**Terms of Reference**

**For Czech-Vietnam 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 State Agency for Technology Innovation (SATI) 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 Vietnam, 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 and experimental development[[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 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**

1. Nanotechnology and advanced materials;
2. Biotechnology and pharmaceuticals;
3. Agriculture and fisheries technology;
4. Information and communication technologies;
5. Other sectors according to the actual needs of both sides. (\*)

(\*)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 institution.

 **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 Vietnam making up the other side of the partnership.

Vietnam

A company, regardless of the size, must be the organization have the ability to mobilize resources to carry out the international project in Vietnam. Universities or research organizations may apply for National Programmes on Science and Technology funding only provided that the consortium constitutes at least one Vietnamese company.

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 Vietnam 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 – 21st August 2019

③ Eligibility Check

22nd August – 12th September 2019

④ Proposal Evaluation (Refer to Section 2.6)

13th September – 31st December 2019

⑤ Evaluation Results Announcement

31st December 2019

⑥ Agreement Between Participants and Respective Organizations

1st January 2019 – 29th February 2020

⑦ Project Kickoff (eligible costs since)

1st January 2020 – 30th June 2020

 8 Start of Funding

January 2020 onwards

**2.4 Project Duration and Funding**

l The TA CR and SATI 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.

l 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.

l Information about the Czech funding scheme “DELTA 2” is available here:<https://www.tacr.cz/index.php/en/programmes/delta-2-programmes.html>

l Information about Vietnam funding scheme is available here:

<http://www.sati.gov.vn/eng/posts/359>

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 subsidy is provided on a grant basis.

The project funding limitation is derived from the Regulation 641[[2]](#footnote-2).

· 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.

Vietnam

Funding for project implementation includes support from the state budget, self-financing funding sources of organizations/ enterprises, of which the fund for project implementation is mainly guaranteed by organizations and enterprises.

If the project proposal of Vietnam organizations/ enterprises meets the objectives and contents of the national science and technology program, it may be supported with funding from the state budget according to the ability and financial mechanism of the National Science and Technology program.

The following items may be considered for support from the state budget: professional contracting; energy materials; machinery and equipment for research; expenses for foreign missions and incoming missions and international conferences; other costs

Projects of participating organizations/ enterprises without demand for public funding on the Vietnamese side are eligible to apply under the same frame provided the SATI confirms subject's qualification, credibility, and competency to collaborate on a joint R&D project with a Czech partner, i.e. the projects will still be subjected to the partner’s evaluation procedure.

SATI will have other necessary support for organizations and enterprises in the process of developing and implementing projects

*Project duration*

The project must begin in the period of 1st January 2020 and Duration of the project is no more than 3 years

### **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:

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

The proposal shall be signed by all participants.

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

Czech

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

l More information are available at:

l <https://tacr.cz/index.php/cz/programy/program-delta-2/prvni-verejna-soutez-delta2.html>

l 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/) is available in order to secure the same access
to information to all applicants.

Vietnam

* Vietnamese participants shall submission of proposals, written in Vietnamese language, it’s depending on conditions of National Programmes on Science and Technology at the time of the proposal submission through SATI.
* SATI will assist Vietnamese participants in seeking and matchmaking with potential partners of the Czech Republic when the call is launched/ opened on 25 June 2019.
* Vietnamese participants must submit their project proposals by the 21 August 2019 the latest, if they fail to do so, their project proposals will not be accepted into the call.
* More information are available at:

<http://www.sati.gov.vn/eng/posts/359>

### **2.6 Proposal Evaluation Procedure**

The TA CR and SATI 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 SATI 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

Vietnam

Main project evaluation criteria

1. The project proposal is for a project of applied research and experimental development.

2. The subject of the project proposal or parts thereof has not been addressed in another project, grant project or research project.

3. The project proposal is in line with the objectives of the programme.

4. The project proposal clearly defines the objective(s) of the priority areas (priorities), areas and sub-areas of the national priorities of targeted research, experimental development and innovation, specified by the provider in the tender documentation for the relevant public tender.

5. The project proposal is submitted in a field of applied research and experimental development which was identified by TACR and the partner agency as being suitable for collaboration.

6. Assumptions of the project participants for achieving the stated objectives of the project.

7. Type of project results and their use in practice.

8. Benefits of the project.

9. Distribution of activities between partners - balance of activities of project participants.

10. Suitability of the project for international collaboration.

### **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 SATI side only, the case will be subject to further decision by the Board of the TA CR whether to retrieve the remaining government funding.

Vietnam

SATI performs regular inspections of the supported projects, at least once during its solution. Also, SATI may demand project reports for review and ad hoc inspections may be executed when a problem is spotted. In case the project is found to have failed its obligations, SATI may retrieve Vietnamese government funding, of which the final amount to be retrieved is calculated in accordance with Vietnamese government rules and regulations in effect at the time. In case the project is disqualified by the Czech side only, the case will be subject to further evaluation by SATI to decide whether to retrieve the remaining government funding.

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### **3. Contacts**

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| TA CRwww[.tacr.cz](http://www.tacr.cz)Ms. Lucie BíláE-mail: lucie.bila@tacr.czTel.: +420 770 180 556Address:Evropská 1692/37160 00 Prague 6Czech Republic |  | SATIwww.sati.gov.vnMs. Nguyen Yen ChiE-mail: yenchilady@gmail.comTel.: +84 936046810Address:10th floor113 Tran Duy Hung str., HanoiVietnam |

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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. [↑](#footnote-ref-1)
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;    [↑](#footnote-ref-2)