

OP Smart Growth 2014-2020

Measure 2.1

Support for investments in R&D infrastructure of enterprises

Implementing Authority:
Ministry of Development

MAY 2016

OPPORTUNITY OF INVESTMENT

DEFINITIONS



R&D centre – an organizational unit or organisationally separated unit, starting or developing its activity, whose main task is to carry out research and development work by qualified staff, in isolated and adapted to this type of activity areas and with the use of R&D infrastructure,

R&D projects - experimental development works, which means acquiring, combining, shaping and using of existing scientific, technological, business and other relevant knowledge and skills for developing new products, processes or services. These may also include, for instance, activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Those activities may comprise:

- development of prototypes, demonstration, development of pilot projects, testing and validation of new or improved products, processes or services in actual operation model environment, in order to achieve further technical improvement of products, processes or services whose final shape is generally not yet determined
- development of prototypes and pilot projects that can be used for commercial purposes, where the prototype or pilot project is necessarily the final product to be used for commercial purposes, and its production is too expensive only for demonstration and validation purposes.

Experimental development works **does not include** routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if such changes may represent improvements.

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List of National Smart Specializations



HEALTHY SOCIETY: **1)** Medical engineering technologies, including medical biotechnology **2)** Diagnosis and treatment of diseases of civilization and personalized medicine **3)** Preparation of medicinal products

AGRI-FOOD, FORESTRY-WOOD AND ENVIRONMENTAL BIO-ECONOMY: **4)** Innovative technologies, processes and products of the agri-food and forestry-timber industry **5)** High quality food **6)** Biotechnological processes and specialty chemicals and environmental engineering

SUSTAINABLE ENERGY: **7)** High efficiency, low carbon and integrated manufacturing systems, storage, transmission and distribution of energy **8)** Smart and energy efficient construction **9)** Environmentally friendly transport solutions

NATURAL RESOURCES AND WASTE MANAGEMENT: **10)** Modern technology sourcing, processing and use of natural raw materials resources and the production of their substitutes **11)** Minimization of waste generation, including those unsuitable for processing and material and energy use of waste (recycling and other recovery methods) **12)** Innovative technologies of water processing and recovery and reducing usage of water

INNOVATIVE TECHNOLOGIES AND INDUSTRIAL PROCESSES (HORIZONTAL): **13)** The multifunctional materials and composites with advanced features, including nano-processes and nano-products **14)** Sensors (including biosensors) and smart sensor networks **15)** Smart grids and geo-information technologies **16)** Electronics based on conducting polymers **17)** Automation and Robotics processes **18)** Optoelectronic systems and materials **19)** Creative technologies (computer games, multimedia, industrial design) **20)** Innovative technologies in the field of specialized marine vessels, marine and coastal structures and logistics based on maritime transport and inland waterways

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Eligible projects:

- Creation or extension of research and development centers through investments in apparatus, equipment, technology and other necessary infrastructure.
- Necessary infrastructure is understood as necessary expenditure relating to the creation or development of R&D activities related to the purchase or production of an asset in the form of structures and buildings, under condition that their purchase is directly related to the objectives of the project supported, which will serve to carry out R&D for the creation of innovative products and services.

Beneficiaries: enterprises

Form of support: grant

Minimum value of project's eligible costs: PLN 2 million

Maximum value of project's eligible costs: EUR 50 million

Call for proposals in 2016:

- *1st call:* already ended
- *2nd call:* from September 1st until October 31st, call's budget: PLN 460 million

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Maximum aid intensity:

- **Aid for development works**- 45% of eligible costs for micro and small enterprises, 35% of eligible costs for medium-sized enterprises, 25% for large enterprises
- **Regional investment aid** – according to Regional aid map for 2014-2020
- ***De minimis* aid**: 45% of eligible costs for micro and small enterprises, 35% of eligible costs for medium-sized enterprises, 25% for large enterprises. Moreover, during the current year and two previous fiscal years, together with *de minimis* aid for which the applicant is applying, it cannot exceed EUR 200 thousand, and for entrepreneurs engaged in the road transport of goods EUR 100 thousand.

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Regional aid map in Poland for 2014-2020 (1)



Regional aid map for 2014-2020 (1):

1. In areas of provinces: lubelskie, podkarpackie, podlaskie, warmińsko-mazurskie:

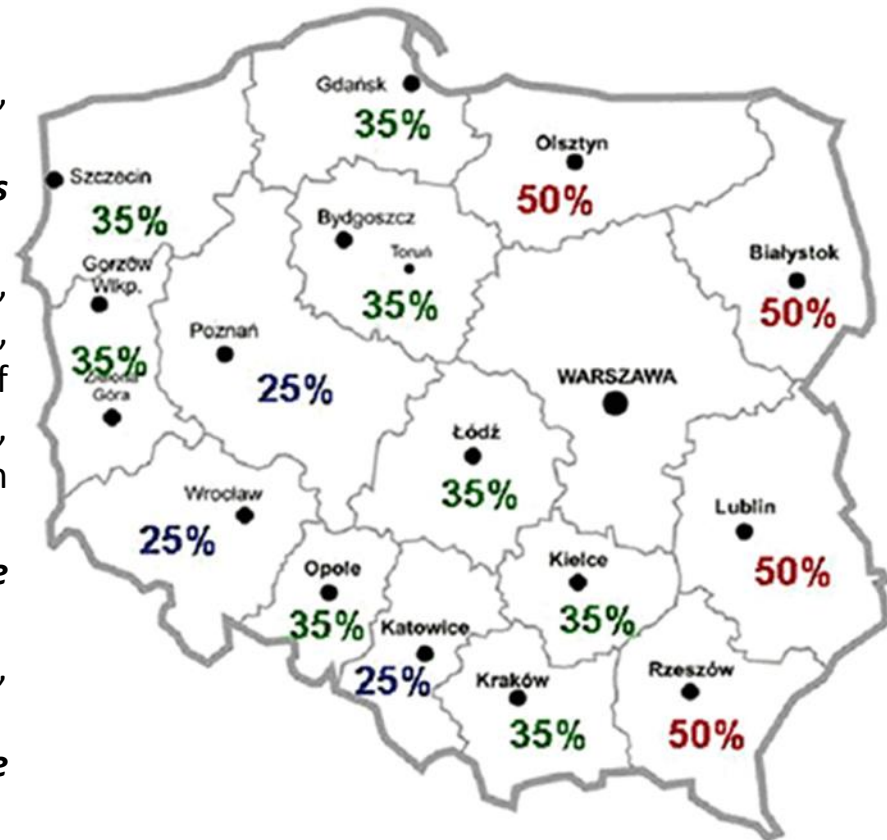
50% for large, 60% medium and 70% of eligible costs for small companies

2. In areas of provinces: kujawsko-pomorskie, lubuskie, łódzkie, małopolskie, opolskie, pomorskie, świętokrzyskie, zachodniopomorskie and in areas of subregions: ciechanowsko-płocki, ostrołęcko-siedlecki, radomski i warszawski wschodni (Warsaw eastern subregion):

35% for large, 45% for medium and 55% of eligible costs for small companies

3. In areas of provinces: dolnośląskie, wielkopolskie, śląskie:

25% for large, 35% for medium and 45% of eligible costs for small companies



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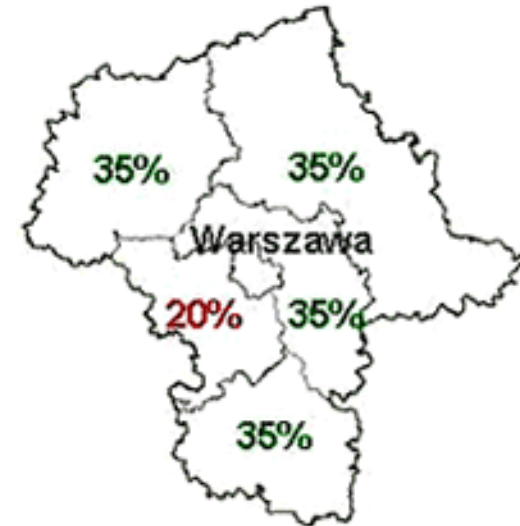
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Regional aid map in Poland for 2014-2020 (2)



Regional aid map for 2014-2020 (2):

4. In the area of subregion warszawski zachodni (Warsaw western subregion):
 - **20% for large, 30% for medium and 40% of eligible costs for small companies**
5. In the area of the city of Warsaw in the period from 1 July 2014 to 31 December 2017:
 - **15% for large, 25% for medium and 35% of eligible costs for small companies**
6. In the area of the city of Warsaw in the period from 1 January 2018 to 31 December 2020:
 - **10% of for large, 20% for medium and 30% of eligible costs for small companies**



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Eligible costs (1)



I. Costs eligible for regional investment aid:

1. Purchase cost of real property, developed or undeveloped (including the right of perpetual usufruct), if they meet all of the following criteria:

- real estate is essential for implementation of the project,
- entrepreneur submits an opinion of a certified property valuer* confirming that the purchase price does not exceed the market value of the property at the date of acquisition
- the property will be used solely to support the project, in accordance with the purpose specified in the financing agreement
- in case of developed properties, entrepreneur submits an opinion of a surveyor* confirming that the property can be used for a specific purpose, consistent with the objectives of the project, or specifying the scope of necessary changes or improvements.

2. Purchase or manufacturing cost of fixed assets, other than those referred to in point one, including costs of installation and launch

3. Cost of building works and building materials

4. Purchase cost of intangible assets in form of patents, license, know-how and other intellectual property rights, if they meet all of the following criteria:

- will be used solely in the enterprise, in which research is conducted
- will be amortized in accordance with the provisions of the Accounting Act,
- will be purchased on market terms from third parties, unrelated to the entrepreneur,
- will be the entrepreneur's assets and will remain in his enterprise for at least 5 years from the completion of the project, in the case of micro-entrepreneurs, small or medium-sized enterprise - for at least three years,

*the cost of an opinion is *not eligible expense*

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Eligible costs (2)



I. Costs eligible for regional investment aid (*continuation*):

5. Payment costs of leasing installments for developed or undeveloped real property, incurred until the end of the project, up to their initial value at the day of the conclusion of a leasing agreement, under condition that lease contract will include at least the period of 5 (large entrepreneur) or 3 (SME) years starting from the end of the project.
6. Payment cost of leasing installments for fixed assets (other than those described in point 4) incurred by the beneficiary on the basis of a financial leasing agreement, excluding leaseback

The total value of eligible costs associated with real properties (point 1 and 5) cannot exceed 10% of eligible costs of the project

II. Costs eligible for regional aid for R&D projects:

- The costs of adequate technical expertise and the costs of consultancy and equivalent services used for the project

III. Costs eligible for *de minimis* aid:

- The purchase costs of materials and products directly related to the implementation of the project

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Project selection criteria (1)



Substantive Criteria (*assessment YES/NO*):

- The project consists of an investment in the creation or development of R&D center,
- Potential of Applicant to conduct research and development works,
- The project concerns the initial investment,
- Project complies with the National Smart Specialization,
- The financial assumptions of the project confirm its profitability and financial sustainability,
- Preparation of the Applicant for the implementation of the investment,
- Cooperation with entities from the SME sector, NGOs or research institutions will be conducted in connection with the implementation of the project (only in case of large enterprises),
- The project has a positive impact on the implementation of the principle of sustainable development.

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Project selection criteria (2)



Facultative substantive criteria (scored criteria):

a) Cooperation with research institutions (0 or 3 or 5 points)

- lack of cooperation – **0 point**,
- demonstration of cooperation in one specific area – **3 points**,
- demonstration of cooperation in two or more specific areas – **5 points**.

Preferred forms of cooperation:

- Cooperation within the framework of long-term agreement,
- Cooperation within the specified time concerning implementation of the joint project,
- Full-paid internship of research institution's R&D employee,
- Purchase of R&D services from research institutions,
- Services concerning performance of specific task leading to practical results, eg. creation of a prototype device, making test measurements, conducting research of needs for a particular product or service.

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Project selection criteria (3)



Facultative substantive criteria (scored criteria) cont.:

b) Share of R&D expenditures in the total investment expenditures (**0 - 8 points**)

When the ratio of expenditure on R&D activities in relation to the total investment cost is:

- from 0 to 1 % – **1 point**,
 - above 1 to 2 % – **2 points**,
 - above 2 to 3 % – **3 points**,
 - above 3 to 4% – **4 points**,
 - above 4 to 5 % – **5 points**,
 - above 5 to 6 % – **6 points**,
 - above 6 to 7 % – **7 points**,
 - more than 7 % – **8 points**
- c) Expected number of new jobs for R&D staff having university degrees in respective area. The growth will be calculated on the basis of the current number of R&D staff and measured in all enterprises belonging to one capital group (**0 - 5 points**)
- lack of growth in jobs – **0 point**,
 - growth up to 10% of R&D employees- **1 point**,
 - growth from 10% to 20% of R&D employees- **3 points**,
 - growth exceeding 20% of R&D employees - **5 points**,
- d) Applicant belongs to SME sector- **5 points**
- e) Applicant belongs to National Key Cluster (at least 6 months) - **2 points**

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Project selection criteria (4)



Point assessment of the application:

- Maximum number of points to be scored within substantive assessment is **25 points**.
- A project needs to score at least **13 points** in order to receive a grant

3. Decisive criteria:

- if the budget is not sufficient to finance all positively evaluated projects, support is granted to projects by order on the list of projects selected for funding, resulting from the number of points after the facultative substantive assessment
- If above mentioned does not prejudge the location of the project on the ranking list, the place on the list of projects selected for funding and the granting of support will be determined by:
 - **1st decisive criterion:** higher absolute value of R&D expenditures during the durability period of a project (3 years for SME and 5 years for large companies); if 1st decisive criterion is not enough to rank projects, 2nd decisive criterion will be used:
 - **2nd decisive criterion:** higher than required share of own financial sources in the eligible costs; if 2nd decisive criterion is not enough to rank projects, 3rd decisive criterion will be used:
 - **3rd decisive criterion:** unemployment rate in the area where the investment is located (according to Polish CSO data for the month preceding the submission of the application for funding). Support within the available budget will receive **projects located in areas with higher unemployment rate**.

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