



FUNDING SCHEME

«RESTART 2016-2020» Programmes for Research, Technological Development and Innovation

PROGRAMME

«DISRUPT»

CALL FOR PROPOSALS

DISRUPT/0123



**Funded by the
European Union**
NextGenerationEU



Republic of Cyprus



RESEARCH
& INNOVATION
FOUNDATION



INTRODUCTION

The Research and Innovation Foundation (RIF) announces the Call for Proposals for the «**DISRUPT**» Programme within the framework of the «**RESTART 2016-2020**» Programmes for Research, Technological Development and Innovation – Programmes for the Period May 2022 – March 2023 and invites potential beneficiaries to submit relevant Project Proposals (Proposals).

The present Call will be financed by the Recovery and Resilience Facility of the NextGenerationEU instrument, in the frame of the action C3.212 «Innovation Funding Programmes and Funding Schemes for the Enhancement of Growth and Competitiveness of startups, innovative companies and SMEs» of the Cyprus Recovery and Resilience Plan. The Action is implemented under Policy Axis 3: «Strengthening the Resilience and Competitiveness of the Economy», and specifically the Component 3.2 «Enhanced Research and Innovation».

GENERAL CALL INFORMATION

Pillar	II. SUSTAINABLE RTDI SYSTEM
Programme	DISRUPT
Call Identifier	DISRUPT/0123
Funding Source	EU Recovery and Resilience Facility
Call Budget	<p>10.000.000 Euro</p> <p>The available budget for the 1st Deadline is 5.000.000 Euro.</p> <p>For the 2nd Deadline 5.000.000 Euro plus any unused budget from the 1st Deadline, based on the announced results of the 2nd Evaluation Stage of the 1st Deadline, will be made available.</p>
Maximun Funding Per Project	1.500.000 Euro
Publication Date	20 January 2023
Deadline	<p><u>1st Deadline:</u> 1 June 2023, 13:00</p> <p><u>2nd Deadline:</u> 1 December 2023, 13:00</p>

The English version of the Call, even though an official translation endorsed by the Research and Innovation Foundation, is provided for information purposes only. Only the Greek version of the Call is legally binding and shall prevail in case of any divergence in interpretation.



OBJECTIVES

«DISRUPT» Programme aims to connect enterprises which develop cutting-edge innovations with the potential to create new or disrupt existing markets, with Venture Capitals who will support the further development and scale-up of these enterprises in international markets.

Through the Programme, the RIF funding – grant will be combined with the VC investment, with the aim to support the successful penetration of beneficiaries in the international markets, and as result to enhance the competitiveness and resilience of the Cypriot economy.

DESCRIPTION

Through the «DISRUPT» Programme, enterprises with mature cutting-edge ideas are supported, which, at the proposal submission stage, have a signed binding agreement with an investment fund (VC Fund), which foresees for an equity capital investment of at least € 1 M in the company, to support its development in international markets.

Cutting-edge innovations are:

- Products or services based on new technologies and have the potential to create new international markets.
- Products or services based on adapting existing technologies and have the potential to create new international markets or to attract new customers in existing international markets.
- Products or services based on new technologies and have the potential to disrupt to a large extent existing international markets.

At the proposal submission stage, enterprises should have a Minimum Viable Product-MVP, for which beta testing of the product's/service's functionality, utility, and reliability by intended end users has already been completed and the good is currently available in at least one market. For innovations in the field of biomedicine, it is expected that at least the in-vitro testing stage has been completed.

Furthermore, by the proposal submission, the applicants must be able to justify that they have taken all appropriate measures to ensure the unobstructed commercial production, use and exploitation («freedom to operate»), including ownership of intellectual property rights (IPR) in a way that does not infringe third parties' IPRs, any pending patent applications, as well as issues related to licencing of results.

In the frame of the RIF funded Projects, experimental development activities can be implemented which aim at the advancement of the technology readiness level of the innovation, the improvement/finalisation of the innovative product/service in a way to fully cover new functionalities/uses which the market seeks, and the completion of product/service



development. The Programme also covers innovation activities, which may include the purchase of consulting services and innovation support services, which aim to further develop the innovative business idea towards a more commercial-ready product or service, as well as the costs of the beneficiaries' participation in exhibitions/trade fairs for the promotion of the products/services. Through the Programme, the project team's involvement in activities relevant to implementation of feasibility study of the project, as well as Marketing and Communication activities, are also supported. It is clarified that, the above refer to activities to be funded by the RIF.

The investment funds may cover any activities deemed necessary by the investors for the scale-up and market deployment of the innovation, including the company's own contribution to the RIF funded project.

BENEFICIARIES

Enterprises

SPECIFIC RESTRICTIONS AND CONDITIONS FOR PARTICIPATION

The Host Organisation (HO) of a project must be a Small, Medium or Large Sized Enterprise (B1, B2, B3).

Eligible organisations are local enterprises, regardless of their size or year of establishment, with mature cutting-edge ideas, which, at the proposal submission, have a legally binding agreement with a VC Fund, which foresees a direct investment in equity of at least € 1 M in the company, to support its scale-up towards the international markets. The investment should be made between the Call announcement date and until the end of the Project funded by the RIF. Otherwise, the HO should return funding awarded back to the RIF. To justify the investment, the RIF will require relevant proofs for the transactions (e.g. documentation of issued share capital).

The investment fund should be regulated¹ in a competent authority in Cyprus or in another member state of the European Economic Area².

The participation of Partner Organisations and Foreign Research Organisations is not permitted.

¹ The term 'regulated' refers to direct or indirect regulation of the investment fund through supervision of the AIFM of the fund by the competent regulatory authority in Cyprus or in another member state of the European Economic Area.

² Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Iceland, Liechtenstein, Norway.



All beneficiaries that have not previously participated in the RESTART 2016-2020 Programmes, should make use of the simplified cost Method «Standard Scales of Unit Costs» for the calculation of personnel costs.

Each Enterprise can receive funding from the RIF for only one Project in the frame of the Programme during the 2022-2027 period.

Funding of same activities that have already been supported by the RIF in the frame of previous funded projects, is not allowed.

In the cases where the suggested project, requires to undergo a bioethical assessment by the Cyprus National Bioethics Committee, the relevant approval should be ensured as soon as possible and prior to the 2nd Stage of the Evaluation.

PROJECT ACTIVITIES

The Projects must include the following activities.

Experimental Development:

Prototyping, demonstration, pilot operation, testing and validation of improved innovative products/services or new functionalities and uses for the minimum viable product.

Experimental Development activities should fall within Technology Readiness Levels (TRL) 6-8 according to the definitions adopted by the EU³.

Feasibility Study:

Scientific / technical Feasibility Study for the innovative business idea, including the investigation of its commercial potential, and validation of the business model.

Innovation Activities:

The following Innovation Activities are allowed by the beneficiary:

³ The Technology Readiness Levels adopted by the EU are the following:

TRL 1 - basic principles observed,

TRL 2 - technology concept formulated,

TRL 3 - experimental proof of concept,

TRL 4 - technology validated in lab,

TRL 5 - technology validated in relevant environment,

TRL 6 - technology demonstrated in relevant environment,

TRL 7 - system prototype demonstration in operational environment,

TRL 8 - system complete and qualified,

TRL 9 - actual system proven in operational environment (competitive manufacturing in the case of key enabling technologies)



- Innovation advisory services, assistance and training in the use of standards and regulations embedding them.
- Innovation support services for:
 - (a) Measurements, tests, certification and analyses,
 - (b) Access to research infrastructures, libraries and databases,
 - (c) Market Research (which may indicatively cover market size estimation and segmentation, estimation of purchase intention from potential customers, pricing issues, involvement of key stakeholders and opinion leaders, competition analysis), and
 - (d) Quality Labelling.

Participation in Trade Fairs / Exhibitions:

Participation of the beneficiary in trade fairs / exhibitions with private stand for the promotion of the product / service.

Other Production, Communication, Investment Attraction and Market Penetration Activities:

- Personnel Costs for activities that may include Branding/Marketing/Investment Readiness, meetings/users' involvement, product/service and packaging design, internationalisation, user manuals preparation etc.
- Equipment.
- Design and preparation of Communication Material (publications, audio-visual material, graphic design services) to be used for attracting investors/customers.
- Support services and research for internationalisation/penetration in new markets.
- Traveling abroad for meetings with potential investors/customers.

DURATION OF PROJECT IMPLEMENTATION

Up to 18 Months

BUDGET

€ 10.000.000

MAXIMUM FUNDING PER PROJECT

Up to € 1.500.000

The Aid Intensity of the Host Organisation for Experimental Development Activities and Feasibility Study is calculated according to the provisions of Chapter 3.2 of the present Work



Programme. Aid Intensity for Innovation Activities and Participation in Trade Fairs / Exhibitions is 50%, and for activities to be funded as De Minimis Aid is 100%. Furthermore, Aid Intensity for Large Enterprises, as Host Organisations, for Innovation Activities and Participation in Trade Fairs / Exhibitions which will be funded as De Minimis Aid will be 50%

The final Aid Intensity for the Host Organisation, taking into account all of its activities, cannot exceed 70%.

ELIGIBLE COSTS

The following costs are eligible:

Experimental Development:

- Personnel Cost
- Costs for Instruments and Equipment (depreciation)
- Costs for External Services
- Costs for Travelling Abroad
- Consumables
- Other specific costs
- Overheads

Feasibility Study:

- Personnel Cost
- Overheads

Innovation Activities:

- Costs for External Services

For Large Enterprises, the funding for these costs will be provided on the basis of the De Minimis Aid Regulation.

Participation in Trade Fairs / Exhibitions:

Renting and setting up stand (invoice from organisers, graphic designers cost etc), registration in the fair/exhibition, transportation of material to be used for the stand, insurance costs, and



travelling abroad for the representatives of the company that will participate in the fair/exhibition abroad.

For Large Enterprises, the funding for these costs will be provided on the basis of the De Minimis Aid Regulation.

Other Activities (De-Minimis):

- Personnel Cost
- Costs for Instruments and Equipment – Incl. industrial production equipment (full cost)
- Costs for External Services
- Costs for Travelling Abroad
- Other specific costs

For «Other Activities» funding will be in the form of De Minimis Aid (Commission Regulation, No 1407/2013 of 18 December 2013).

It is noted that, for Eligible Costs Categories, unless specified otherwise, the EU framework for State Aid applies, and specifically the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

RESTART 2016-2020 WORK PROGRAMME

All general rules and procedures for the participation of organisations and individuals, the eligible activities and costs, as well as the specific information regarding the «Innovation Vouchers» Programme, as well as the other RESTART 2016-2020 Programmes, are included in the [RIF's Work Programme for the «RESTART 2016-2020» Programmes for Research, Technological Development and Innovation – Programmes for the Period May 2022 – March 2023](#), which is the main reference document and an important information source for interested parties and can be found on the Research and Innovation Foundation's **IRIS (Innovation Research Information System) Portal** (<https://iris.research.org.cy/#/documentlibrary>).

SPECIFIC CONDITIONS

In the frame of the present Call, the following specific conditions apply:

- The Host Organisation is required to register the updated data regarding its ultimate beneficial owners in the Competent National Registry / Archive, as per «The prevention



and suppression of money laundering and terrorist financing Law of 2007 (188(I)/2007)». The RIF maintains the right, via the appropriate authorities, to proceed with the appropriate checks in the competent Registries to verify the registration of the data and it is possible to request for the submission of official proofs. For this purpose, the Host Organisation should submit an official proof for the data registration prior to the 2nd Stage of Evaluation. Furthermore, in case where requested funding exceeds 150.000 Euro, by the 2nd Stage of the Evaluation, the Host Organisation will be required to also submit the data (Name and Surname, ID / Passport Number and Date of Birth) of its ultimate beneficial owners through the relevant Declaration.

- Funded Projects should comply with the «Do No Significant Harm» principle, according to which they must not include or support activities that could cause significant harm to any of the six environmental objectives, as per Article 17 of Regulation (EU) No 2020/852, on the establishment of a framework to facilitate sustainable investment.
- In order to support the exploitation of research results, the interaction between the Host Organisation and the Central Knowledge Transfer Office (KTO) for the preparation of a customised Action Plan for the Provision of Services by the KTO, is **obligatory** in the frame of the present Call. It is noted that, the adoption of the Action Plan and the acquisition of the Services are not mandatory.
- For budget revisions in funded Projects, the following apply:
 - Budget revisions for which the Project Coordinator may proceed without prior approval from RIF, as defined in Chapter 5.2. Section III of the Work Programme, apply only for transfers within the same type of Activity Eligible for Aid.
 - In the cases where there is a need for budget revisions between different types of Activities Eligible for Aid, the Project Coordinator should submit a relevant request for approval by the RIF.
 - Costs for the «Participation in Trade Fairs / Exhibitions» type of Activity Eligible for Aid, which will be included in the Project Contract, cannot be transferred in other Activity Types, during the implementation of the project.
- For budget revisions between different types of Activities Eligible for Aid, the following apply:
 - The Final Aid Intensity, which is the percentage of the Requested Funding over the Project Budget, should not exceed the Final Aid Intensity defined in the Project Contract, and the Final RIF Funding (for the funded Project) should not exceed the Project Requested Funding as defined in the Contract.
 - Aid intensities for each of the type of Activity Eligible for Aid, cannot exceed the maximum allowed Aid Intensity for each activity, as defined in the RESTART 2016-2020 Work Programme.
- Project Representatives should attend a workshop, to be organised by the RIF, to cover issues related with the proper project management and administration, and to be certified accordingly.



- Periods for Progress Report submission and the amounts of funding instalments, will be defined in the Project Contract. All Progress Reports and the relevant Payment Requests, should be submitted up to fifteen (15) calendar days following the end of the time period they pertain to.

SUBMISSION

Proposals are submitted through the Research and Innovation Foundation's **IRIS Portal** (<https://iris.research.org.cy>).

The Project Coordinator and all local participating organisations in the Project Consortium, should register in advance on the IRIS Portal.

Potential applicants are advised to use the «**Guide for Applicants**», which contains guidelines and clarifications regarding the Submission procedure and the «**IRIS Portal User Manual**» which can be found on the IRIS Portal (<https://iris.research.org.cy/#/documentlibrary>).

The Research and Innovation Foundation encourages in all its Calls for Proposals:

- *the participation of women as Project Coordinators, and*
- *the gender-balanced formation of projects.*

The Project Proposal consists of the following parts:

1. Part A – General Information & Budget (electronic form (fields) to be completed online through the IRIS Portal).
2. Part B – Technical Annex (document to be uploaded as an Annex on the IRIS Portal in PDF format).
3. Annex I – Curricula Vitae (document to be uploaded as an Annex on the IRIS Portal in PDF format and includes the CV's of the Project Coordinator and the key team members – Obligatory). It is recommended that, CVs are created according to the EUROPASS format and do not exceed 5 pages per person.
4. Annex II – Call Specific Information (documents to be uploaded as an Annexes on the IRIS Portal in PDF format):
 - (a) *Signed legally binding agreement, between the enterprises and the VC Fund,*
 - (b) *Proof to justify that the investment fund is regulated in a competent authority in Cyprus or in another Member State of the European Economic Area, and*
 - (c) *The company's Business Plan on the basis of which the investment was secured.*



PROJECT SELECTION

Evaluation Procedure

The evaluation procedure of the Programme consists of the Preliminary Check, as it is described in the RESTART 2016-2020 Work Programme, and then the Evaluation Stage 'A and Stage 'B will follow.

During Stage 'A of the Evaluation, each proposal is remotely evaluated by two (2) experts, which: (a) are specialists in the proposal topic, and/or (b) have good knowledge of the business environment in the proposal field, and/or (c) have relevant experience in product/service development. Proposals which secure an Evaluation Score of at least 12.00/15.00 qualify to Stage 'B of the Evaluation. Prior to the evaluation of each Proposal, according to the evaluation criteria, the evaluators will check the compatibility of the Proposal with the Programme's objectives and the provisions of the Call for Proposals. If the Proposal is inconsistent with the objectives of the Program, the Evaluator rejects the Proposal and does not proceed with the examination of the evaluation criteria.

The evaluation of Proposals in Stage 'B is carried out by an Independent Evaluation Committee, consisted by experts with business background and relevant experience in product/service development. In the frame of Stage 'B of the Evaluation, a member/members of the project Team present the Project, in person, to the members of the Committee, who will have the opportunity to ask for clarifications and discuss the content of the Proposal between themselves and with the representatives of the project Team. The participation of representatives from the investment funds in the presentation, is not allowed.

The final decision regarding the selection of a proposal for funding, is at the discretion of the Committee. After completion of the procedure, the relevant Evaluation Report will be communicated to the Project Coordinator, stating the rationale behind the Committee's decision. The Committee's decision is final and cannot be appealed against.

For the deadline set in the present Call the Stage 'B of the Evaluation will be held in the period between June-July 2023. Representatives of the Cyprus Chamber of Commerce and Industry (CCCI), the Federation of Employers and Industrialists (FEI) and the Treasury of the Republic of Cyprus will be invited to attend Committee meetings as observers.

Evaluation Criteria/Weighting

Evaluation criteria are described in detail below. It is noted that during evaluation both eligible activities to be implemented in the frame of the RIF funded project, and complementary scale-up and international market deployment activities to be supported by the VC Fund, will be taken into account.



1. Excellence - Weight 30%

- Quality of Project Objectives and Soundness, credibility and feasibility of the proposed idea.

Project Proposal refers to the development and integration of an innovation which significantly enhances the competitive advantage of an existing product or service (at a minimum a viable product/service (MVP)) for which beta testing by intended end users has already been completed and is available in at least one market, and with the proposed additional development/improvement, will be able to expand market share in existing and/or penetrate new international markets. For innovations in the field of biomedicine, it is expected that at least the in-vitro testing stage has been completed. The proposed project includes all necessary research, new product/service development and marketing activities to allow the penetration and/or sales expansion in international target markets.

The technical objectives of the proposal, including the new product/service development, as well as the activities to achieve these objectives should be able to attain the expected benefits of the proposed innovation. In parallel, the product/service promotion targets and the activities to achieve them should significantly increase the sales and profitability of the product/service through full penetration and/or expansion into international markets.

- Degree of Innovation and Originality of the Idea in relation to the existing knowledge, knowhow and practices (state-of- the-art) at international level.

The project offers a high degree of innovation compared to existing solutions, which is relevant to the features, functionalities and other benefits sought by buyers and end users.

The degree of innovation will be assessed based on the extent to which there are significant improvements in factors such as, for example, the usability, functionality, cost and ease of use of the product/service.

2. Added Value and Benefit - Weight 35%

- Economic impact and measures to maximize it.

International market penetration and the ability to scale production and sales of the product/service integrating the innovation will be assessed based on the following:

- The Market Research highlighting the benefits, features, functionalities and other factors that define what constitutes a significant competitive advantage resulting from the integration of innovation into the product or service.
- The justification of substantial demand for the proposed innovation, including the willingness of end users to purchase the product/service. Specifically, it is expected



that the proposal includes a description of the innovation's target users or customers, how their needs are met, the reasons why they will want to use or purchase this product/service compared to existing products/services already available in the market, as well as market factors and barriers that may affect purchase and use.

- The overall projected market size (existing or new), its expected growth rate and the market share the company is seeking.
- Competitive advantage analysis of existing competitive and/or substitute products or services and those that may emerge within the next five years.
- Strategic competitors' analysis of enterprises or other entities offering similar products/services and justification of how the proposed innovation will be able to successfully compete.
- Description of any support groups or other stakeholders' groups in the target markets that may support or try to prevent market entry and expansion.
- Description of the best marketing, sales and delivery channels to approach buyers and end users, and the marketing mix (4P/7P) to be adopted for each target-country.
- Description of any training, establishment, guarantee, financing needs and other factors that may be critical for the successful market entry in the target-countries.
- The feasibility of the work plan for the market penetration in the target-countries, based on the market research and the expected sales volume over a period of five years.
- The alignment of the work plan with the business plan and value chain of the company.
- Any existing cooperation of the company with vendors, sales channels, regulatory authorities, etc. in the target-countries.
- Learnings from any previous export experience of the company over the last five years.
- The impact on sellers and vendors of the company and other Cypriot companies expected to be benefited.
- The overall impact on the reputation and sales of Cypriot companies and products/services in the target-countries.
- The expected increase in employment for the beneficiary company and its Cypriot vendors.
- Employment opportunities for STEM graduates in the beneficiary company and its local vendors.

◊ Social Impact and measures to maximize it.



- The ability of the proposed innovation to provide solutions to existing climate, environmental, health or other significant local or EU challenges.
- The impact on the development and sustainability of the Cypriot and the broader EU research and innovation ecosystem, as evaluated by the European Innovation Scoreboard.
- Scientific Impact and measures to maximize it.
 - The ability to generate research and development results to be published in peer-reviewed journals or commercial publications.
- Improvement of the country’s performance:
 - Improvement of Cyprus’ ranking in relevant indicators of the European Innovation Scoreboard and/or the Global Innovation Index.
 - Improvement of the reputation of Cypriot industry/enterprises in the international markets.

3. Implementation – Weight 35%

- Completeness and appropriateness of the content of the work packages, taking into account the benefits expected to emerge, as well as other activities and milestones, the specialized equipment or other resources required and the timetable and the budget available for the implementation of the proposed activities and achievement of milestones.
- Effectiveness of the proposed methodologies and approaches to be used for the implementation of the activities of the proposed plan, as justified by the following factors:
 - The adoption of internationally-established stage gate, agile, and other methodologies for the development of innovative products/services.
 - The attention given to the “Voice of Customer” through use of practises such as customers’ interviews, concierge testing, users’ prototypes, usability testing, hack days, alpha and beta testing, or other methods appropriate for the proposed innovation and product/service.
 - The attention given to others in the company’s value chain through methods such as concurrent engineering.
 - The attention given to design thinking.
 - The identification of possible risks and measures to avoid or mitigate them.
- Completeness, quality and capacity of the host organisation (at the level of organisation and/or persons) for the implementation of the Project Proposal and the achievement of the proposed objectives, at all stages, including the product/service development, the value chain and the market entry, as justified by:



- the experience, the knowledge, the skills, and the credentials for the proposed team members,
- the experience, the knowledge and the skills of the senior management team (C-suite),
- the incentives provided by the host organisation to the core team,
- the experience, the knowledge, the skills, the capacity and ability of vendors, subcontractors or consultants which are important for the successful implementation of the proposed project and the success of the product or service in target-markets, and
- the Project’s total quality management plan, or equal.

Selection

Proposals that have been deemed eligible for funding following the evaluation procedure, will be selected for funding. It is noted that, the total funding of approved projects, will not exceed the total Call budget.

INFORMATION – CONTACT DETAILS

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The Research and Innovation Foundation may at its discretion, proceed to the extension or revocation of the present Call by applying the same publication procedure.