteria of the given Programme.

- Shall be demonstrably paid by the beneficiary before they are reimbursed from the Structural Funds, unless stipulated otherwise,
- Shall be supported by conclusive evidence, the property may not be acquired by means of capitalisation.

4.3.2 The eligible expenditure of a project shall include:

- Tangible fixed assets (particularly hardware and network, purchasing of constructions, machinery and other).
- Intangible fixed assets (particularly software and data, intellectual property rights and other).
- Selected operating costs (particularly wage costs, marketing and promotion, seminars and workshops and other).
- Costs of project publicity.

The eligible expenditure of a project shall be further specified in particular calls.

4.3.3 The eligible expenditure of a project shall not include:

- VAT, provided that the beneficiary is a VAT payer,
- Costs paid prior to the eligibility date of a project,
- Loan and credit instalments,
- Sanctions and penalties,
- Costs of guarantees, insurance, interests, banking fees, exchange rate losses, customs and administration fees.

4.4 Sectoral classification

Projects, whose outputs shall impact some of the following industries, shall not be supported:²

5. Form and Amount of the Support

- a) The support is provided in the form of a subsidy.
- b) The subsidy is purpose-built to cover eligible expenditure arising from and in relation to the implementation of a project. The maximum amount of the subsidy may be 75%

² To be further specified once the relevant EC legislation is adopted and based on a notification procedure pursuant to Council Regulation (EC) No. 659/1999.

of the project's eligible costs in the case of projects not constituting state aid. The total amount of a subsidy shall be specified in particular calls.

- c) In case of projects constituting state aid (those defined under item 2.1 (a) and (b) pursuant to Article 87 of the EC Treaty, it is necessary to adhere to the limits stipulated in the respective regulations.
- d) Should state aid be drawn under items 2.1(a) and (b) of this Programme (see above), the aid can be provided under the de minimis rule³. As far as the form of aid under items 2.1(a) and (b) is concerned, all costs provided by the beneficiary to third persons under this Programme shall be monitored and recorded.
- e) In the case of support for an activity listed under item 2.1(d), the maximum subsidy may amount to 100% of the project's eligible costs.

The scope of support shall be further specified by the Managing Authority in particular calls.

6. Project Selection

6.1 Selection criteria

Selection criteria including evaluation methodology shall be stipulated by the call.

6.2 Project selection method

Project selection and evaluation shall be performed based on the criteria specified by the Managing Authority. The OPEI Managing Authority (MIT) shall decide on the provision of a subsidy based on Government Resolution No. 175/2006. Further details shall be specified in the call.

7. Participation in Other Support Programmes

The eligible expenditure of a project supported under this Programme shall not receive any other state aid, i.e. the state aid as defined under Article 87 of the EC Treaty.

³ Specific amount of state aid granted under the de minimis rule and the possibilities of accumulation of this aid and other state aid shall be specified upon issuance of Commission Regulation (EC) on the de minimis rule in the EC Official Journal.

8. Duration of the Programme

The Programme shall be implemented in the period 2007-2013. It shall be implemented based on calls which shall be published at the website of the Managing Authority (MIT) and of CzechInvest. The Managing Authority reserves the right to suspend the Programme or terminate it prematurely (e.g. due to exhaustion of the allocated funds).

9. Details of an Application for Subsidy and its Submission

The method of submission of an application and its essential elements shall be stipulated by the call.

10. Sanctions for Violation of Programme Criteria

Sanctions for violation of the Programme criteria are stipulated in the Terms and Conditions of a Decision to Provide Subsidy.

11. Other Provisions

There is no legal entitlement to the subsidy.