

## **INNOVATION PROGRAMME – INNOVATION PROJECT– CALL IV – III. Continuation**

This programme is intended to support the introduction of research and development results into production and to the market, whether this concerns the results of a firm's own research and development or those acquired through the transfer of technologies. Technology transfer represents a situation where companies do not conduct their own research and development, but acquire research and development results on the market and introduce them directly into production. Within the programme, companies will be able to acquire, in particular, modern machinery, equipment, know-how and licenses necessary to realise innovations.

### **SCHEDULE**

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- Acceptance of Registration Applications: 11 November 2013 – 22 November 2013
- Acceptance of Full Applications: 11 November 2013 – 31 January 2014

### **SUPPORTED ACTIVITIES**

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a) product innovation – improvement of technical and utility values of products, technologies and services

b) process innovation – improvement of production processes and provision of services

### **APPLICANT**

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A business entity (SMEs – small and medium sized enterprises, large enterprises) that is registered in the Czech Commercial Register and has closed at least two consecutive tax periods:

- any business entity that is a legal entity operating pursuant to Act No. 513/1991 Coll., the Commercial Code
- a natural person that has his or her registered office in the Czech Republic and is registered in the Commercial Register pursuant to Act No. 513/1991 Coll., the Commercial Code

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## SECTOR DEFINITION

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Projects whose outputs fall within the manufacturing industry **will be subsidized** (CZ-NACE C 10, 11, 13 - 33; E 38.32; J 58, 59.20, 60; M 71.2, S 95.1 [excluding CZ-NACE C 19.10, 20.60 and 30.11])

- Projects whose outputs fall within below-mentioned sectors **will not be subsidized**:
  - agriculture, fisheries and aquaculture (CZ-NACE A 01, A 02, A03)
  - coal industry (CZ-NACE B 05, C 19.1)
  - steel industry
  - synthetic-fibre industry
  - shipbuilding
  - production, processing and introduction onto the market of products specified in Appendix 3 to the Programme

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## MAIN CONDITIONS OF THE CALL

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- The project must be implemented within the Czech Republic, outside the boundaries of the City of Prague.
- Projects must **use the results of research and development**; projects involving simple modification of production equipment without a demonstrable connection to the development phase of the innovation process will not be supported.
- Research and development cannot be supported from the programme; **development must already be completed** at the time of submission of the application and this fact documented (for example by a functional prototype or well-tried production process).
- Within the project the applicant should concisely describe what its innovative nature consists in and demonstrate the effectiveness of the project and its competitiveness in relation to the target markets.
- Every applicant in this Call is entitled to submit only one project.
- The financial health of the applicant expressed as a rating assessment by the meditating entity may not be lower than C+. In this Programme, it is not possible to use the financial statements of a parent company to evaluate the financial health of the applicant.

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## ELIGIBLE COSTS

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- Must be incurred in accordance with the objectives of the programme and must relate directly to implementation of the project.
- Must be incurred at the earliest on the date on which the project is declared acceptable.

### Types of eligible costs

Small and medium-sized enterprises	Large enterprises
<p><b>INVESTMENT COSTS:</b></p> <p>LONG-TERM TANGIBLE ASSETS</p> <ul style="list-style-type: none"> <li>• Project documentation</li> <li>• Engineering works under construction</li> <li>• Technical improvement of structures<sup>1</sup></li> <li>• Hardware and networks</li> <li>• Machinery and equipment</li> </ul> <p>LONG-TERM INTANGIBLE ASSETS</p> <ul style="list-style-type: none"> <li>• Purchase of intellectual property rights</li> <li>• Software and data</li> </ul>	<p><b>INVESTMENT COSTS:</b></p> <p>LONG-TERM TANGIBLE ASSETS</p> <ul style="list-style-type: none"> <li>• Project documentation</li> <li>• Engineering works under construction</li> <li>• Technical improvement of structures<sup>1</sup></li> <li>• Hardware and networks</li> <li>• Machinery and equipment</li> </ul> <p>LONG-TERM INTANGIBLE ASSETS<sup>2</sup></p> <ul style="list-style-type: none"> <li>• Purchase of intellectual property rights</li> <li>• Software and data</li> </ul>
<p><b>NON-INVESTMENT COSTS:</b></p> <p>MANDATORY PUBLICITY</p> <ul style="list-style-type: none"> <li>• Costs for mandatory (reasonable) project publicity (determined according to the Regional Map of State Aid Intensity)</li> <li>• Services of consultants and experts, studies (maximum subsidy amount is 50% of eligible costs)</li> <li>• Special training (maximum subsidy amount is 45% of eligible costs)</li> </ul> <p>De minimis aid:</p> <ul style="list-style-type: none"> <li>• Wages and insurance of key personnel (participating in the implementation of innovations in production)</li> </ul>	<p><b>NON-INVESTMENT COSTS:</b></p> <p>MANDATORY PUBLICITY</p> <ul style="list-style-type: none"> <li>• Costs for mandatory (reasonable) project publicity (determined according to the Regional Map of State Aid Intensity)</li> </ul>

<sup>1</sup> Up to a maximum amount of 20% of total eligible costs for other machinery and equipment and hardware and networks.

<sup>2</sup> Up to a maximum amount of 50% of total eligible investment costs.

## FORM AND LEVEL OF SUPPORT

- Aid is calculated as a certain percentage of eligible costs. The percentage amount of a subsidy is governed by the regional map valid for the period 2007-2013 and by the size of the company.
- The recipient may receive de minimis aid only on the condition that the granted aid together with all other aid that has been granted to the beneficiary over a period of three fiscal years does not exceed EUR 200,000.
- Subsidy in the amount of **CZK 1 million – 50 million** for activities involving product and process innovation.
- Subsidy in the amount of **CZK 1 million – 75 million** for activities involving product and process innovation for regions with concentrated state aid.
- Aid is paid to the recipient retroactively after completion of the project or phases thereof provided that the conditions set forth in the Decision have been fulfilled.

### Maximum permissible state aid intensity (valid for the period 1 January 2007 – 31 December 2013)



NUTS II Region	Small enterprise	Medium enterprise	Large enterprise
Northwest, Central Bohemia, Northeast, Southeast, Central Moravia, Moravia-Silesia, Southwest	50%	50%	40%
Southwest	50%	40%	30%
Prague	0%	0%	0%