Terms of Reference
For Czech-Korea 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 Korea Institute for Advancement of Technology (KIAT) and 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 Korea, 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 innovations¹. The Research and Development activity must contain the following features:

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

¹ According to Frascati manual, applied research is 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.
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 program 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**

All areas that are mutually accepted*. However, projects for products or services in following topics are particularly appreciated:

1. Green Car and automobile parts
2. System semi-conduct
3. Embedded Software
4. Internet of Things
5. Key Enabling Technology(KETs)
6. Space Technologies and space Applications

*The TA CR does not support solely defence projects and medical research projects with a predominance of clinical studies activities as in the Czech Republic these areas are being supported by different funding institutions.

**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 the Republic of Korea making up the other side of the partnership.

**Korean**

A Company, regardless of the size, must be the lead organization on the korean side while universities or research institutes may participate as participating organizations only.

**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.

All Czech and Korean 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 Joint Call for Proposals
   25th June 2019

② Submission / Requisition of R&D proposals
   26th June 2019 – 22nd August 2019

③ Proposal Evaluation (Refer to Section 2.6)
   23rd August 2019 – 30th December 2019

④ Evaluation Results Announcement
   December 2019

⑤ Agreement Between the Participants and the Respective Organization
   1st January 2019 – 29th February 2020

⑥ Project Kickoff (eligible costs since)
   KIAT: 1st December 2019
   TACR: 1st January 2020 – 30th June 2020

⑦ Start of Funding
   KIAT: December 2019 onwards
   TACR: January 2020 onwards

2.4 Project Duration and Funding

The TACR and KIAT will fund the respective nationals in the selected consortia in accordance with their national 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 here:

- Information about Korean funding scheme is available here:
  [https://www.kiat.or.kr/site/contents/infrom/index2_read.jsp](https://www.kiat.or.kr/site/contents/infrom/index2_read.jsp)

Czech

**Budget and support intensity**

- The total max. budget of 1st call for proposals under DELTA 2 programme
  is 450 mil CZK (cca 20 mil USD)*.

- The project funding limitation is derived from the Regulation 641.²
  (funding will be [paid on a yearly basis](https://www.kiat.or.kr/site/contents/infrom/index2_read.jsp)).

- The subsidy is provided on a grant basis.

- 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 max. 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, stipendia.

* *may vary depending on the exchange rate in effect at the time of tender

**Project duration**

- The project must begin in the period of 1st January 2020 to 30th June
  2020.

- The TA CR will award funding from January 2020 following the conclusion
  of agreement on the provision of funding with the lead applicant.

- Government contribution is available for 36 months maximum.

Korean

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² 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;
Budget and intensity of support

- The total max. number of proposals receiving funding under 4th Korean-Czech joint call is five.
- Funding will be awarded not to exceed KRW 1,500 million /project for the entire duration of the project (apx USD 1,334,757* Paid on a yearly basis).
- The subsidy is provided on a grant basis.
- Should the project be found to be disqualified from the interim evaluations, KIAT may retrieve the unused government funding.
- Project funding is comprised of government grants and civilian dues (cash and in-kind). The amount of government grants will vary depending on the type of executing organizations and project in accordance with Article 24 (Funding criteria) and Article 25 (Civilian dues) of the Common Operational Regulations for the Industrial Technology Innovation Programs. A party that participates in a project shall carry out its project using the government grants allocated to it, and for-profit organizations shall individual bear the cash portion of civilian dues.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Share of government grants in executing organization’s project budget</th>
<th>Share of cash in executing organization’s civilian dues</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original technology</td>
<td>Innovative product</td>
</tr>
<tr>
<td>Large company</td>
<td>50% or less</td>
<td>33% or less</td>
</tr>
<tr>
<td>Mid-tier company</td>
<td>75% or less</td>
<td>60% or less</td>
</tr>
<tr>
<td>SME</td>
<td>75% or less</td>
<td>67% or less</td>
</tr>
<tr>
<td>Other</td>
<td>100% or less</td>
<td>100% or less</td>
</tr>
</tbody>
</table>

*may vary depending on the exchange rate in effect at the time of tender

Project duration

- The project must start on 1st December 2019.
- KIAT will award funding from December 2019 following the conclusion of agreement on the provision of funding with the lead applicant.
- Government contribution is available for 36 months maximum.

2.5 Proposal Submission
By the Call Deadline on 22nd August 2019, 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 signed by all participants.
- 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 are available at:
- Consultation at early stage (before the call is launched) is highly recommended. After 25th June 2019 only consultations via the official TA CR online helpdesk ([https://tacr.cz/hesk/](https://tacr.cz/hesk/)) is available in order to secure the same access to information to all applicants.

**Korean**

- Korean participants shall upload a complete funding application at the time of the proposal submission.
- More information is available at [www.k-pass.kr](http://www.k-pass.kr)
- Consultation at an early stage (before the call is launched) is highly recommended.
- Additional documents related to evaluation process will be required.

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### 2.6 Proposal Evaluation Procedure

The TA CR and KIAT will independently evaluate the submitted proposals in accordance with the respective national rules and regulations. Evaluation results for the top candidates will be shared and discussed between two organizations. Finally, the TA CR and KIAT will jointly select the final consortia within approximately 5 months after the call deadline.

**Czech**

**Main project evaluation criteria**

1. usefulness of project and its contribution to fulfilling the goals of DELTA 2 programme with focus on international collaboration benefits
2. expertise of project team and its dispositions for applying the results in praxis
3. project feasibility including potential risks

Korean
Main project evaluation criteria
1. the validity of project planning and the importance of the related technology
2. the capacity of the applicants for performing the project
3. expected benefits of project and expected quality of project results
4. the international cooperation strategy

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 is disqualified by the Korean side only, the case will be subject to further decision by the Board of the TA CR whether to retrieve the remaining government funding.

Korean
KIAT requires the lead organization on the Korean side to submit an annual evaluation report of the project no later than one month prior to the end of each project year. In addition to the report submission, annual evaluation may include onsite inspection, interview, etc. In case the Korean lead organization fails to submit the report in time or the project progress is found to have failed its obligations, etc., the project may be disqualified for government funding and terminated early. The Korean participant may proceed with their own source of fund.

3. Contacts
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