

Call

for the submission of applications for granting of subsidies for undertaking of joint projects of industrial research and experimental development, promoting cooperation between eligible entities in the Slovak Republic and in the State of Israel

The Ministry of Economy of the Slovak Republic (hereinafter referred to as "the Ministry") within the meaning of Commission Regulation (EC) No 651/from 17 June 2014 on declaring certain categories of aid compatible with the common market in accordance with articles 107 and 108 of the Treaty, Act no 358/2015 Coll. on regulation of relations in the field of State aid and the minimum aid and on amendments to certain acts (Act on State aid) (hereinafter referred to as „Act No 358/2015, provisions of section 8 paragraph. 1 letter d) of the Act No. 71/2013) Coll. on the provision of subsidies within the scope of competence of the Ministry of Economy of the Slovak Republic (hereinafter referred to as "the Act"), on the basis of an approved aid scheme for the promotion of international cooperation in the field of industrial research and experimental development, as amended by Appendix 1 No. SA45653 dated 05/01/2016 (hereinafter referred to as "the scheme") and on the basis of agreement between the Government of the Slovak Republic and the Government of the State of Israel on cooperation in the field of industrial research and development (hereinafter referred to as "the Agreement"), signed on 06/27/2013 in Bratislava, Slovakia

Announces

a public call for applications for the granting of subsidies" (hereinafter referred to as" the call ") to address the joint projects of industrial research and experimental development by eligible entities in the Slovak Republic and in the State of Israel" .

1. The basic objective of the call

The basic objective of the call is to intensify the cooperation of Slovak business subjects with Israeli entities to partner solutions for joint projects of industrial research and experimental development.

2. Submission of applications for the granting of subsidies (hereinafter referred to as " the application")

2.1. Application

The form specified in annex No. 1 of the call, completed in the Slovak language and the form "EUREKA PROJECT FORM" placed on the Web page <http://www.eurekanetwork.org/eureka-project-application-form>, filled out in English, shall be submitted within the period specified by the Ministry as a provider to the address of the Slovak Innovation and Energy Agency

(hereinafter referred to as "the Administrator), as specified in point 4 of this call, in writing and in electronic form on a CD-ROM (MS Word, Excel files).

2.2. Mandatory annexes to the application are the originals or certified true copies of the following documents:

- a) Description of the project in the structure according to the model set out in annex 1 of this call,
- b) Calculation of the cost of dealing with the project according to the model set out in annex 5 of this call,
- c) Extract from the Commercial Register of the Slovak Republic or another similar registry, not older than 3 months, in case of a legal person, which shall be entered in such register,
- d) Proof of establishment or foundation of the applicant,
- e) Proof of the applicant's account in a bank or in a branch of a foreign bank and the account number to which the subsidy is to be sent to,
- f) Proof of existence of valid contractual relationships with foreign partners, which are related to the implementation of the project concerning:
 - Intellectual property rights and the use of know-how, which was owned by the project partners before the implementation of the project,
 - Contracts in respect of the use of intellectual property rights and know-how that will be created during the implementation of the project,
- g) Documents proving the fulfillment of the conditions under a special regulation,¹ not older than 3 months:
 - i. A solemn declaration of the applicant that it has settled the financial relations with the State budget,
 - ii. Confirmation of the tax administrator that the applicant does not have local tax arrears,
 - iii. Confirmation of the respective bankruptcy court, that there are no bankruptcy proceedings against him, is not in bankruptcy or restructuring and a proposal for a declaration of bankruptcy for lack of assets has not been raised.
 - iv. An affidavit of the applicant, that he is not subject to enforcement of a legal decision within the meaning of section 8a point 4 letter c) of the Act No. 523/2004) of the financial regulation of the public administration and on amendments to certain laws (hereinafter the "Act No. 523/2004 Coll.").
 - v. Confirmation by the competent labor inspectorate, that the applicant has not breached the prohibition of illegal employment,
 - vi. Confirmation of social insurance and health insurance companies, that the applicant does not have any recorded arrears of premiums on health insurance, social insurance and old-age pension savings, contributions,
 - vii. An extract from the criminal record.

Furthermore, the application shall be accompanied by:

¹ Section 8a) paragraph 4 and (5) of Act No. 535/2004 Coll. on the financial regulation of the public administration and on amendments to certain laws, as amended

- viii. An affidavit of the applicant, that the project, which he applies for a subsidy is not financed using assistance from other public sources,
- ix. A statement that it is not a firm in difficulty under the Community guidelines on State aid for rescuing and restructuring of enterprises 2014/C249/01,
- x. Declaration by the applicant that he is not subject to repayment of the aid on the basis of previous decisions of the European Commission, declaring the aid illegal and incompatible with the internal market,
- xi. Documents proving the existence of a valid contractual relations of cooperation between the project partners, i.e. the Slovak applicants and partners of Israel, signed by both Contracting Parties according to paragraph 4.8. of this call.

2.3. A closed envelope with the application and the annexes required must include indication "CS-IL – not to be opened" .

2.4. Date of submission of the application means the date on the stamp of the registered mail (if the application is sent by mail), or the day date stamp of the registry of the Administrator (if the application is delivered personally to the reception).

2.5. As there will be more participants, involved in the project, the application must also include a Contract on cooperation and the adjustment of the ownership to knowledge and results of the project and the rights to their exploitation, signed by all the participants involved in the project and a list of all Slovak participants including:

- First name and surname,
- Titles,
- Job title,
- Role in dealing with the project,
- The number of other persons involved in the project solution,
- The total number of persons involved in the project solution,

2.6. The annexes to the application are as follows:

a) Information about the foreign partner organization, in particular:

- The name of the partner organization,
- Address of the partner organization,
- List of the members of the project team of the partner,
- Name, surname and signature of the responsible solver of the partner organization,
- Name, surname and signature of the statutory representative of the partner organization,

b) A list of Slovak cooperating organizations and the corresponding members of the project team.

2.7. The application shall be accompanied by documents proving the security of own resources for implementation of the project, for example, confirmed loan or a statement of a bank account of the applicant.

3. The subsidy provider and implementing agency

Provider of the subsidy on the part of the Slovak Republic is the Ministry of Economy of the Slovak Republic (hereinafter referred to as "provider").

Provider:

Ministry of Economy of the Slovak Republic
19 Mierová st
827 15 Bratislava 212, Slovakia
Phone: +421 2 4854 1111
Website: www.mhsr.sk

Administrator:

The administrator on the side of the Slovak Republic is

The Slovak Innovation and Energy Agency (SIEA)
27 Bajkalská st
827 99 Bratislava, Slovakia
Phone: +421 2 58248 02/111
Website: www.siea.sk

Partner implementation agency on the side of a foreign partner is:

MATIMOP - Israeli Industry Center for R&D.
Industry House, 29
Ha Mered St.
P.O.Box 50364,
Tel Aviv 61500
Israel
Phone: ++ 972 3511 8111
website: www.matimop.org.il

4. Conditions for the grant of a subsidy

- 4.1. The basic condition for the granting of the subsidy is the submission of application for the granting of subsidy, together with the annexes referred to in point 2 of this call. The legal representative of the Slovak applicant must sign the application. An applicant may obtain a subsidy only for one eligible project.
- 4.2. The subsidy shall be granted only in case that the applicant meets the conditions of this call and the criteria of the scheme.
- 4.3. Supported will only be projects bringing measurable and interpretable results, leading to a new product, process or service, for example:
 - Semi operation, a certified technology
 - Variety, breed,
 - Patent,
 - Authorized software,
 - Utility model, industrial design,

- A prototype, functional sample.
- 4.4. Each project must have at least one measurable and evaluable result. The applicant in the application project description states the main and partial objectives of the project and milestones of the project together with the indicative timetable for their implementation.
 - 4.5. There has to be at least one project entity from each of the subject countries, while those bodies must not have the same owner.
 - 4.6. In case of multiple Slovak participants in the project, the main representative of the project shall submit the application collectively.
 - 4.7. Project works may not be initiated before the entry into force of the Agreement on the subsidy allocation.
 - 4.8. Each Slovak applicant, project participant is required to prove the existence of valid contractual relations with foreign partners, which are related to the implementation of the project, with the commercial use of the project results, license fees and intellectual property, in particular:
 - a) The legal protection of property rights and the use of know-how and intellectual property, which was owned by the project partners before the implementation of the project,
 - b) Contracts relating to the ownership and use of the know-how and intellectual property rights that arise during the implementation of the project.
 - 4.9. The application must be submitted within the deadline set by the provider in the Slovak Republic by the Slovak eligible applicant and by the foreign applicant, in the respective country.
 - 4.10. Applications without clear demonstration that on the side of a foreign participant was a project application submitted in parallel in its home country, will be expelled from the selection process.
 - 4.11. The subsidy shall not be allocated to an applicant who has violated financial discipline under section 31 (1) of Act No. 523/2004 Coll.
 - 4.12. The provider shall be entitled to repayment of the subsidy allocation in full, if the beneficiary transfers the subsidy to another entity. The same procedure shall apply in case of payment of the subsidies on the basis of provided false data, or other violations of financial discipline, according to Act No. 523/2004 Coll. on the financial regulation of the public administration and on amendments to certain laws.
 - 4.13. The provider shall be entitled to request additional information associated with the project for the purposes of the assessment of the compliance with the conditions for granting subsidies to the project.
 - 4.14. By signing the application, the applicant confirms the accuracy and completeness of the data contained in the application and its annexes. In case of non-disclosure of any facts

or false information, the application will be excluded from further approval and the subsidy will not be allocated to the applicant. Breach of the terms of use of the subsidies will be classified as a breach of financial discipline pursuant to section 31 of the Act No. 523/2004 z. of the financial regulation of the public administration and on amendments to certain laws.

- 4.15. The beneficiary of the subsidy will keep the allocated funds from the budget chapter of the Ministry of Economy of the Slovak Republic in a separate bank account and in a separate accounting.
- 4.16. The beneficiary of the subsidy shall clear the subsidy in his accounting according to the Act no. 522/2004 Coll. on the financial regulation of the public administration and on the amendment of certain laws to the extent and within the time limit specified by the provider of the subsidy and the order of the Ministry of Finance of the Slovak Republic (hereinafter referred to as the "Ministry of Finance") for the settlement of financial relations with the State budget for the respective year.
- 4.17. Earnings from the budget chapter of the Ministry of Economy of the Slovak Republic (subsidy provider) that are stored on a separate account of the beneficiary are income to the State budget are under Act No. 523/2004 Coll. on the financial regulation of the public administration and on amendments to certain laws. The term of payment of income and the obligation to send a note about its payment will be specified in the Agreement on subsidy allocation.

Allocation of a subsidy is not legally enforceable.

5. Eligible entities

The following may apply for a subsidy allocation

- natural or legal eligible persons under section 2 paragraph 2 of the Act No. 513/1991 Coll. the Commercial Code, registered on the territory of the Slovak Republic, which intend to implement different types of eligible projects and also carry out industrial research and experimental development,

Until the date of entry into force of the Agreement on subsidy allocation, the grant beneficiary will be deemed to be an applicant for the allocation of a subsidy.

6. Eligible projects

Eligible projects under this call are joint projects of industrial research and experimental development, which meet the basic objective in accordance with point 1 of this call.

Supported part of research and/or development part of the project must fully belong to one or more of the following two categories:

Industrial research - planned research or critical investigation aimed at acquiring new knowledge and skills for the development of new products, processes or services, or to achieve a significant improvement in existing products, processes or services.

It also includes development of parts of the complex systems and may also include construction of prototypes under laboratory conditions or in conditions with simulated interfaces linked to existing systems, as well as pilot lines, if they are necessary for industrial research, in particular for the approval of generic technologies.

Experimental development – acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills in order to develop new or improved products, processes or services. This may include, for example, activities aimed at the conceptual definition, planning and documentation of new products, processes or services.

Experimental development may include prototype development, illustrative demonstrations, pilot projects, testing and validation of new or improved products, processes or services in an environment where the primary purpose is further improvement of actual operating conditions, technically improved products, processes or services which are not provided for to a large extent. The development of commercially usable prototypes and pilot projects belongs here even in case that, these are not necessarily the final commercial products and its production is too expensive to be used solely for demonstration purposes and verification.

Experimental development does not include routine or periodic adjustments to existing products, production lines, manufacturing processes, services and other operations in progress, even if such modification may represent improvements.

7. Eligible costs

The eligible costs must be allocated to a specific category of research and/or experimental development under paragraph 6.

Calculation of the costs of the solution of the project is given in annex 5 of the call

In the context of the detailed budget, the applicant shall indicate the eligible costs broken down to the categories of industrial research and experimental development.

Eligible costs in connection with the implementation of the eligible project are:

- 7.1. The cost of staff; researchers and other auxiliaries to the extent in which they are involved in the project.
- 7.2. Costs of instruments and equipment to the extent and for the period of their use in the framework of the project. If such instruments and equipment are not used in the framework of the project throughout its life cycle, as eligible costs shall be considered only the depreciations within the length of the project, as calculated according to generally accepted accounting principles.
- 7.3. Costs for buildings and land property, to the extent and for the duration of their use in the framework of the project. In the context of the buildings shall as eligible costs be considered only the depreciations within the length of the project, as calculated according to generally accepted accounting principles. In case of land property are eligible costs considered costs for commercial transfer or actually incurred capital costs.

7.4. Cost of contractual research, knowledge and patents bought or licensed from outside sources on the basis of the principle of a market gap, as well as the costs of consultancy and equivalent services used exclusively for the project.

7.5. Additional overhead costs and other operating expenses, including costs of materials, supplies and similar products incurred directly as a result of the project.

Eligible costs in terms of time, amount and justification are only:

- The costs incurred during the implementation of project activities that are proven by the originals of documents (accounting documents and records, extracts from the accounts, etc.) and accompanying documentation (quotes, etc.), and these documents are properly recorded in the beneficiary's accounts in accordance with generally binding legal regulations in force,
- The costs associated directly with the implementation of the project in accordance with the content of the project and fully in line with the objectives of the project, as well as expenditures, contributing to the achievement of the planned activities and indicators of the project
- The costs which meet the conditions of economic efficiency (its minimization, while respecting the objectives of the project), effectiveness (maximization of the ratio between the input and output of the project) and purposefulness (its necessity for the implementation of project activities and the direct link to the activities),
- Costs, which are taking into account all the circumstances real, correct, up to date and do not overlap each other and are in accordance with the terms of the subsidy allocation Agreement.

As eligible are considered the costs of the solution and the implementation of eligible projects, paid by the beneficiary of aid from the date of entry into force of the subsidy allocation Agreement.

As eligible expenditure may also be considered VAT and in case that the applicant is not subject to VAT and thus cannot claim reimbursement with the local tax administrator. The applicant shall in this case include VAT within the eligible expenditure of the project budget.

For applicants who are VAT payers, VAT constitutes an ineligible expense, and cannot be included in the project within eligible expenses. In case of applicants for which is the VAT an ineligible expense, it shall not be neither stated in the project budget nor declared as an illegible expense.

8. Form and the method of aid

8.1. Aid shall be granted in the form of a subsidy from the budget of the Ministry of Economy of the Slovak Republic, which will be gradually provided on a separate account of the beneficiary.

8.2. The subsidy is granted in the form of current expenditures and capital expenditures.

8.3. The subsidy shall be granted for a period of project implementation.

8.4. The subsidy will be paid to the account gradually, as follows:

- The first part of subsidy amounting to a maximum of 60% of the total eligible costs, after signature of the Agreement of subsidy allocation by both parties,
- The remaining part of the subsidy will be paid on the basis of the application, submitted accounting documents, supporting documents certifying the payment of the actual eligible costs, evaluation of the project (art. N, point 11 of the scheme) and the documentation confirming the achievements of the project, after project implementation completion.

8.5. The request for the transfer of the corresponding part of the unpaid subsidy is required to be served pursuant to the guidelines of the provider.

8.6. The difference between the total eligible expenses of the project and the amount of the subsidy is funded from the own resources of the beneficiary.

9. The amount of aid and the aid intensity

9.1. The aid is granted for a maximum period of 24 months.

9.2. The aid amount is the sum of the individual values of the subsidy paid to the beneficiary.

9.3. The minimum amount of aid for a beneficiary: EUR 50.000,-.

9.4. The maximum amount of aid per project: EUR 235.000.-.

9.5. The aid intensity is 50% of the eligible costs of the carried out industrial research project activities and 25% of the eligible costs of the experimental development project activities.

9.6. The intensity of the aid in case of industrial research and experimental development may be increased up to a maximum aid intensity of 80% of eligible costs, namely:

- a) By 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises,
- b) By 15 percentage points, if one of the following conditions is met:
 - i) The project involves effective collaboration:
 - Between enterprises, among which at least one is a small and medium-sized enterprise, or the cooperation is carried out in at least two Member States, or in one country and in a Contracting Party to the EEA Agreement (European Economic Area), while none of the enterprises bears more than 70% of the eligible costs, or

- Between an enterprise and one or more organizations dealing with research and dissemination of knowledge and these organizations shall bear at least 10% of the eligible costs and shall have the right to publish the results of their own research,
- ii) The results of the project will be disseminated through conferences, publishing in freely accessible data storage sites or through free software, or a software with open source.

10. Budget

Financial resources for the implementation of projects under this call will be drawn from the aid provider program 07K 0E 03 Implementation of measures of the Strategy and Innovation Research for Smart Specialization of the Slovak Republic.

The total volume of funds allocated for projects under this call is 949 500,- EUR.

11. Method for the assessment of applications

Assessment of applications is carried out as follows:

Submitted applications will be assessed in terms of compliance with the technical and formal enforcement conditions (check for eligibility and completeness).

Consequently, each application meeting the technical and formal requirements will be evaluated by at least two independent expert reviewers from the area, who will draw up evaluation reports. Reports are the basis for deliberation of the Commission for the approval of applications for the granting of subsidies (hereinafter referred to as the Commission), established by the Ministry.

The Commission, after receiving the results of the formal and vocational assessment of applications, meeting the conditions of the scheme and of the call, evaluates the submitted projects. Consequently, the Commission shall decide on the approval of the grant for an applicant. The Commission shall designate the Chairman of the Commission to discuss approved projects with a foreign implementation Agency.

The Chairman of the Commission, or his representative, will discuss the approved projects with representatives of the foreign implementation agency. He shall notify the members of the Commission with results of the hearing and the Commission will then decide on the financial support of projects. This phase can also be carried out by a per-rollam deliberation.

Projects will be selected in terms of content, objectives and extent of international cooperation, efficiency and possibilities of practical use of the results of the solution.

The decision to grant/reject the subsidy shall be given by the provider to applicants within 15 working days from the date of the final hearing of the Commission. At that time, together with the decision shall also be sent a draft Agreement on the subsidy allocation.

The applicant shall send back to the provider a signed Agreement on grant allocation not later than 10 working days from receipt of the decision on subsidy allocation. In case of failure to meet the deadline, the applicant loses the entitlement for subsidy allocation.

Administrator and the provider shall publish on their websites the list of approved or approved and financially supported projects, and rejected projects as well.

12. Method of removing formal shortcomings in applications

- 12.1. If the application does not contain the prescribed particulars, the Administrator shall, within 10 working days from the date of receipt of the application in writing, shall ask the applicant to supplement it.
- 12.2. If the applicant fails to complete the request within 10 working days, the Administrator shall reject the application.
- 12.3. In case that the applicant does not comply with article 5 of the Call, i.e. the requirement for the eligibility of the entity, the Administrator shall reject such application.

13. Criteria for the evaluation of projects

The basic criteria for the evaluation of the project

Maximum number of points: 30

- Project description – the appropriateness, relevance, originality of the project (max.10 points),
- Solution schedule, relevance of the project in relation to the nature of the call (max. 5 points),
- The meaning and justification of the need for international cooperation (max. 10 points),
- Professional level of the project team (max. 5 points).

Practical use of the results of the project

Maximum number of points: 70

- Degree of technological advancement of project outputs (middle-tech, high-tech) (max. 20 points),
- The usefulness of the outputs of the project in practice/on the market (market research-new potential customers, new markets), the impact on the competitive position of the participating partners (max. 40 points),
- Increase in employment (max. 10 points).

The minimum threshold for the funding of project selection is 70 points. The project must in each evaluation block get at least 50% of the total possible evaluation points.

14. Obligations of the beneficiary

The beneficiary is obliged to:

- Keep the provided by funds from the budget of the Ministry of Economy of the Slovak Republic on its own separate account and in keep its separate accounting,
- To demonstrate at the request of the provider use of the subsidy and eligibility of the costs incurred,
- Allow authorized persons to exercise control and audit within the meaning of art. R) point 3 of the scheme, carry out checks on the use of the subsidy, cost-effectiveness and compliance with the conditions of eligibility for the subsidy allocation,
- Immediately communicate any fundamental change in the project or a change on the side of the applicant and its partner,
- In case of failure to comply with the terms of the subsidy allocation to return the subsidy to the account under the guidelines of the provider,
- Carry out procurement of works, goods and services within the meaning of applicable universally binding legal provisions².

This obligation shall also apply to the successor in title of the beneficiary.

15. Time scope for projects

Time scope for projects is maximum 24 months.

16. Rights to the project outputs.

- 16.1. The results of research and development belong to the beneficiary of the aid, even in case of acquisition of contractual research, technical knowledge and patents bought or licensed from external sources.
- 16.2. Beneficiary of the aid, on the basis of the results of research and development can carry out production and business activities and the results of the project can be carried out on the market.
- 16.3. The owner of the assets and property acquired from the funds granted to the solution of the project is the beneficiary of the aid, which has procured the respective assets or created it during the project implementation.

17. Final provisions

All provisions, which are not listed in this call are contained in the Act and in the scheme of State aid for the promotion of international cooperation in the field of industrial research and experimental development as amended by Amendment No 1.

To this call, it is possible to draw up amendments, including the suspension of the call which will be published by the provider on its website.

² Act No 343/2015 Coll. on Public Procurement and on amendments to certain laws applicable from 04/18/2016

The proceedings on the application for the granting of subsidies are not covered by generally binding legal regulation on administrative procedures.

18. Attachments:

Integral parts of this call are the attachments as follows:

Attachment 1: Application for a subsidy

Attachment 2: Attachment EUREKA PROJECT FORM

Attachment 3: The statutes of the Commission for the approval of applications for a subsidy

Attachment 4: Agreement on subsidy allocation

Attachment 5: Calculation of the costs of the project solution

Contact persons in the Slovak Republic

For the provider:

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For the Administrator :

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Date of announcement of the call:

Closing date of the call:

Approved by: Peter Žiga, Minister of Economy of the Slovak Republic

Bratislava, Slovakia on: