

PROGRAMME: POTENTIAL – CALL II

Aid will be granted toward investment leading to establishment or extension of research centres (or departments) that will focus on research and development of products or technologies, including development of specific software that would be required in order to innovate production processes; 'specific software' shall be understood as software constituting an integral part of a product or technology. Development or innovation of such specific software will then lead to innovation of the product or the technology itself. The centre should contribute to development of technologically new or innovative products, production lines, production processes and technologies. There needs to exist a realistic expectation that the centre's results will actually be used in production.

TIMELINE

Project applications will be accepted between:

- 15 September 2016 (8 am) – 31 October 2016 (4 pm)

SUPPORTED ACTIVITIES

- a) Establishment or extension of industrial research, development and innovation centres, including acquisition of land or buildings, machinery/equipment and other equipment necessary for these centres to commence their activities.
- b) In case of SMEs (small and mid-sized enterprises) the aid will also cover certain selected operational expenses of such centres.

APPLICANTS

- Beneficiaries will be drawn from entrepreneurs including those in agriculture (as defined by Act No. 252/1997 Coll., on Agriculture) and entrepreneurs involved in food processing who focus on production of goods outside the list contained in Annex I to the Treaty on the Functioning of the European Union (TFEU) who submit a project for activities in R&D and innovations spheres.
- Beneficiaries shall be authorized to conduct business in the defined spheres of economic activities where the project will be implemented.
- Beneficiaries will need to be registered as income tax subjects / payers (to be demonstrated by their own declaration) in one of the EU Member States for at least two full tax periods (without interruption) prior to application; Beneficiaries will need to demonstrate, by the date of payment of the last part of any aid package granted, that they have established a permanent establishment or a branch in the Czech Republic (and have such establishment duly registered in the Trade Licensing Registry).
- Beneficiaries will need to demonstrate (by declaration) that they are not in arrears with respect to payments to selected institutions in the country where they are headquartered, or

in the country where they have established branches, and that they have no outstanding obligations toward aid providers with respect to projects that were co-financed from the EU budget.

- Beneficiaries will need to demonstrate (by declaration) that they are not in arrears with salaries (and other related labour payments) due to their employees.
- Beneficiaries will need to demonstrate that they have no outstanding obligations arising from collection orders as may be issued on the basis of the Commission decision pronouncing certain aid unlawful and incompatible with internal market.

SUPPORTED SECTORS

- We plan to grant support to projects whose results will demonstrate themselves in sectors defined in CZ-NACE classification (please refer to Annex No. 1 to the Call).
- Support will not be granted to projects, whose results would impact the following sectors:
 - production, processing or introduction of products listed in Annex No. 1 to the Treaty on the EU,
 - agriculture, forestry, fishery, aquaculture (CZ-NACE A 01, A 02, A03).

CHIEF CONDITIONS OF THE CALL

- Projects will need to be implemented on the territory of the Czech Republic outside the Capital City of Prague. Applicants will need to unequivocally demonstrate their ownership or other rights to the land or other real estate property, where their project will be implemented and these rights will need to be maintained for the duration of the project and the subsequent sustainability period (additional 5 years after project completion).
- Projects will not anticipate support for activities relating to exports (export subsidies), activities relating to establishing and operating a distribution network abroad, or other regular expenditure relating to exports (customs fees, insurance etc.) or support leading to preferential use of domestic goods to the detriment of imported goods.
- Projects may not be commenced prior to application date.
- Financial standing of applicants, as expressed by simplified economic evaluation by the agency, may not be lower than 5 points.
- Projects will need to be in line with the National Research and Innovations Strategy for Smart Specializations of the Czech Republic, and that fact will be verified during the project evaluation process from the perspective of fulfilling selection criteria as defined in the Call.
- Minimum amount of investment into tangible fixed assets that will be used for the submitted project will need to amount to at least 4 million CZK for SMEs and 10 million for large enterprises.
- Cost associated with land acquisitions may not exceed 10 % of total eligible investment costs; cost associated with acquisition, new build or technical improvements of an existing building may not exceed 40 % of total eligible investment costs; cost of acquiring intangible assets may not exceed 50 % of total eligible investment costs.

- Salaries will be compensated only to SMEs and only for technical or natural sciences graduates implementing research or development activities.
- Each applicant (i.e. identified by one corporate ID number) may submit up to 4 projects (active applications).

ELIGIBLE COSTS

- Cost of tangible fixed assets (acquisition of land, building, machinery and other equipment necessary for the R&D centre) that will be used for the purposes of / in research and development and not exceeding the above defined respective limits for land, buildings and other tangible assets.
- Costs associated with acquisition of buildings, machinery or other equipment will be eligible under the condition that these will be deductible assets; in case assets will be acquired, which would fall into the category of other required tangible fixed assets, the entities which are not classified as SMEs will need to acquire only new assets (which had not been previously deducted).
- Costs associated with selected operating expenses (of non-investment nature) such as personnel costs, consultants' services, experts and studies, will be eligible only for SMEs.
- Costs associated with mandatory publicity will be eligible only when fulfilling the objectives of such mandatory publicity as defined by the programme administrator in respective rules.

FORM AND AMOUNT OF SUPPORT

- Aid will not exceed 50 % of total eligible costs regardless of the size of the applicant's enterprise or location where the project will be implemented.
- Aid for one project will range between 2 million CZK minimum and 75 mil CZK maximum / 150 million CZK in economically struggling regions and in territories suffering from high unemployment rates.