

REPUBLIC OF CROATIA
Ministry of Science, Education and Sports
Project Preparation Advance (PPA)
for preparation of Second Science and Technology Project (STP II)
Loan Nr. P4640 -HR

Unity through Knowledge Fund

Announces
Call for Proposals

**YOUNG RESEARCHERS AND PROFESSIONALS PROGRAM
Research in Industry and Academia Grant (3C)**

1. INTRODUCTION

The Government of Croatia has received Project Preparation Advance (PPA) from the World Bank for preparation of Second Science and Technology Project (STP II). The Ministry of Science, Education and Sports (MSES) is implementation agency for PPA and through the PPA and STP II has the objectives to (i) improve the capacity of Croatia's R&D and innovation institutions to implement Europe 2020 Strategy for increased investments in R&D through efficient absorption of EU funds, and (ii) develop a pipeline of public and private R&D projects, including research groups, that could qualify for financing through EU structural funds.

Unity through knowledge Fund (UKF) will use the PPA funds for preparation of proposed Second Science and Technology Project (STP II), to finance the operational activities, launch new calls for proposals and for the evaluation procedure.

Financial resources for UKF programs will be available when Proposed Second Science and Technology Project become effective.

2. ABOUT UNITY THROUGH KNOWLEDGE FUND

Under the motto Connectivity – Cooperability – Creativity, the Unity through knowledge Fund has mission to unite scientific and professional potential in Croatia and Diaspora in the development of the knowledge based society.

In order to achieve this task, UKF strives towards the following goals: fostering internationally competitive research, fostering research that provides new



values to Croatian economy and supporting projects that develop science and technology infrastructure.

This *Call for Proposals* together with *Young Researchers and Professionals Program, 3C Grant – Application Form 2012, Young Researchers and Professionals Program, 3C Grant – Curriculum Vitae Form 2012, Young Researchers and Professionals Program, 3C Grant – Instructions for Applicants 2012, Researchers and Professionals Program, 3C Grant – Baseline Survey 2012*) (<http://www.ukf.hr/default.aspx?id=155>) and the *UKF Guidelines and Procedures - Preparation Advance of Proposed Second Science and Technology Project (STP II) 2012* (<http://www.ukf.hr/default.aspx?id=7>), set out the terms and conditions on which the Research in Industry and Academia Grant is awarded.

For every project proposal recommended for financing, the applicant will be obliged, during the negotiations, to prove that their project is in accordance with *Environmental Management Framework*, which is the condition for financing. *Environmental Management Framework*, guidelines which set the environmental screening categories and *Environmental Screening Form (Annex A – Environmental Management Framework)*, which will be required to submit to the Fund upon request are also available on the Fund's webpage (<http://www.ukf.hr/default.aspx?id=155>).

3. ABOUT YOUNG RESEARCHERS AND PROFESSIONALS PROGRAM

Young Researchers and Professionals Program fosters young researchers and professionals both from Croatia and Diaspora within all aspects of their professional advancement. Program is committed to support “brain-gain” to Croatian innovative small and medium enterprises, universities and research institutions.

The program goal is to unlock the innovation potential by allowing young researchers and professionals to lead projects autonomously. Program encompasses projects of researchers and professionals at doctoral student and post doc level, up to 5 years after doctorate. Program supports: (a) post-doctorate advancement of top young scientists and professionals in order to become future research leaders, (b) excellent young researchers and professionals of Croatian origin from abroad to start independent projects in Croatia, and (c) scientific and developmental projects, of young scientists and professionals, which incorporate cooperation between academia and industry or industry and Diaspora. Projects should enable transfer of knowledge, skills and



investments into Croatia.

Fund supports research and development projects from all area of sciences, and technology on competitive basis, according to the below stated criteria.

4. ABOUT RESEARCH IN INDUSTRY AND ACADEMIA GRANT (3C)

The objective of the Research in Industry and Academia Grant is to increase mobility of young researchers and professionals between academia and Croatian industry as well as to strengthen long-term cooperation between two sectors. The grant supports engagement of excellent young researchers and professionals in Croatian enterprises. Eligible applicants shall come from Croatian public scientific research institutions or Diaspora and be doctoral students or hold PhD degree. In addition, grant supports engagement of excellent young researchers and professionals in Croatian public scientific research institutions. Eligible applicants shall come from Croatian industry and be doctoral students or hold PhD degree.

The grant is aimed for co-financing of salaries of young researchers and professionals, who will work on scientific and technology projects in Croatian companies or in public scientific research institutions.

The projects should contribute to:

- (1) creating/improving of the new product/process/service;**
- (2) increase of competitiveness of Croatian economy through development of new hi-tech solutions;**
- (3) joint participation of industry and academia in international or European R&D projects.**

All companies (big, small and medium enterprises) and public scientific research institutions may apply if they fulfill requirements from this Call. Administering organization is a legal entity with head office in Croatia and will be responsible for accepting and management of the financial funds. **Guarantee for co financing shall be provided by a company.**

Total individual grant cannot be higher than 160.000 HRK and proposed projects can last between 6 and 24 months.

This grant is opening new opportunities for cooperation between academia and industry, foster the exchange of people and ideas, advance innovations within industrial R&D projects and develop highly skilled professionals.



5. INSTRUMENTS THAT CAN BE FINANCED

This grant can include following expenses:

- The salary expenses in the amount of 50 % of gross salary during the whole duration of the project. The highest possible salary co financed by the Fund will be in the amount of 8.500 HRK net per month.
- If the applicant's salary should be higher than 8.500 HRK net per month, the interested companies must, besides the mandatory co financing in the amount of 50 % of gross salary ensure additional co financing in order to achieve salary raise.

6. GENERAL PRINCIPLES OF HOW FUND WILL FINANCE PARTICULAR PROJECTS FOR STATE AID BENEFICIARIES

Since the Republic of Croatia must establish State aid control in line with European Union praxa, Croatian Competition Agency (CCA) which governs the compliance with the State aid rules set out by the Croatian legislative framework must be notified of the State aids awarded within the programs of the Fund.

State aids for research, development and innovation within the Research Cooperability Program will be awarded by the Fund according to the Decision on Authorization issued by the Croatian Competition Agency, Class: UP/I 430-01/12-02/008, Reg.No.: 580-09-01/89-2012-005 from October 25th 2012 (<http://www.ukf.hr/default.aspx?id=7>).

In accordance with this Decision on Authorization, if the Leading organization (organization to administer funding) is a big, middle or small enterprise Fund will co finance projects depending on the project research category (basic, applied or developmental research), in the maximum percentages (the aid intensity), as follows:

- 50% of eligible expenditures for basic research
- 50% of eligible expenditures for applied research
- 25% of eligible expenditures for developmental research;

eligible costs for applied and developmental research may be increased for:

- 10% for middle enterprises
- 20% for small enterprises;



and additional 15% bonus may be added to the maximum of 80% eligible costs under the following conditions:

(i) the project involves effective collaboration between at least two SMEs which are independent of each other and the following conditions are fulfilled:

- no single SME must bear more than 70 % of the eligible costs of the collaboration project,
- the project must involve collaboration with at least one SME or be cross-border, that is to say, the applied and development activities are carried out in at least two different Member States, or

(ii) the project involves effective collaboration between SME and a research organisation which is not a Leading organization, if following conditions are fulfilled:

- the research organisation bears at least 10 % of the eligible project costs,
- the research organisation has the right to publish the results of the research projects insofar as they stem from research implemented by that organisation, or

(iii) only in case of applied research, if the results of the project are widely disseminated through technical and scientific conferences or published in scientific or technical journals or in open access repositories (databases where raw research data can be accessed by anyone), or through free or open source software.

For the purposes of points (i) and (ii) subcontracting is not considered to be effective collaboration.

State aids cannot be awarded to the enterprises in difficulty.

7. ELIGIBILITY CRITERIA AND LETTERS OF COMMITMENT TO BE SUBMITTED

ELIGIBLE APPLICANTS? For this eligible applicants are excellent young researchers or professionals who live and work in Croatia, or excellent young researchers or professionals of Croatian nationality or origin living and working abroad, which, at the moment of submitting the project proposal for this Grant, are doctoral students or have achieved their doctoral degree within last 5 years.

The eligible applicant has to show hers/his potential as a future research leader by his excellence, innovativeness, commitment and previous success. She/he



should be able to develop hi-tech solutions in industry and in public scientific research institutions.

1. Applicants from Croatia who wish to participate in industrial projects, at the time of submitting the project proposal for this Grant must be employed in Croatian public scientific research institutions (public institutes, universities and polytechnics). Also, the applicants who were employed in public scientific research institutions up to a maximum of 6 months prior to submitting the project proposal can apply.
2. Applicants from abroad who wish to participate in industrial projects in Croatia at the time of submitting the project proposal for this Grant can be employed either in academic institutions or in industry and must be of Croatian nationality or origin (they do not have to hold Croatian citizenship).

Applicants (listed under item 1 and 2) **cannot apply** if they are in any employment relationship with a company, or have, after obtaining a doctorate degree been employed for a period longer than six months in the Croatian industry, or have already received an employment offer in a company requesting a grant for them which is not conditioned by this Fund's grant that they are applying for.

3. Applicants from Croatia who wish to participate in projects in public scientific research institutions in Croatia at the time of submitting the project proposal for this Grant must be employed in Croatian industry. After this project has been concluded the applicants must return to their mother-company.

The applicant (listed under item 1, 2 and 3) cannot be the project leader on any other project of the Unity through Knowledge Fund, cannot be involved within any other application submitted to the currently open calls of the Young Researchers and Professionals Program and finally, cannot apply for this Grant if he/she had already received Research In Industry And Academia Grant from UKF.

ELIGIBLE TECHNOLOGY AREAS? Proposed research in all scientific disciplines; natural, biomedical, technical, biotechnical, social sciences and humanities is eligible. Proposed visit must clearly demonstrate benefit for Croatian economy, natural environment, cultural heritage and society.

ELIGIBLE COMPANIES? For this support may apply companies and Croatian public scientific research institutions, which will administer the project. The company

should provide all necessary conditions for implementation of all proposed research and development activities.

The eligible company should be registered in Croatia according to law. Company should be at least 50% in private ownership, must not have outstanding debts to the state, should not be in financial difficulties according to the definition from *Decision on the publication of the rules on State aid for rescuing and restructuring* ("Official Gazette" No 20/07 and 21/10), its account must not be blocked for more than 30 days in the last 6 months, and should fulfill the criteria of solvency.

LETTERS OF COMMITMENT TO BE SUBMITTED?

1) If an applicant from public scientific research institution in Croatia or an applicant from the Diaspora wishes to join a company in Croatia for an undetermined period of time:

- a separately written commitment of the administering company to host the applicant, to co-finance the applicant (with amount), to administer the proposed project, to report towards the Fund, and specifying the type of the support (technical, administrative and other). The company (**the administering organization**) should accept all legal and other responsibilities originating from and connected to the proposed research project. **The authorized person of the administering company** is responsible for proposing and agreeing suitable arrangements with the applicant. One company may host more than one applicant, and also part-time employed applicants.

2) If an applicant from public scientific research institution in Croatia or an applicant from the Diaspora wishes to join a company for a determined period of time and has taken a sabbatical during the grant period, in this way retaining his/her previous employment:

- a letter of commitment of the applicant's main employer (in Croatia or abroad) stating the support for the applicant's employment in company with an explanation of the applicant's status during the implementation of the project and after its' conclusion.
- a separately written commitment of the administering company to host the applicant, to co-finance the applicant (with amount), to administer the proposed project, to report towards the Fund, and specifying the type of the support (technical, administrative

and other). The company (**administering organization**) should accept all legal and other responsibilities originating from and connected to the proposed research project. **The authorized person of the administering company** is responsible for proposing and agreeing suitable arrangements with the applicant. One company may host more than one applicant, and also part-time employed applicants.

- a joint letter of the main employer and the company relating to the applicant's professional and personal development plan for during the implementation and after the conclusion of the project.

3) If the applicant from Croatian industry wishes to join a public scientific research institution in Croatia for a determined period of time:

- a letter of commitment from the company containing the support for the applicant's employment at the scientific research institution as well as the financial support (stating the amount of co-financing), with the explanation of the applicant's status during the implementation of the project and its' conclusion.
- a separately written commitment of the administering public scientific research institution to host the applicant to administer the proposed project, to report towards the Fund, and specifying the type of the support (technical, administrative and other). The institution (**administering organization**) should accept all legal and other responsibilities originating from and connected to the proposed research project. **The authorized person of the administering institution** is responsible for proposing and agreeing suitable arrangements with the applicant. One institution may host more than one applicant, and also part-time employed applicants.
- a joint letter of the public scientific research institution and the mother- company relating to the applicant's plan of professional and personal development for during the implementation and after the conclusion of the project.

4) If an applicant from Croatia wishes to join a company for a determined or undetermined period of time and he/she was employed in Croatian public scientific research institution up to a maximum of 6 months prior to submitting the project proposal



- a separately written commitment of the administering company to host the applicant, to co-finance the applicant (with amount), to administer the proposed project, to report towards the Fund, and specifying the type of the support (technical, administrative and other). The letter must contain an explanation of the applicant's status during the implementation of the project and after it's conclusion. The company (**administering organization**) should accept all legal and other responsibilities originating from and connected to the proposed research project. **The authorized person of the administering company is** responsible for proposing and agreeing suitable arrangements with the applicant. One company may host more than one applicant, and also part-time employed applicants.
- the statement which proves the previous employment by the Croatian public scientific research institution signed by the authorized person (also, copy of "radna knjižica" (employment's certificate), or other relevant document)

WHAT ARE THE FINANCIAL REQUIREMENTS? The total UKF contribution for the salary of a applicant amounts max. 80.000 HRK yearly. The proposed project should have an additional support (matching funding) provided by other sources in amount of 50 % of gross salary.

This support is approved for up to 1 year, and can be prolonged for another year, subject to positive report evaluation and depending on the availability of funds within the Program.

The amount of the company's matching funding is one of the evaluation criteria, and **the proposals with the higher amount of the matching contribution are valued positively** (cf. Evaluation criteria). In addition the minimum obligatory contribution to the salary, as matching funding other financial commitments for the applicant are valued as well, i.e. training costs, insurance, other benefits...

Approved grants are paid in six-months installments.

8. EVALUATION CRITERIA

All proposals are evaluated against the fixed set of criteria stated in this Call for proposals. The proposal should address the points stated in these criteria with measurable and provable information. Anonymous, internationally recognized and independent experts will evaluate every eligible proposal. The UKF Secretariat and Steering Committee will assure that committees' members or



evaluators are in neither direct nor in indirect conflict of interest. (cf. *The UKF Steering Committee's Procedures for Evaluations of Proposals 2012*). The UKF Steering Committee will review the proposals and evaluations, recommend the projects for financing and after negotiations bring final decision on financing. The evaluation procedure is described in detail in the *UKF Guidelines and Procedures - Preparation Advance of Proposed Second Science and Technology Project (STP II) 2012*.

The scientific/technological excellence of the proposal and the innovation potential of the applicant are prerequisites for awarding the grant. The contribution to the Fund's goals – international competitiveness, and potential to provide benefit to Croatian society – is a cornerstone of the assessment.

Specific assessment criteria for this Grant are described below.

- I. TECHNOLOGICAL/ECONOMIC MERIT OF THE PROJECT, ASSESSED BY ALL OF THE FOLLOWING:
 - a. Technological significance of the proposed project
 - b. Clarity and measurability of the goals and feasibility of the work plan
 - c. Potential contribution for raising the company's competitiveness
- II. MERIT OF THE APPLICANT, ASSESSED BY ALL OF THE FOLLOWING:
 - a. Previous successes, demonstrated innovativeness and overall career development
 - b. Potential for professional development of the applicant in the company or public scientific research institution
 - c. Contribution of the applicant to the competitiveness and innovativeness of the company
- III. FINANCIAL COMMITMENT OF THE COMPANY FOR THE APPLICANT:
 - a. Contribution to the applicant's salary and other financial support

9. GUIDELINES FOR APPLICATION

Apart from the letters of commitment listed under 6. of this Call (1-4) and documents of the company proving that the company applies to the eligibility criteria from this Call (Official company's Registration not older than 6 months, BON 1 i BON 2 not older than 30 days), in order to fulfill the formal eligibility criteria of this Call, the project proposal must also contain filled-in official forms (<http://www.ukf.hr/default.aspx?id=155>):

1.Young Researchers and Professionals Program, 3C Grant – Application Form



2012

2.Young Researchers and Professionals Program, 3C Grant – Curriculum Vitae Form 2012

3.Young Researchers and Professionals Program, 3C Grant – Baseline Survey 2012

and there are additional guidelines for filling-in the forms in accompanying *Young Researchers and Professionals Program, 3C Grant - Instructions for Applicants 2012*. Instructions for applicants and the official forms are available on the Fond's web page.

The application form must be filled-in in English language and be signed by the project applicant and the responsible person of the administering organization.

Other accompanying forms and letters must also be in English and signed by the authorized persons, with the exception of Baseline Survey which needs no signature.

The project proposal must be submitted as an electronic version (as rtf, doc, odt or pdf form), using the UKF web application which can be accessed through the UKF website <http://www.ukf.hr/default.aspx?id=39>

The project proposal must be electronically submitted no later than **Friday, 22nd of February 2013 until midnight**. The applicants will receive a notice on successful submittal of proposal by e-mail.

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By submitting this project proposal applicant accepts to provide the information on the project to the Fund when requested and to be available for subsequent updates within the limits of reasonability for the purpose of evaluating the impact of the program.

10. FURTHER INFORMATION

Letters rejecting or accepting proposals, with statements of opinion, will be sent to all applicants within 3 months after the application deadline (excluding the periods from 15 July and 31 August and from 20 December and 7 January, according to law). The accepted proposals are subject of further negotiations until they are finally approved for financing.

The Unity through Knowledge Fund regards all received proposals and



information as confidential, and therefore announces only names of successful applicants and summaries of successful projects, after the signing of contracts. Please note that the submission of project proposal does not establish any form of legal claim or responsibility of Ministry of Science, Education and Sports. All decisions of the Steering Committee are final and are not subject to further claims or revisions, with exception of administrative mistakes.

Any inquiries should be addressed to the UKF Secretariat; e-mail: office@ukf.hr; phone: +385 1 23 52 685; address: UKF, Planinska 1, HR-10000 Zagreb, Croatia.