

5. Other Financial Support Programmes

The following aid programmes from European structural and investment funds (ESI funds) are part of the 2014 - 2020 programming period. The Operational Programme Enterprise and Innovation for Competitiveness is focused on support for investments in the most advanced technologies using the existing innovation infrastructure created in the 2007–2013 period, as well as on support for enterprises in internationalisation, commercialisation and global competitiveness, and on projects involving improvement of energy security.

European structural and investment funds

For companies/investment projects that for any reason do not fulfil the criteria for the national Investment Incentives Scheme described in the previous fact sheet, there are other forms of support available. However, none of the schemes listed below includes tax breaks.

ESI funds in the Czech Republic offer a range of benefits targeted at business development (**Operational Programme Enterprise and Innovations for Competitiveness**, announced for the period 2014 - 2020). These focus both on development of the business environment and on direct support for companies (small and medium-sized enterprises as well as large ones) mainly from the manufacturing industry. The percentage of co-financed eligible costs depends on the specific programme and the size of the enterprise; funds are provided after completion of the project or a part thereof (with the exception of loans). Programmes are open to companies with their registered office in the Czech Republic and support projects implemented within the territory of the Czech Republic with the exception of Prague.

Support from the **Operational Programme Enterprise and Innovation for Competitiveness** is focused on the **following programmes (information according to the current Calls)**:

Innovation – Innovation project – Call III (Inovace – Inovacni project – Vyzva III)

The programme aims to support deployment of R&D results in the production and market sectors, using both results achieved by own research and development and acquired by technology transfers.

Within this Call, support is provided for the following activities: a) increasing the technical and use values of products, technologies and services (product innovation); b) improving efficiency of production processes and services (process innovation); c) implementing new methods of corporate process organisation via deployment of new information systems to integrate and automate intra-company processes targeted especially at connecting R&D activities, innovation and production (organisational innovation); d) increasing sales of products and services by a substantial change in a product or packaging design, better addressing the customers' needs, opening new markets or launching new sales channels (marketing innovation).

Support is provided through a grant in the amount of CZK 1 to 100 million CZK. The aid intensity shall be 25/35/45 % (large/medium-sized/small enterprise) of the proven eligible expenditures according to the size of the enterprise. The beneficiary is obliged to provide a financial contribution amount to at least 25 % of eligible expenses, either from its own resources or through external funding, in a form which contains no state aid as defined by of Article 107 (1) of the Treaty on the Functioning of the European Union. Companies eligible to receive aid are those that have a history of at least two years in the Czech Republic.

Potential – Call III (Potencial – Vyzva III)

The aim of the Potential Programme is to support new or to increase existing capacities of enterprises to conduct research, development and innovation activities, as well as to increase the number of enterprises carrying out their own research, development and innovation.

Supported activities are: a) establishment or expansion of industrial research, development and innovation centres based on the acquisition of land, buildings, machinery and other equipment necessary to carry out the activities of the centre; b) In the case of SMEs (small and medium-sized enterprises) the aid includes also selected operating costs of the centre. The project subsidy shall be provided at the minimum amount of CZK 2 million and up to the maximum amount of CZK 75 million. The aid shall be granted up to 50 % of the total eligible expenditure notwithstanding the size of the undertaking and the project location. Projects must be

implemented in selected sectors of the Czech economy. The minimum investment in fixed assets used to provide activities for the project amounts to CZK 4 million for SMEs, CZK 10 million for large enterprises.

Application – Call III (Aplikace – Vyzva III)

The objective of the programme is acquisition of new knowledge needed for the development of new products, materials, technologies and services through the implementation of projects of industrial research and experimental development.

Support is provided in the form of subsidies (subsidy of CZK 1 – 100 million). The maximum intensity of public aid varies according to the category of supported activities and the size of the enterprise; the maximum intensity of aid for the project as a whole is limited to 70 % of eligible expenses. Eligible costs include staffing costs – salaries and insurance for researchers, technicians and other ancillary staff to the extent necessary for the purposes of the project, costs of instruments, tools and equipment in the form of depreciation, to the extent and for the time they are used for the purposes of the project and additional overheads and other operating expenses, including costs of materials, supplies and similar products incurred directly as a result of the project.

Knowledge Transfer Partnership – Call II (Partnerství znalostního transferu – Vyzva II)

The objective of the programme is to enhance interaction among businesses and research and knowledge-dissemination organisation and greater openness of universities to cooperation with the business sector.

The supported activity is establishment of partnership between a small and medium-sized enterprise and a research and knowledge-dissemination organisation for the purpose of transfer of knowledge, related technologies and skills to which the enterprise does not have access. Support is provided in the form of subsidies (subsidy of CZK 500 thousand – 3.5 million). Subsidy is provided in the amount of up to 70% for all types of applicants. The beneficiary may be a business which is a small or medium-sized enterprise or a research and knowledge-dissemination organisation.

Cooperation – Clusters – Call III (Spolupráce – Klastry – Vyzva III)

The general objective of the programme is to support the development of innovation networks – clusters as instruments to increase the intensity of common research, development and innovation-related activities among businesses and the research sector.

Supported activities are: a) collective research; b) shared infrastructure; c) cluster internationalization; d) development of cluster organisation. The beneficiary must meet the definition of a small and medium-sized enterprise and must consist of at least 15 independent members. The minimum absolute subsidy for one project is CZK 500,000; the maximum absolute subsidy differs according to the activity and type of cluster.

Technology – Call V (Technologie – Vyzva V)

The aim of the Technology programme is to increase the competitive strength of SMEs and to improve their market position. The programme is focused on supporting the increase of technical capability in small and medium-sized enterprises. The supported activity consists in the purchase of new technical equipment with higher quality and performance parameters.

The aim of 5th Call is to support business plans of emerging micro enterprises with a business history of no more than 3 years and it can be used for the acquisition of new machinery, technological devices and equipment. The applicant may be entrepreneur – natural or legal person. The project subsidy shall be provided at the minimum amount of CZK 100 thousand and up to the maximum amount of CZK 225 thousand (according to the "de minimis" rule). The maximum aid intensity is 45% of the eligible expenditure. Projects must be implemented in selected sectors of the Czech economy.

Marketing – Call II (Marketing – Vyzva II)

Within the Marketing Programme, support is provided for small and medium-sized enterprises' marketing activities in foreign markets (promotional materials, participation in exhibitions and trade fairs abroad, transport of goods to be exhibited). Support is provided in the form of subsidies in the amount of CZK 200 thousand – 5 million. The maximum aid intensity is 50% of the eligible expenditure. The aid shall support projects with outputs affecting the selected sectors.

Properties – Call II (Nemovitosti – Vyzva II)

The objective of the Properties programme is to encourage the creation and development of business properties including the related infrastructure. Within this Call, support is provided for the following activities: a) Building renovation project; b) A project to revitalise an area for business. . Subsidies (CZK 1 mil. –50million) are provided to a business entity from the category small and medium-sized enterprise that proves ownership rights to the real estate and is also its user. The maximum amount of subsidy is 45% of the eligible expenditure for a small enterprise and 35% of the eligible expenditure for a medium-sized enterprise.

Training Centres – Call II (Skolici strediska – Vyzva II)

The basic aim of the Training Centres Programme is to improve conditions for human resources development by providing infrastructure necessary for the training and education of company employees. Supported activities within 2nd Call are: a) construction of new training centres; b) reconstruction of existing training centres; c) acquisition of equipment for training facilities furniture, IT equipment, practical teaching aids, etc.; d) acquisition of educational programmes. The applicant is a small or medium-sized enterprise. The amount of aid provided is between CZK 500 thousand and CZK 5 million (according to the "de minimis" rule). The maximum aid intensity is 50% of the eligible expenditure.

Energy Savings – Call II (Uspory energie – Vyzva II)

The programme aims to support reducing the energy intensiveness of the business sector. The purpose of the programme is to promote actions contributing to reduced end-use energy consumption. An eligible applicant and beneficiary shall be a business entity, small, medium-sized or large enterprise. The project subsidy shall be provided at the minimum amount of CZK 500 thousand and up to the maximum amount of CZK 250 million. The maximum grant for the energy assessment is 350 thousand CZK.

The maximum aid intensity shall be 50 % of the eligible expenditure for a small enterprise, 40 % of the eligible expenditure for a medium-sized enterprise and 30 % of the eligible expenditure for a large enterprise. Eligible costs include tangible fixed assets, intangible fixed assets (if required for due operation of the tangible fixed assets) and energy assessment.

ICT and Shared Services – Call II (ICT a sdilene sluzby – Vyzva II)

The programme aims to increase the supply of new information systems, ICT solutions and highly sophisticated ICT tools, enabling also an efficient use of information bases (big data) and mobile information sharing, cloud solutions and services and new software products and services, cutting edge digital services, including the related implementation. Furthermore, the programme strives to provide for a better placement of products Czech IT companies in the global market and to develop the knowledge and skills of IT professionals.

Within this Call, support is provided specifically for the following activities: a) creating new IS/ICT Solutions; b) establishing and operating shared service centres; c) building and upgrading data centres. The maximum intensity of public aid shall be 45 % of the eligible expenditure for a small enterprise, 35 % of the eligible expenditure for a medium-sized enterprise and 25 % of the eligible expenditure for a large enterprise.

Innovation – Project for Protection of Industrial Property Rights (Inovace – Projekt na ochranu prav prumysloveho vlastnictvi)

This programme supports activities focused on protection of industrial property rights. Subsidies are provided to business entities (with the exception of large enterprises), public research institutes and universities and other institutions of tertiary education. The specific aid amount will be set in the call.

Application (Aplikace)

The Application programme supports industrial research and experimental development. Recipients are business entities and organisations for research and dissemination of knowledge and consortia composed of several partners from the ranks of companies and organisations for research and dissemination of knowledge. Support is provided in the form of subsidies (CZK 1 mil. – 100 mil.).

Innovation Vouchers (Inovacni vouchery)

Within this programme, support is provided for the following activities: a) purchase of consulting, expert and supporting services in the area of innovation from organisations for research and dissemination of knowledge with the objective of initiating or intensifying the innovation activities of small and medium-sized enterprises. Consulting, expert and supporting services in the area of innovation activities include, in particular, measuring, testing, computing, consultation, cooperation with post-graduate students, services in the area of purchasing, transfer of intellectual property, etc.; b) supporting activities of innovation-infrastructure entities, specifically business-innovation centres and science and technology parks in the area of increasing absorption capacity, distribution and use of innovation vouchers.

In the case of activity a), recipients are business entities that are small or medium-sized enterprises. In the case of activity b), recipients are operators of innovation infrastructure, such as science and technology parks, innovation centres and business incubators. Support is provided in the form of subsidies - for activity a): subsidy of CZK 80,000 – 500,000; for activity b): subsidy of CZK 100,000 - 5 mil.

Infrastructure Services (Sluzby infrastruktury)

This programme supports: a) provision of specialised consulting services of science and technology parks, innovation centres and business incubators for incubated and innovative SMEs; b) operation of an existing science and technology park or business incubator or innovation centre (only in the de minimis regime); c) in legitimate cases, also expansion of STP premises and acquisition of new equipment and improvement of capacities for joint utilisation of technologies; d) in extraordinary cases, also construction of new shared infrastructure in regions where there is a demonstrable lack of suitable research infrastructure for business entities.

Recipients are legal entities that will function as operators of science and technology parks or innovation centres or business incubators, non-profit organisations (public benefit corporations, associations of legal entities), municipalities and colleges and universities. Support is provided in the form of subsidies (projects involving construction works: subsidy of CZK 5 mil. – 300 mil., projects not involving construction works: subsidy of CZK 1 mil. – 75 mil.).

Consulting (Poradenstvi)

This programme provides support for consulting services and services for start-up SMEs provided by operators of innovation infrastructure such as business incubators, science and technology parks and innovation centres. Aid recipients are operators of innovation infrastructure such as business incubators, science and technology parks and innovation centre operating in the regions of the Czech Republic. Recipients of supported consulted services and services for SMEs are SME-type business entities (with a history of up to three years). Support is provided in the form of subsidies (subsidy of CZK 50,000 – 500,000 for SMEs and subsidy of CZK 5 mil. – 20 mil. for innovation-infrastructure operators).

Renewable Sources of Energy (Obnovitelne zdroje energie)

This programme supports: a) construction, refurbishment and modernisation of small hydropower plants, b) transmission of heat from existing biogas stations using thermal distribution equipment to the place of consumption, c) installation of remote co-generation units using biogas from existing biogas stations for the purpose of utilising usable heat in the heat-supply system or by other highly efficient means, d) construction and refurbishment of heat sources and combined generation of electricity and heat from biomass and distribution of heat.

Subsidies (CZK 1 mil. – 100 mil.) are provided to SMEs, agricultural businesses (defined by Act No. 252/1997 Coll., on Agriculture) and businesses in the food industry.

Smart Grids I (Smart grids I)

The Smart Grids I programme supports following activities: a) deployment of automated remotely controlled elements in distribution grids; b) deployment of technological elements for controlling voltage and selective measuring of the quality of electricity in distribution grids; c) resolution of the local energy balance through management of power flows between customers and the distribution-grid operator.

Recipients shall be business entities (medium-sized and large enterprises) - holders of a license for electricity distribution pursuant to Act No. 458/2000 Coll. Support is provided in the form of subsidies in the amount of CZK 1 mil. – 500 mil.

Low-Carbon Technologies (Nizkouglikove energie)

The Low-Carbon Technologies programme provides support for this activities: a) introduction of innovative technologies in the area of low-carbon transport; b) pilot projects involving introduction of energy-accumulation technologies; c) introduction of low-carbon technologies in buildings; d) introduction of innovative technologies in the area of generating energy from renewable resources; e) introduction of off-grid systems; f) introduction of systems for managing energy consumption; g) introduction of innovative low-carbon technologies in the area of processing and using secondary raw materials; h) introduction of technologies for obtaining secondary raw materials in the quality needed for further use in industrial production; i) introduction of technologies by means of which valuable, critical secondary raw materials will be efficiently obtained from used products; j) introduction of technologies for production of innovative products made of secondary raw materials, including replacement of primary raw materials where doing so is economically advantageous.

Subsidies (CZK 0.5 mil. – 100 mil.) are provided to small, medium-sized and large enterprises, agricultural businesses (defined by Act No. 252/1997 Coll., on Agriculture) and businesses operating in food processing.

Energy Savings in Heat Supply Systems (Uspory energie v SZT)

This programme supports refurbishment and development of heat supply systems, primarily heat distribution facilities, and introduction and increase in the efficiency of electricity/heat co-generation systems. Recipients are small, medium-sized and large enterprises. Support is provided in the form of subsidies (CZK 0.5 mil. – 350 mil.).

Smart Grids II (Smart Grids II)

The programme aims to support construction, reinforcement, modernisation and refurbishment of transmission mains and transformers (in accordance with the smart grid concept). Recipients are business entities (transmission grid operators - large enterprises). Support is provided in the form of subsidies in the amount of CZK 1 mil. – 500 mil.

High-Speed Internet (Vysokorychlostni internet)

This programme supports a) modernisation or expansion of the existing infrastructure for high-speed access to the internet using fibre-optic elements with the objective of enabling high-speed internet access with transmission speeds of at least 30 Mbit/s; b) establishment of new networks composed partly or fully of fibre-optic lines for high-speed internet access enabling transmission speeds of at least 30 Mbit/s; in the case of establishing new networks with fixed connection to individual households, such networks must allow transmission speeds of up to 100 Mbit/s; c) creation of passive infrastructure to support the construction of a network for high-speed internet access especially in locations of anticipated future construction development, whereas this activity can be supported only in combination with one of the two preceding activities.

Recipients are entities, regardless of size, operating in the electronic communications industry pursuant to Act No. 127/2005 Coll., on Electronic Communications and on the Amendment of Certain Related Acts. Support is provided in the form of subsidies (CZK 1 mil. – 200 mil.).

Progress (Progres)*

The Progress programme supports the implementation of business plans of start-up companies (up to five years old) and developed companies implementing especially lower-level innovations via appropriate financial tools (acquisition of machinery, purchase or renovation of buildings, and acquisition of working capital for initiating or expanding business operations). Aid amount per project is CZK 0.5 mil. - 100 mil. and is provided to micro-enterprises, small and medium-sized enterprises.

Venture Capital (Rizikovy kapital)*

This programme supports a) scouting; b) exit - support for termination of investments in small and medium-sized enterprises in the form of trade sales; c) capital investment in applicants' projects focused on establishment and development of companies with innovation potential requiring seed, start-up, expansion or replacement capital; d) projects of subsequent investments in later rounds of financing. Recipients are micro-enterprises, small and medium-sized enterprises.

Proof-Of-Concept (Proof-Of-Concept)*

This programme supports activities leading to commercialisation of research results through activities involving verification of feasibility: a) activities connected with mapping applicability and market research and the interest of the application sphere; b) activities leading to the creation of a functional prototype/utility model, acquisition of a strategic commercial partner, patent and, as the case may be, establishment of a spin-off firm. Recipients are companies, business groupings, bodies of the state administration and local government, organisations for research and dissemination of knowledge and non-profit organisations.

Pre-commercial Public Procurement (Pre-commercial Public Procurement)*

The programme aims to support phased issuance of procurement orders for services in the area of research and development with sharing of risks and profits under market conditions when, in a competitive environment, several companies develop new solutions meeting the needs of the public sector. Aid is provided to companies, organisations for research and dissemination of knowledge, bodies of the state administration and local government.

*** This is a preliminary information; these programmes haven't been approved by Government of the Czech Republic yet.**