



## Innovation - Call III

The aim of the Call is to strengthen the innovation performance of companies and increase their competitiveness by stepping up the use of unique know-how created in cooperation with the academic and research sector, to expand the know-how of companies for their own innovations and to increase the effectiveness of internal processes in the area of innovation management so that the number of companies in the position of technological leaders increases, new competitive products are created and introduced to the global market and skills of businesses in high-tech production are enhanced.

### TIMETABLE

#### Receipt of grant applications:

- 18.02.2025 – 30.05.2025

### SUPPORTED ACTIVITIES

- Increasing the technical and utility values of products, technologies and services (product innovation)
- Increasing the efficiency of production and service provision processes (process innovation)

### THE APPLICANT

- is a natural person or legal entity pursuing business, that has been assigned a Czech ID number and is authorized to do business<sup>1</sup>;
- is authorized to conduct business corresponding to the economic activity<sup>2</sup>, in which the project is implemented, no later than on the date of submission of the last request for payment.
- According to its solemn declaration, the applicant did not relocate<sup>3</sup> the establishment in which the initial investment, for which the aid is requested, is to be made during the two years preceding the grant application;

<sup>1</sup> This is a trade license or license to do business according to other legal regulations (unless otherwise stated in the Rules for Applicants and Beneficiaries of OP TAC - specific part).

<sup>2</sup> In the application in IS KP21+, the applicant indicated the CZ-NACE in which the project is implemented. The registered CZ-NACE must not be listed in the Call annex titled "Unsupported CZ-NACE".

<sup>3</sup> Relocation means a transfer of the same or similar activity, or a part thereof, from an establishment in one contracting party to the EEA Agreement (initial establishment) to an establishment in which the aided investment takes place in another contracting party to the EEA Agreement (aided establishment). It is a transfer if the product or service in the original and in

- If it is a legal entity, it provided the data to the extent required in Section 14, paragraph 3, letter e) of Act No 218/2000 Coll., the Act on Budgetary Rules and amending certain related acts, as amended:
  - in IS KP21+, it entered information on the identification of persons acting on behalf of the applicant, indicating whether they act as its statutory body or whether these persons act on the basis of a granted power of attorney,
  - has registered the real owners of the legal entity in accordance with Act No 37/2021 Coll., on the registration of real owners (fulfilment of the condition will be verified by IB),
  - in IS KP21+, it entered information on the identification of the entities in which it has a share and the amount of this share;
- According to its sworn statement, **it is not in liquidation**;
- According to its sworn statement, it has been registered as an income tax payer in the Czech Republic, continuously for at least two tax periods<sup>4</sup> preceding the date of submission of the grant application.

## TERRITORIAL ELIGIBILITY

- Target territory: The territory of the Czech Republic, except NUTS 2 Prague
- The territorial eligibility is not assessed based on the registered office of the applicant (beneficiary) but based on the actual place of project implementation, i.e. the territory where the physical implementation takes place and the project expenses are incurred.
- **Definition of favoured regions:** The project will be implemented in economically and socially vulnerable areas or in areas with a higher than average unemployment rate. The economically and socially vulnerable areas are defined at the level of the administrative districts of municipalities with extended powers (MEPs) in the Regional Development Strategy of the Czech Republic 2021+. Areas with a higher than average unemployment rate are defined as administrative districts of the MEPs in which the share of unemployed persons exceeds the national average share of unemployed persons, based on data published by the Ministry of Labour and Social Affairs for the last month preceding the announcement of the call. The aim of favouring selected regions of the Czech Republic, in accordance with the document Territorial Dimension in Operational Programmes 2021+, is to spur economic development in areas where it is most needed.

## MAIN CONDITIONS OF THE CALL

- The project must not violate horizontal EU policies and their basic principles; in particular it must comply:
  - with principles of non-discrimination (primarily non-discrimination based on race, gender, religion, ethnic origin, disability, age or sexual orientation),
  - with the principles of sustainable development,
  - with the Charter of Fundamental Rights of the European Union;
  - with environmental legislation (the applicant submits a declaration on honour);

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the supported establishment serves at least partially the same purposes and meets the requirements or needs of the same type of customers and there is a loss of jobs in the same or similar activity in one of the original establishments of the beneficiary in the EEA.

<sup>4</sup> This is a tax period according to Section 16b for natural persons / Section 21a for legal entities of Act No 586/1992 Coll., on income taxes.

- The project objectives shall be in line with the objectives of the operational programme and the Call;
- For projects whose total eligible expenses are equal to/higher than CZK 5 million, the score obtained in the simplified economic evaluation, which expresses the financial health of the applicant, must not be lower than 5 points;
- The project, its activities and results do not lead to significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation").
- Investments in infrastructure meet the requirement for climate resilience in the sense of Article 73(2) of Regulation (EU) 2021/1060 of the European Parliament and of the Council. Investments in infrastructure with an expected lifetime of at least 5 years have been examined in terms of climate impact in accordance with Article 73(2)(j) of Regulation (EU) 1060/2021 of the EP and of the Council on common provisions for the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund.
- Grant applications of applicants who have submitted a similar active project (in any PP status up to PP37 including) under OP TAC will not be approved in the phase of appraisal of formal requirements and eligibility, unless the applicant has withdrawn from the project. A similar project is a project that has the same place of implementation (up to the level of municipality), similar activities and a similar budget size and structure. The aim of the above-mentioned measure is to prevent the blocking of budget funds by the fact that the still unfinished projects are submitted again in an identical wording, or slightly modified.

## ELIGIBLE EXPENDITURE

- Technology (Article 14 GBER)
- Software and data (Article 14 GBER)
- Rights to use intellectual property (Commission Regulation (EU) No 2023/2831 on de minimis)
- Product certification (Commission Regulation (EU) No 2023/2831 on de minimis)

## FORM AND AMOUNT OF AID

- The grant per project is provided in the minimum amount of CZK 1 million<sup>5</sup> and up to a maximum of CZK 80 million.
- Projects requesting less than the minimum aid based on the aid intensity are ineligible and will not be accepted into the appraisal process. The maximum aid level is unsurpassable.
- The beneficiary must provide a financial contribution of at least 25% of the eligible expenditure either from its own resources or through external financing, in a form that does not contain any State aid within the meaning of Art. 107(1) of the Treaty on the Functioning of the EU.
- The aid will be paid in accordance with the "Rules for the co-financing of the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, the European Maritime, Fisheries and Aquaculture Fund, the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for financial support for border management and visas for the 2021- 2027 programming period"

<sup>5</sup> Valid at the stage of approval by the selection committee.

and will be reimbursed retrospectively after the end of the project or its stage (if the project is staged in accordance with the Rules for applicants and beneficiaries of OP TAC - general part) provided that the conditions of the Decision are met.

- The beneficiary is obliged to ensure the financing of expenses for the implementation of the project, including VAT.
- The aid may not be provided for the same project expenses for which other aid from public sources has already been or will be provided, including an aid from Union funds that are centrally managed by bodies, agencies, joint ventures and other Union entities and that are not directly or indirectly under control of member states.
- The aid may not be provided to a beneficiary who has an unpaid obligation arising from a recovery order issued after a previous decision of the Commission declaring that the aid received from a provider from the Czech Republic is illegal and incompatible with the internal market.

## AID INTENSITY - BREAKDOWN OF FUNDING SOURCES<sup>6</sup>

Region	Small enterprise	Medium-sized enterprise	Small mid-cap company
Northwest	60 %	50 %	40 %
Northeast	50 %	40 %	30 %
Central Moravia	50 %	40 %	30 %
Moravia-Silesia	50 %	40 %	30 %
Central Bohemia - Mladá Boleslav, Beroun, Prague-west, Prague-east, Nymburk, Kolín, Příbram, Benešov, Kutná Hora	35 %	25 %	15 %
Central Bohemia - Kladno, Rakovník, Mělník	45 %	35 %	25 %
Southwest – Rokycany, Pilsen, Pilsen-south, Domažlice, Klatovy, Písek, Tábor, Strakonice, České Budějovice, Jindřichův Hradec, Prachatice, Český Krumlov	35 %	25 %	15 %
Southwest – Pilsen-north, Tachov	45 %	35 %	25 %
Southeast	35 %	25 %	15 %

<sup>6</sup> The chapter shows the EU share. The remaining part of the funding will be covered from the beneficiary's resources.