

General guide for evaluators

Answers to common questions
regarding evaluation of projects

T A
Č R

Table of Contents

Introduction	3
TA CR Evaluator	4
Evaluation process	5
Formal check	5
Who evaluates admitted project proposals	5
Example of evaluation process	6
Assigning project proposals to evaluators	7
When the evaluator may not accept the assigned evaluation	8
How much time to set aside for the evaluation	8
When deadlines must be observed during the evaluation	9
What if the deadline for the evaluation report is not met	9
Basic principles of evaluation of project proposals	9
Creating the evaluation report	10
Feedback for experts	10
Evaluation within the project implementation	11
Useful databases for project evaluation	11
Overview of the most important terms in R&D&I	12
Research, development and innovation	12
Useful terms in project evaluation	16
Funding provider	16
Programme	16
Project proposal	16
Project	16
Applicant	16
Main applicant	17
Main beneficiary	17
Other project partners	17
Research organisation	17
Enterprise	17
Motivational effect	18
Funding rate	18
Effective cooperation	19
Costs	19
Important sources of information	20

Introduction

The main task of the Technological Agency of the Czech Republic (hereinafter referred to as “TA CR”) is to prepare and implement programmes of applied research, experimental development, and innovation and to strive for research, development, and innovation to benefit society. One of the very important activities of the TA CR is to assess and select the best project proposals in cooperation with evaluators.

The number of programmes and calls for proposals announced in them increases every year. As a result, the budget for the support of project proposals, which is administered by TA CR, has also been increasing. This is why high-quality and unbiased assessments by evaluators are very important for their selection.

This Guide for Evaluators provides general information on the evaluation of project proposals as well as projects under implementation. You can find specific instructions on the evaluation of project proposals of the given call in the call documentation annex (it applies to calls for proposals whose provider is the TA CR).

The Technology Agency of the Czech Republic has long been striving for a balanced representation of men and women and equal visibility of their contribution to innovation. For the sake of a clear, understandable description of the roles and evaluation process, we present the text in the generic masculine, but all statements apply to both men and women.

TA CR Evaluator

The evaluation is carried out in the **Information System of the Technology Agency** (hereinafter referred to as “**ISTA**”), which is available at ista.tacr.cz and serves for the submission of project proposals, their evaluation and the administration of their implementation.

In ISTA, each evaluator can only have one account that is paired with their birth number. If a project researcher wants to be an evaluator as well, they will have all the information available under one user account and will simply switch between the Evaluators, Applicant, and Projects tabs.

In ISTA, the evaluator will find a link to the shared folder “Documents for evaluators in ISTA” in their evaluator profile as well as other useful information, such as specific examples of what is considered bias in the TA CR terms and conditions.

The information the evaluator has access to while evaluating project proposals is strictly confidential and must not be shared with anyone!

For communication with the TA CR, please use primarily the e-mail address hodnotitele@tacr.cz.

The evaluator database is managed by the **Human Potential Development Department** (ORLP). The department deals with contractual relations with evaluators, documents for payment of rewards, or issues with ISTA. The department clerks select potential evaluators for individual calls, assign them expert reports and expert evaluations, and assign summary evaluation reports to rapporteurs.

Another department that cooperates with evaluators is the **Proposal Evaluation Department** (OKO). This department sets up the evaluation process, checks the summary evaluation reports of the rapporteur, organizes and controls the course of meetings (of the panel of rapporteurs, Expert Advisory Bodies, and the Presidency of the TA CR).

The last department that cooperates with evaluators is the **Monitoring and Administration Department** (OMA). It deals with the evaluation of projects under implementation (interim and final opposition proceedings) and also communicates with the rapporteurs of projects under implementation during change proceedings and drafting opinions on interim and final project reports.

Since 2021, the TA CR sends out a quarterly newsletter for evaluators called **FOKUS**. Through it, the agency shares the main news regarding the evaluation of projects in the TA CR or the current schedule of calls in which you can participate as an evaluator. In FOKUS, you will also find interesting statistics or results of research supported by the TA CR. If you would also like to subscribe, please contact us at hodnotitele@tacr.cz.

Evaluation Process

The entire evaluation process is divided into several consecutive steps, which are described below. The evaluation process may differ for individual programmes and calls for proposals, but it always takes place in accordance with the applicable legislation, which is presented in the [overview on page 18](#).

Formal Check

The **Committee for Admission of Project Proposals** first evaluates the completeness and formal aspects and whether the submitted project proposals meet the conditions for admission to the call for proposals in applied research, experimental development and innovation (hereinafter referred to as “call for proposals”).

The formal check of project proposals also includes the assessment of an undertaking in difficulty by expert evaluators. If the applicant is found to be an undertaking in difficulties, their project proposals are not admitted into the call for proposals.

Each project proposal that is admitted into the call for proposals will subsequently undergo the evaluation process.

Who Evaluates Admitted Project Proposals

The first stage of project proposal evaluation is evaluation by **experts**. Part of the **expert evaluation report** is the evaluation of scored criteria. In specific cases given by the conditions of the respective call for proposals, you also evaluate bonus points criteria or binary (exclusion) criteria. In the final evaluation of the project proposal, the evaluator summarizes the pros and cons of the project proposal, justifies the final opinion and decides whether or not to recommend the project proposal for funding.

If the conditions of the relevant call for proposals so stipulate, project proposals or applicants are evaluated by **expert evaluators**. They can assess the impact on the environment of the project implementation, the commercial potential of the project result, the gender balance of the project team or, for example, the quality of the applicant’s personnel policy. Evaluations prepared by expert evaluators are most often the basis for the proceedings of the Expert Advisory Body.

Each project proposal is then assigned to a **rapporteur**, who prepares a **summary evaluation report** for the project proposal, in which they summarize the expert evaluation reports and add their professional opinion to the evaluated project proposal.

In the vast majority of TA CR programmes, the rapporteur is a member of one of the collective bodies. If a panel of rapporteurs is established in the programme, then the rapporteur is a member of the panel of rapporteurs. In the event that a panel of rapporteurs is not established, the rapporteur may be a member of the Expert Advisory Body.

The **panel of rapporteurs** bases its evaluation on the evaluation prepared by the experts and on the evaluation of the rapporteurs. The panel of rapporteurs can suggest adjusting the score that the project proposal received from experts, reducing project solution costs, or adjusting the ratios between individual categories of applied research. The panel of rapporteurs will attach its own opinion

on whether to recommend the project proposal for funding or not. All proposals of the panel of rapporteurs serve as a basis for the evaluation of the Expert Advisory Body.

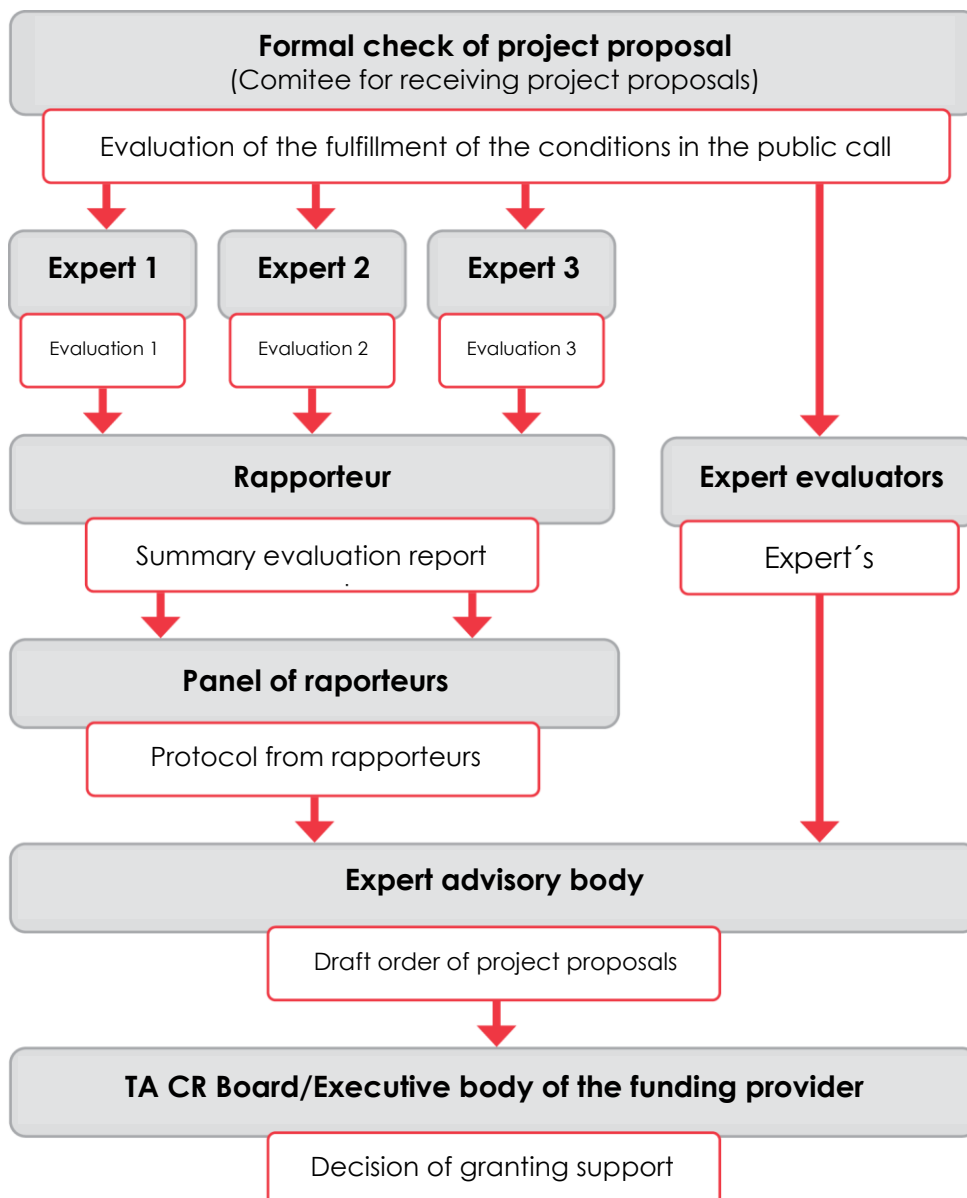
Based on the results of previous evaluations, the **Expert Advisory Body** will evaluate project proposals. This term includes, depending on the programme, the programme board, programme committee, programme council, or programme committee. The Expert Advisory Body has similar rights to adjust the proposal as the panel of rapporteurs.

The TA CR Board, or the executive body of the funding provider, will decide on the provision of funding for individual project proposals.

Example of Evaluation Process

The evaluation of project proposals is clearly shown in the following diagram, which serves to give a better idea of the entire process. It may vary for individual programmes and calls for proposals.

It is therefore always necessary to familiarize yourself in detail with the call documentation of the given call for proposals and with the programme itself!



Assigning Project Proposals to Evaluators

In the interest of impartiality and objectivity, the TA CR, through ISTA, assigns each project proposal to experts and rapporteurs who are not biased, do not participate in the project implementation and are not collaborators of the same organisation. The TA CR has created a document for evaluators describing a uniform definition of conflict of interest.

The system of assigning evaluators to the project proposal is based on established criteria, primarily impartiality, Central Register or Projects (CRP) field categories, and TA CR fields (list of fields based on CRP fields, elaborated in greater detail). The main criterion is the maximum match of the evaluator's expertise with the fields of the project proposal.

You will be notified by e-mail that an evaluator has been assigned to the project proposal.

Both the expert and the rapporteur are obliged to confirm acceptance of the evaluation of the project proposal to the TA CR **within three working days**.

If the evaluator does not consider themselves an expert in the given field, or if they are biased towards the project proposal or one of the applicants, they will refuse to process the evaluation in ISTA and will state the relevant reason.

When the Evaluator May Not Accept the Assigned Evaluation

You **must decline** the evaluation if:

- the topic of the project proposal is mostly outside your expertise,
- you are in an employment relationship with the main applicant or another project partner in the project proposal,
- you have a close relationship with one of the members of the project team, or, for example, you are submitting or researching another project with them,
- through people close to you, you have a vested interest in the outcome of the evaluation of the specific project proposal,
- you are aware that your strong attitudes, personal relationships, beliefs, or stereotypes could prevent an objective evaluation,
- in the case of an expert's evaluation, furthermore:
 - you are an employee of the application guarantor of evaluated project proposals or you are employed by an institution that provides an application guarantee for the projects,
 - you are a rapporteur of the call for proposals,
 - you are a member of the Expert Advisory Body of the given call for proposals.

If you are an employee of a university, you are automatically considered biased towards all project proposals in which the university participates, regardless of which faculty is involved in the project proposal.

If you discover any **bias after the evaluation has been accepted**, please contact the ORLP (Department of Human Potential Development) officials as soon as possible at hodnotitele@tacr.cz. The project will be unassigned from you and assigned to another evaluator.

How Much Time to Set Aside for the Evaluation

The time necessary to carry out the evaluation depends on the evaluator's experience with evaluations and the conditions set for the given call for proposals. The evaluation must be completed thoroughly, so set aside enough time for it. On average, it takes five to eight hours to study all the materials and to complete the expert evaluation report.

The number of project proposals that the evaluator can carry out in the relevant call for proposals is limited, in order to maintain a high quality of all assigned evaluations.

What Deadlines Must Be Observed During the Evaluation

The deadlines for submitting evaluations through ISTA are binding for all evaluators.

As soon as the evaluator receives an e-mail about the assignment of the project proposal for evaluation, they are obliged to confirm **within 3 working days** to the TA CR that they accept the project proposal and are willing to carry out the required evaluation.

If the expert accepts the evaluation, they have a period of **21 calendar days** to complete the expert evaluation report, counted from the day of confirmation of receipt of the evaluation request.

The rapporteur has **10 calendar days** to prepare the summary evaluation report, counted from the acceptance of the last expert evaluation report on the given project proposal. The rapporteur will learn about this fact by e-mail.

The expert evaluator has **10 calendar days** to prepare the evaluation report.

If the comments on individual criteria are too brief and do not reflect the focus of the criteria, or the opinions to recommend the allocation of funding are not sufficiently justified, the evaluations are returned for amendments. The evaluator has **3 calendar days** to amend or complete the individual evaluations.

Please note that these deadlines may change in exceptional cases and upon prior agreement with the evaluators.

What If the Deadline for the Evaluation Report Is Not Met

In case the deadlines are not met, the evaluator faces penalties. In case of delay in processing the evaluation report, the penalty is calculated for each day of delay. For delay in fulfilling the contractual obligation, the TA CR may also demand full compensation from the evaluator for the damage caused.

In case of gross breach of contract by the evaluator, the TA CR is entitled to withdraw from the contract. Such a breach of contract occurs, for example, if the evaluator delays the processing of the evaluation report by more than 2 working days without an apology and the evaluator does not communicate with the TA CR. If the evaluator repeatedly fails to comply with the deadline for completing evaluation reports, they may be removed from the database of evaluators.

Basic Principles of Evaluation of Project Proposals

- The evaluator will first **study** the project proposal **as a whole** in order to get a comprehensive idea of the project proposal and especially of the parts that may not correspond to a specific criterion, but may be important for the overall assessment of the project proposal.
- When evaluating the project proposal, the evaluator primarily **bases their assessment on the call documentation, including its annexes and guidelines regarding project evaluation**. All materials for a given call for proposals are always published on the TA CR website (www.tacr.cz).

- When assessing the project proposal, the evaluator further **uses information from publicly available databases** (some links are provided on page 11), from trusted sources on the Internet, and from their own experience and knowledge.
- Since TA CR programmes are based on the Community Framework, Commission Regulation No. 651/2014, and Act No. 130/2002 Coll., the evaluator should become familiar with these regulations as well. Links are provided on page 20.
- The evaluator will list the pros and cons of the project proposal, even if they are already listed for one of the criteria.
- At the end of the evaluation, the evaluator will state their final opinion on the project proposal and whether or not they recommend the project proposal for funding. The evaluator's decision must always be objectively and clearly justified. In particular, the reasons that led to such a decision must be mentioned in the final opinion.
- The evaluator in the role of rapporteur can propose a change in the ratio of industrial research and experimental development (IR/ED) and a change in the total costs of the project proposal or individual applicants.

Creating the Evaluation Report

The evaluation of project proposals is carried out **only electronically**.

The form determines the structure and content of the required evaluation report. The output of the expert assessment of the project proposal by the expert will be a completed **“Evaluation report in a call for proposals”**. In the evaluation report, a comment must be filled in for all scored or bonus points criteria as well as binary criteria, even if the project does meet the bonus points criteria and binary criteria.

After processing, the evaluation report must be closed and the form submitted via ISTA.

The evaluator's report is made available to applicants anonymously after the announcement of the results of the call for proposals.

The output of the rapporteur is the **“Rapporteur's summary evaluation report”**. In it, the rapporteur summarizes the evaluation reports made by the experts and adds to them their own opinion on the project proposal. They will elaborate the contradictions between the individual evaluation reports made by the experts, list the pros and cons of the project, and assign an opinion whether funding should be granted. In case the call for proposals establishes other criteria evaluated by the rapporteur, they will comment on them as well. Furthermore, in their report, the rapporteur will give marks to individual expert evaluation reports, see below.

Feedback for Experts

After the evaluation has been completed and the results of the call for proposals announced, the rapporteur's summary evaluation report of the project proposal that the expert evaluated is made available to experts in ISTA. The rapporteur comments on the expert's arguments in the summary evaluation report and marks the overall evaluation. Two marks are awarded on a scale of 1 to 4 (1 being the best) for:

- **coherence** – consistency of scoring and verbal comments

- **expertise** – professional level and quality of evaluation

Evaluators can find this information **in ISTA under the Evaluators tab** and also in the **Evaluation Overview section**. In this section, the evaluator can select the **“Evaluation of project proposals”**, open their evaluation report and go to the rapporteur’s comments section.

These comments are a feedback for experts and a reflection for further evaluations. They will point out what to focus more on and what to look at differently. If the expert does not agree with the assessment of their evaluation report, they can contact the TA CR via the e-mail address hodnotitele@tacr.cz.

Evaluation Within the Project Implementation

Based on the decision on the provision of funding and the subsequent signing of the contract between the funding provider and the beneficiary, the project enters the implementation phase. In this phase, there are several invariable steps but also selective ones, in which the cooperation of evaluators is required.

An invariable step means such a process that must always take place during the implementation of the project, i.e. typically, it involves processing the opinions of the rapporteurs on the interim and final project reports, expert evaluations for the purposes of the final project evaluation or the actual implementation of this evaluation.

Selective steps then contain change management, i.e. all requests for changes to the project that require the expert opinion of an evaluator or participation in public administration, but also monitoring checks (ongoing and extraordinary project evaluation or project monitoring visits at the site of implementation)

The evaluator in the TA CR database may also be offered an evaluation request for the purposes of interim or final project evaluation in the role of expert.

The vast majority of the above-mentioned processes are carried out in ISTA, in exceptional cases through individual e-mail communication between the project administrator of the Monitoring and Administration Department or another authorized employee of the TA CR office and the evaluator.

Evaluators of projects in implementation may refer to the [General Guide for Evaluators in Implementation](#).

Useful Databases for Project Evaluation

Refer the following databases if you want to find out if someone has already dealt with the topic of the project in the past.

The databases below serve as examples, and you can also use other sources of information when evaluating.

- [TA CR STARFOS](#)

A search engine for research projects that have been funded by public funds of the Czech Republic. It offers search in Czech and English along with an advanced system of analytical filters.

- [Central Register of Research Projects, experimental development, innovation and information on data transfer – CRP](#)
- [Register of information on results and information on data transfer – RIV](#)
- [Office of Industrial Property](#)
- Patent and utility model databases
 - [Worldwide Espacenet](#)
 - [Horizon Dashboard](#)

Overview of the Most Important Terms in R&D&I

In this section, the basic terms related to research, development, and innovation and to TA CR programmes are presented. The terms are divided into two sections for clarity. The first section deals with research, development, and innovation in general. The second section is focused on terms related to project applicants, information needed to evaluate project proposals and basic information on the evaluation of projects in implementation, and also provides explanations and practical examples.

Research, development, and innovation

The National Research, Development, and Innovation Policy of the Czech Republic is a document approved by the Government of the Czech Republic, which contains the basic objectives of funding, its substantive focus, an estimate of the development of expenditure on research and innovation from the state budget, from the European Union, and from private sources, the priorities of applied research and innovations for a period of four to six years, and measures for their implementation.

Research

Research is an active, persistent, and systematic process of inquiry to discover, interpret, or revise facts. This intellectual process produces a large number of theories, laws, and descriptions of behaviour and enables their practical use. The term “research” can be used to mean the entire collection of information about a given subject and is often associated with science and scientific methods. Research is divided into basic and applied (see below); there are also other types of research, which we mention below.

The Frascati manual states that **research and development activity must be:**

- new
- creative
- uncertain, in the sense of the uncertainty of achieving the intended results
- systematic
- transferable/reproducible

Basic research

Basic research is theoretical or experimental work carried out mainly with the aim of gaining new knowledge about the basic principles of phenomena or observable facts, which is not primarily aimed at application or utilisation.

Applied research

Applied research includes theoretical and experimental work aimed at acquiring new knowledge and skills for the development of new or substantially improved products, processes, or services.

Applied research includes industrial research and experimental development or a combination thereof.

The Frascati manual gives the following definition: Applied research is original investigation carried out to obtain new knowledge. However, it is directed primarily to a specific practical goal.

Collaborative research

Collaborative research is a joint process of at least two partners in the design and implementation of the project. These partners also share the risk and results.

A research organisation can get involved in collaborative research projects in two ways:

- The project supports the activities of a research organisation related to economic/commercial activity. In this case, the research organisation is viewed as an enterprise, including the application of the related rules (especially the funding rate according to the type of activities).
- In a project, a research organisation carries out independent research without economic/commercial activity. In this case, it is possible to provide funding up to 100% to a research organisation that meets the conditions of ch. 2 of the Community Framework.

If a research organisation conducts independent research as part of a joint project with an enterprise (i.e. typically often has a 100% funding rate), unauthorized state aid must not be provided to the enterprise through the research organisation.

Contractual research

It is understood as research financed only from the private sphere sources (meaning private, i.e. non-public sources in general). Contracts where the client is a state institution or other public entity and pays for this service from its own resources are also often recognised as contractual research. The client finances the research, bears the risk, and is the owner of the results.

Industrial research

This term refers to planned research or critical inquiry aimed at acquiring new knowledge and skills for the development of new products, processes, or services, or for the substantial improvement of existing products, processes, or services. Social science research may also be included. It involves the creation of sub-parts of complex systems and may include the production of prototypes in a laboratory environment as well as the production of pilot lines when necessary for industrial research and in particular for general technology validation.

Aimed research

This term refers to research that is aimed at solving specific social and economic goals.

Development

Development is a designation for a continuous process during which the current state is changed to a new state. The goal of development in our concept of an ascending character is to develop better and better versions based on experience, a plan, or a random error.

Experimental development

This type of development means acquiring, combining, shaping, and utilising existing scientific, technological, business, and other relevant knowledge and skills to develop new or improved products, processes, or services. Experimental development may include the development of prototypes, demonstration activities, pilot projects, testing and validation of new or improved products, processes, or services under real operating conditions or simulating real operating conditions.

Experimental development does not include routine or regular changes to existing products, production lines, production processes, services, and other unfinished operations, even though such changes may represent improvements.

Innovation

Innovation refers to the introduction of new or significantly improved products, procedures, or services into practice. Innovation means the renewal and expansion of the range of products and services and their associated markets, the creation of new methods of production, supply, and distribution.

Process innovation

Implementation of a new or substantially improved method of production or service provision, including significant changes in technology, equipment, or software, which is actively used.

Product and service innovation

This means the realisation of a new or improved product or service that is significantly different from other products or services, and that has been brought to market.

The results of research, development, and innovation are:

- in **basic research**, as a rule, new knowledge about the basic principles of phenomena, processes, or observable facts, which are published according to the customs in the given scientific field;
- in **applied research**, as a rule, new knowledge and skills for the development of products, procedures, or services. It is important that knowledge and skills can be applied in practice. They are protected by laws to protect the results of authorship, invention or similar activity or used by the professional public or other users. The result can also be knowledge and skills for the provider's needs, used in the provider's activity, if they arose during the performance

of a public contract;

- in **development**, proposals for new or substantially improved products, processes, or services in development;
- in **innovations**, new or substantially improved products, procedures, or services, put into practice or applied on the market.

State aid

If state aid is used to finance activities favouring certain sectors or areas and there is a threat of market disruption (for example by favouring funded entities), such funding is not permitted by European Union law. For business entities (enterprises) operating in the market environment, funding by state aid can only be provided under certain conditions.

In principle, funding for research, development, and innovation activities can only be provided if:

- it is notified to the European Commission (the funding proposal has been submitted to the European Commission for assessment by the Directorate General for Competition (DG Competition) and the provision of funding has been approved),
- the funding is provided on the basis of principles resulting from European regulations (GBER, de minimis and others).

Four key signs are used to identify **unauthorized state aid**, i.e. to determine whether the funding is state aid at all. It is imperative that each of them is fulfilled.

Favouring some enterprises
Public funds
Affecting trade between Member States
Distortion of competition (or risk thereof)

In the case of providing public funds to research organisations, this does not constitute state aid if specific conditions are met, namely conducting independent research as well as research in collaboration with other entities, the aim of which is to increase the volume of knowledge and improve existing know-how.

To fulfil this condition, however, it is necessary that at least one of the following conditions is met:

- results that do not give rise to intellectual property rights may be generally disseminated,
- intellectual property rights related to the results of research, development, and innovation resulting from the activities of the research organisation must fully belong to this organisation,
- these are not activities in which the research organisation undertakes economic/commercial activity.

When assessing whether or not unauthorized state aid is provided to a research organisation or enterprise (especially through a research organisation), it is necessary to consider in particular:

- whether the funding provided to the research organisation is directed to an area in which the research organisation simultaneously undertakes economic/commercial activity,

- whether it can be legitimately assumed that it is **collaborative research**, i.e. whether the partners actually participate in the design and implementation of the project and whether they jointly share the risks and results of the project,
- whether it can be legitimately assumed that this is not contractual research, i.e. a situation where the project is ordered and financed by a company that bears the risk and is the owner of the results. Research and development is carried out by a research organisation,
- whether it can be legitimately assumed that the know-how (or results) created by the research organisation within the framework of collaborative research with the enterprise(s) will fully belong to the respective research organisation (for co-owned results, it applies to the relevant part of the result).

Useful Terms in Project Evaluation

Funding provider

A funding provider is an organisational component of the state or territorial self-governing unit, which decides on the provision of funding and which provides this funding.

Programme

A programme establishes the conditions on the basis of which individual calls for proposals are announced and determines their focus.

Project proposal

The term project proposal can be understood as a request from the applicant for funding. This is all information that applicants fill in the electronic project proposal in ISTA, including all its attachments.

Project

The project proposal becomes a project after the conclusion of the contract for the provision of funding.

Applicant

An applicant is a legal entity or a natural person, an organisational component of the state or an organisational unit of the ministry engaged in research and development. If this entity carries out both economic and non-economic activities, it is necessary to keep separate accounts for the financing, costs, and income related to these activities.

Main applicant

The main applicant can only be an entity that has its registered office, place of business, or branch in the Czech Republic. The main applicant can work on the project independently or in cooperation with other project partners.

Main beneficiary

The main applicant becomes the main beneficiary after concluding the contract for the provision of funding.

Other project partner

Other project partners in the project proposal cooperate with the main applicant in working on the project proposal. This term is used both in the project proposal and after the conclusion of the contract for the provision of funding.

Research organisation

An organisation for research and knowledge dissemination (“research organisation”) means an entity (for example, a university or research institute, a technology transfer agency, an innovation intermediary, a physical or virtual collaborative research entity) regardless of its legal status or the method of funding, whose main objective is to conduct independent basic research, industrial research, or experimental development or to publicly disseminate the results of these activities in the form of teaching, publications, or knowledge transfer.

The list of research organisations maintained by the Ministry of Education, Youth and Sports of the Czech Republic is not binding, and it is important to fulfil the conditions set out in Article 2, Paragraph 83 of the Regulation. If the evaluator has doubts as to whether the subject meets the conditions to constitute a research organisation, they are obliged to state this fact in their evaluation report.

Enterprise

Enterprise means an entity performing an economic activity, regardless of its legal form. The term includes self-employed persons and family businesses performing craft or other activities and commercial companies or associations that normally perform economic activity.

An economic activity is any activity with which a given entity operates on the market, regardless of whether the activity is profitable or not.

Applicants in project proposals (regardless of their legal form) can choose “enterprise” as the type of applicant in ISTA (e.g. non-profit organisations, associations, contribution organisations).

If the evaluator has doubts as to whether the subject meets the conditions of the size of the organisation involved in the project to constitute an enterprise, they are obliged to state this fact in their evaluation report.

Small enterprise

- employs fewer than 50 employees;
- its assets or turnover/income do not exceed the Czech crown equivalent of 10 million EUR;

Medium-sized enterprise

- employs fewer than 250 employees;

- and its assets do not exceed the Czech crown equivalent of 43 million EUR, or its turnover/income does not exceed the Czech crown equivalent of 50 million EUR.

Large enterprise

- does not fall under the definition of small and medium-sized enterprises.

Note: When determining the size category of the enterprise, it is necessary to take into account the existing ownership relationships. If the enterprise is owned by another enterprise, it is necessary to take into account the size of the enterprise that participates in the call for proposals, as well as the relevant share of employees and the share of turnover of the connected enterprise(s).

Motivational effect

The motivational effect of state funding for research, development, and innovation is intended to lead applicants to increase their activity in research, development, and innovation. They will also be able to carry out projects or activities in this area that would not be possible at all or only to a limited extent without state funding.

The motivational effect is usually considered to be present if the project activities have not started before the application for funding is submitted.

Funding rate

Funding rate means the amount of funding expressed as a percentage of eligible project costs.

For a better understanding, the table below provides an example of the calculation of funding rate during the cooperation of different types of entities. However, it is always necessary to keep in mind the rules of the given programme.

Beneficiaries	Industrial research		Experimental development	
	Maximum funding rate			
	According to type of entity	When effective cooperation is proven (see page 19)	According to type of entity	When effective cooperation is proven (see page 19)
Small enterprise	70 %	80 %	45 %	60 %
Medium-sized enterprise	60 %	75 %	75 %	50 %
Large enterprise	50 %	65 %	65 %	40 %
Research organisation	100 %	100 %	100 %	100 %

Effective cooperation

Effective cooperation occurs:

- between the enterprise and one or more research organisations if this organisation bears at least 10% of the eligible costs and has the right to publish the outputs/results of its own research, or
- between enterprises of which at least one is a small or medium-sized enterprise and no enterprise covers more than 70% of the eligible costs, or
- between enterprises where this cooperation takes place in at least two EU member states or in an EU member state and in a state that is a party to the EEA Agreement, and no enterprise covers more than 70% of the eligible costs.

Whether the project involves effective cooperation or not is important for determining the correct funding rate. If the conditions for effective cooperation are not met, the participating enterprises cannot demand an increase in the funding rate precisely for the additional payment for cooperation.

See the table above.

Example: If three organisations participate in a project – one medium-sized enterprise with an 80% cost share, one small enterprise with a 15% cost share, and a research organisation with a 5% project cost share – this is not effective cooperation. Since a research organisation is involved in the project, the conditions of the second type of effective cooperation (i.e. cooperation between an enterprise and a research organisation) need to be examined. In the given case, the first condition is not fulfilled, because the research organisation participates in the project with only 5%, instead of the required minimum of 10%.

Costs

Eligible costs are those costs or expenditure in research, development, and innovation that are allocated to specific categories of funding and may be incurred by the beneficiary in research, development, and innovation activities or in connection with R&D&I activities. They include:

- personnel costs or expenses for researchers, technicians, and other support staff to the extent necessary for the purposes of the project, including grants for research, development, and innovation under the Higher Education Act,
- costs or expenses for the acquisition of tangible assets to the extent and for the period when these assets are used for the purposes of the project; if the costs or expenses are not incurred within the framework of the project throughout its lifetime, only depreciation for the duration of the project calculated on the basis of generally accepted accounting principles are considered eligible costs,
- costs or expenses for the acquisition of intangible assets, know-how, and patents purchased or acquired under license from external sources under normal market conditions used exclusively for the purposes of the project, other operating costs or expenses,
- costs or expenses for services, contractual research, or consulting and equivalent services used exclusively for the purposes of the project, travel, conference and trade fair fees, etc.,
- additional costs or expenses incurred in a direct temporal and material context during the project run, the expenditure of which will contribute to the implementation of the project, whereby this

definition means the share of the common operating costs of the organisation (overhead) as costs that cannot be directly attributed to a specific project (the so-called indirect costs). The share of these costs is then determined:

- as a percentage set by the provider (flat rate) or
- as the amount of actual overhead costs determined according to the organisation's uniform methodology for applying full indirect costs in projects (full-cost).

For each evaluation, it is important to familiarise yourself with the call documentation, which specifies the eligible costs in the given call for proposals.

Important Sources of Information

Commission Regulation (EU) No 651 of 17 June 2014 declaring certain categories of funding compatible with the internal market in accordance with Articles 107 and 108 of the Treaty

The regulation defines the conditions under which it is possible to provide funding without notification. Pay particular attention to section 4: Funding for research, development, and innovation.

Communication from the Commission – Framework for State aid for research, development and innovation 2022/C 414/01 (“the Framework”)

This communication from the Commission stipulates how some cases will be assessed from the point of view of whether or not the funding constitutes state aid for research organisations.

Act No. 130/2002 Coll. of March 14, 2002 on the funding of research, development and innovation from public funds (“the Act”)

- defines research, development, and innovation,
- determines the method of selecting projects,
- defines the powers and obligations of the provider and beneficiaries.

The Frascati manual

A document intended for the evaluation of scientific and technical activities. The boundaries between research, development and other related activities are defined here.

The Czech version contains a translation of the second chapter: Concepts and definitions for identifying research and development.

Oslo Manual 2018. Guidelines for Collecting, Reporting and Using Data on Innovation, 4th Edition

It deals with innovations and is published in cooperation with two international organisations: OECD10 and EUROSTAT11

Innovation strategy of the Czech Republic 2019–2030

Final output of key activity 7 of the Project “Improving the activity of the TA CR in the area of research, development, and innovation (R&D&I) funding, and support for strengthening the professional capacities of public administration organisations in R&D&I”

Research, development, and innovation – definition of the term, goals of state aid and private funding, situation in the Czech Republic (what research contributes to)

Methodical procedure of the Ministry of the Interior for creating comprehensible communications in public administration, December 2018