# Terms of Reference

# For Czech-Israeli Bilateral Co-funding R&D Projects

## 1. Scope

A Call for Proposals for Joint R&D Projects between the Technology Agency of the Czech Republic (TA CR) and the Israel Innovation Authority (IIA) in Israel, is hereby announced. Joint R&D projects will be focused on specific outcomes in the field of applied research, i.e. they will lead to attaining new findings and skills for development of new or significantly improved products, processes or services, and new product, process or service.

Beneficiaries are expected to develop applied results.

*NOTE: This Joint Call for Proposals, written in the English language, serves to provide*

*the common understanding of the program structure and to brief the requirements in general terms. Participants are subject to additional rules and regulations.*

*Lead Organizations (Principal Applicants) on both sides, Czech and Israeli, have the responsibility to understand the respective national laws, rules and regulations, and abide accordingly.*

## 2. Programme Structure

The TA CR follows the following conceptions of applied research, experimental development and innovations[[1]](#footnote-1). The Research and Development activity must contain the following features:

* novelty
* creativity
* uncertainty
* systematic nature
* transferability and/or reproducibility

The project should have an obvious advantage and added value resulting from the cooperation between the participants from the respective countries (e.g. increased knowledge base, commercial needs, access to R&D infrastructure, new fields of application, etc.).

Any partner whose cooperative R&D project is compliant with the aforesaid criteria may apply to the present open call announcement in accordance with the national laws, rules, regulations and procedures in effect.

The programme invites technology related organizations from both countries to participate in joint R&D projects. Please refer to Section 2.2 Applicant Eligibility for more information. Joint R&D Project Proposals shall be submitted according to the following procedures.

## 2.1 Areas of R&D Projects

Project proposals in all areas of application are mutually accepted.

TA CR cannot support solely defence projects and medical research projects with

a predominance of clinical studies activities, as these areas are being supported by different funding institutions in the Czech Republic.

## 2.2 Applicant Eligibility

Applicants shall take the form of consortiums consisting of R&D participants based in the Czech Republic making up one side of the partnership, and R&D participants based in Israel making up the other side of the partnership.

Czech

A company, regardless the size, must be the lead organization on the Czech side. Universities or research organizations may apply for the DELTA 2 programme funding only provided that the consortium constitutes at least one Czech company.

The linked and partner enterprises[[2]](#footnote-2) are not allowed to participate.

Israeli

A company, regardless the size, must be the lead organization on the Israeli side.

Research institutes/universities or other participants may apply as a subcontractor to

a company.

The linked and partner enterprises are not allowed to participate.

All Czech and Israeli applicants are subjected to initial screening which examines the institution’s capability to carry out the project. Examination criteria include, but are not limited to, bankruptcy history, disposition for tax delinquency, default history of the head of the company, debt ratio, review of the recent financial statement in terms of capital erosion, etc. Failure in any of the criteria will disqualify the applicant and the respective proposal will not proceed to the next step of proposal evaluation.

## 2.3 Program Procedure and Schedule

1. Promotion period and launch of the call

TA CR: 10 March - 17 May 2023

IIA: 1 June 2023 (launch of the call)

1. Project submission period

TA CR: 18 May - 19 July 2023

IIA: 1 June - 11 September 2023 (competition period)

11 September 2023 (submission date)

1. Evaluation period (incl. eligibility check)

TA CR: 20 July - 16 November 2023

IIA: 12 September - 6 December 2023

1. Final exchange of results

TA CR: 20 November - 29 November 2023

IIA: 7 December 2023

1. Final and binding results announcement (latest deadline)

TA CR: by 30 November 2023

IIA: by 21 December 2023

1. Project Kickoff & Start of Funding

January 2024

The TA CR and IIA mutually agree that the final results announcement will be synchronized to the same date.

The TA CR is obliged to announce the final results of the joint call for proposals on its official website. In case the final results are not announced on the website by the last working day of December 2023, the TA CR might not be able to finance the projects.

## 2.4 Project Duration and Funding

The TA CR and IIA will fund the respective nationals in the selected consortia in accordance with their national/regional funding rules. Supplementary funding may come from participant’s own resources should the total project cost exceed the government funding.

Matching fund is the basis of the funding scheme but flexibility in the funding ratio may be allowed depending on the roles each participant undertakes.

Information about the Czech funding scheme “DELTA 2” is available at <https://www.tacr.cz/en/delta-2-programme/>

Information about the Israeli funding scheme is available at <https://innovationisrael.org.il/node/2763/maslulim>

Czech

*Budget and support intensity*

· The total max. budget of the 5th call for proposals under DELTA 2 programme is

160 mil CZK (approx. 7.2 mil USD\*).

· The max. budget per project is 16 mil CZK (approx. 720 000 USD).

· The subsidy is provided annually on a grant basis. The project funding limitation

is derived from the Regulation (EU) No 651/2014.[[3]](#footnote-3)

· Should the project be found to be disqualified from the interim evaluations,

the TA CR may retrieve the unused government funding.

· Funding will be awarded with an average funding intensity of 74 %.

Funding intensity per each project participant follows the EU rules .

· Eligible project costs include personal costs, subcontracting costs, other direct

costs, stipends.

\*may vary depending on the exchange rate in effect at the time of launching the call

*Project duration*

· The project must begin between January & February 2024 and it can run up to December 2025.

· The TA CR will award funding from January 2024 following the conclusion

of agreement on the provision of funding with the lead applicant.

· Government contribution is available for 24 months maximum.

Israeli

*Budget and intensity of support*

Main aspects of funding criteria for Israeli partners:

* An Israeli R&D performing company which initiates a single or multi-year program that will provide know-how, processes or methods for the manufacture of a new product, application, technology base service or process. The product must have

a sizeable potential for export sales.

* The support is in the form of a conditional grant amounting generally up to 50 %

(+ regional incentives for companies located in "development zone") of the eligible R&D budget.

* Further details regarding grants and payment of royalties are available at the IIA website.

The funding will come from the overall budget of IIA.

The subsidy is provided on a grant basis, with a matching funding requirement.

Should the project be found to be disqualified from the interim evaluations, the IIA may retrieve the unused government funding.

Funding will be awarded with max. support intensity of 50 % of the total eligible costs per each project for the entire duration of the project. Eligible project costs specification can be found at: <https://innovationisrael.org.il/node/2763/maslulim>

*Project duration*

· The project must begin in the period of 1st January 2024 to 29th February 2024.

· The IIA will award funding from January 2024 following the conclusion of agreement on the provision of funding with the lead applicant.

· The Israeli government contribution is available for 24 months maximum.

**2.5 Proposal Submission**

By the Call Deadline on 11 September 2023 (binding for IIA applicants) and by the Call Deadline on 19 July 2023 (binding for TA CR applicants), the lead organizations from both countries shall file to the respective organization the documents as follows:

* A common proposal (attached), written in the English language.

The proposal shall be filled in English and legally signed by all participants (both Czech and Israeli).

* Funding documents as required by the respective organization pursuant to the rules set forth within.

Czech

Czech participants shall upload a complete funding application at the time of the proposal submission.

More information is available at: [https://www.tacr.cz/soutez/program-delta-2/](https://www.tacr.cz/program/program-delta-2) (CZ) or <https://www.tacr.cz/en/delta-2-programme/> (ENG)

Consultation at an early stage (before the call is launched) is highly recommended. After the call launch on 17 May 2023 only consultations via the official TA CR online helpdesk

([https://helpdesk.tacr.cz/](https://tacr.cz/hesk/)) is available in order to secure the same access to information to all applicants.

Israeli

Israeli applicants shall submit the completed funding application to the IIA at the time of the proposal submission. Submission deadline to the IIA: 11 September 2023 till 12:00.

* Israeli applicants will be invited to submit in addition and at the same time as the short project outline their funding applications to the IIA using this link:

<https://innovationisrael.org.il/>

* A provisional consortium agreement among project partners is needed at the moment of proposal submission in this phase.
* Companies should contact the IIA program manager before submission in order to receive the submission guidelines (see contact information at the end of the document).

The forms have to be legally signed by all participating companies.

The signatures must be scanned and sent together with the form as an integral part of the application. The forms must be filled in English, signed by all project partners and sent to the program manager.

## 2.6 Proposal Evaluation Procedure

The TA CR and IIA will independently evaluate the submitted proposals in accordance with the respective national/regional rules and regulations. Evaluation results for the top candidates will be shared and discussed between two organizations. Finally, the TA CR and

IIA will jointly select the final consortia within approximately 4.5 months after the call deadline.

The TACR and IIA mutually agree to exchange main arguments for rejecting/approving the projects from/for getting financial support upon request. This information will not be shared by IIA to the third parties as it is strictly confidential and vice versa.

The IIA requested that the following extra document will be submitted and needs to be signed by both, the TA CR and IIA before the final results are announced:

* *Protocol on final evaluation results* - a document for internal use only.

Czech

Project evaluation criteria:

1. Compliance of the project proposal with the objectives and focus of the programme and national priorities
2. R&D&I project and suitability of the methods used
3. Knowledge of state-of-the-art
4. Relevance of project results
5. Applicability, project's benefits, and the applicant's ability to introduce the results into practice
6. Economic and time efficiency of the project proposal
7. Project organisation and technical facilities, risk analysis
8. Project team
9. International cooperation and consortium composition
10. Incentive effect of funding

Israeli

Main project evaluation criteria

1. what is the degree of innovation
2. project quality
3. project consortia & efficiency of the implementation

## 2.7 Annual Evaluation / Progress Inspection

Czech

The TA CR performs regular inspections of the supported projects, once at least during its lifetime. Also, the TA CR may demand project reports for review and ad hoc inspections may be executed when a problem is indicated. In case the project is found to have failed its obligations, the Board of the TA CR may retrieve the TA CR funding, of which the final amount to be retrieved is calculated in accordance with the national rules and regulations in effect at the time. Should the project be disqualified by the IIA side only, the case will be subject to further decision by the Board of the TA CR whether to retrieve the remaining government funding.

Israeli

The IIA will monitor and manage funded projects according to the National Laws, Rules, Regulations and Procedures in effect. This includes disbursing funds according to milestone reports and conducting announced site visits at funded companies. The IIA reserves the right to discontinue funding in the case of non-performance. Should the project be disqualified by the Czech side only, the IIA will make procedural decisions on a case by case basis.

## 3. Contacts

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| TA CR  [www.tacr.cz](http://www.tacr.cz)  Ms. Radana Díťová  E-mail: radana.ditova@tacr.cz  Tel.: +420-234 611 637    Address:  Evropská 1692/37  160 00 Prague 6  Czech Republic |  | IIA  <https://innovationisrael.org.il/en/>  Mr. Uzi Bar-Sadeh  E-mail: Uzi.BarSadeh@innovationisrael.org.il  Tel.: +972-3-511-8185  Address:  Technology Park, Derech Agudat Sport, Ha’poel 2  Jerusalem 9695102, Israel |

1. According to the Frascati manual, applied research is an original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily towards a specific, practical aim or objective. Experimental development is systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes. By the European Union standardised notion, innovation is defined as a new or significantly improved product (good or service) introduced to the market, or the introduction within an enterprise of a new or significantly improved process. [↑](#footnote-ref-1)
2. Linked enterprises are enterprises which have any of the following relationships with each other: detaining a majority of voting rights into another enterprise, or equivalent control, such as the right to appoint or remove the supervisory body, or exercise a dominant influence pursuant to articles of association or agreement between shareholders. Partner enterprises are enterprises between which there is the following relationship: an upstream enterprise holds solely or jointly with one or more linked enterprises, 25 % or more of the capital or voting rights of a downstream enterprise.

   (Appendix No. 1 of the Commission Regulation (EU No. 651/2014)) [↑](#footnote-ref-2)
3. Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty – Official Journal of the European Union L 187 of 26 June 2014 (hereinafter the “Regulation”), in particular, Articles 25, 28 and 29, as amended by Commission Regulation No. 2017/1084 of 14 July 2017.    [↑](#footnote-ref-3)