



FUNDING SCHEME

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

PROGRAMME

«CREATION AND INITIAL DEVELOPMENT OF STARTUPS WITH INTERNATIONAL ORIENTATION»

CALL FOR PROPOSALS

PRE-SEED/0824



**Co-funded by
the European Union**



Republic of Cyprus



RESEARCH
& INNOVATION
FOUNDATION



INTRODUCTION

The Research and Innovation Foundation (RIF) announces the Call for Proposals for the «**Creation and Initial Development of Startups with International Orientation (PRE-SEED)**» Programme within the framework of the «**RESTART 2016-2020**» Programmes for Research, Technological Development and Innovation (RTDI) and invites potential beneficiaries to submit relevant Project Proposals (Proposals).

The present Call will be co-financed by the Republic of Cyprus and the European Regional Development Fund (ERDF), in the frame of the Operational Programme «ΘΑΛΕΙΑ» 2021-2027 under Priority 1: «Competitive, Smart and Digital Economy» and the Specific Objective (1i): «Developing and enhancing research and innovation capacities and the uptake of advanced technologies».

GENERAL CALL INFORMATION

Pillar	II. SUSTAINABLE RTDI SYSTEM
Programme	Creation and Initial Development of Startups with International Orientation
Call Identifier	PRE-SEED/0824
Funding Source	European Regional Development Fund
Call Budget	1.200.000 Euro
Maximun Funding Per Project	119.999 Euro
Publication Date	1 August 2024
Deadline	1 November 2024, time 13.00

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

The objective of the «Creation and Initial Development of Startups with International Orientation (PRE-SEED)» Programme is to support the creation and initial development of innovative Startups which aim to develop innovative products and services with global market penetration prospects.

DESCRIPTION

The Programme aims to support startups which are in the stage of developing their business idea and/or they are at the early stages of their product or service development.



Products/services are expected to have a high level of innovation and differentiation, in comparison to existing or competitive solutions and will address certain needs and/or improve the experience and quality of life of users. Enterprises should have reliable and justified plans for the penetration into the international markets.

Enterprises which demonstrate the financial/commercial and technological feasibility of their innovation and potentially could be viable and profitable, will be supported. The support to products/services which have the ability to create new and/or disrupt existing markets is highly desirable.

The team members of the startups are expected to have the appropriate and complementary technical, scientific and business knowledge and skills and to demonstrate their commitment to the operation and development of the company and the implementation of the proposed plan.

It is clarified that for the purposes of the Programme, Startups are considered companies with a technological orientation and potential for high growth, which are established with the aim of developing a product/service that the founders of the company seek to make available to the international market. Through the Programme, the RIF provides the incentive to the founding teams of the startups to focus on the companies' activities to explore, evaluate and develop the innovative business idea, create an initial product / service and conduct preliminary efforts towards the commercialization of the product / service.

Funding is expected to cover, amongst others, the initial stages of the operation of the company, the recruitment of personnel in a way to strengthen the capabilities of the founding team, the development of a prototype, the preparation of market research, the identification of the appropriate business model, the preparation of a business plan, the related activities of the team to secure the intellectual property, investors search, etc.

BENEFICIARIES

Research Organisations, Enterprises, Other Private Sector Organisations

SPECIFIC RESTRICTIONS AND CONDITIONS FOR PARTICIPATION

The Host Organisation (HO) of a project must be a Startup company, as specified in the Chapter 1.2, Section III, of the RESTART 2016-2020 Work Programme.

It is noted that if a proposal is submitted by a group of natural persons, the registration of the company should be completed until the signing of the Contract.



Research Organisations, Enterprises, or Other Private Sector Organisations may participate as Partner Organisations. Partner Organisations shall support the Host Organisation in accomplishing the project's technological objectives and specifically only for the implementation of experimental development activities, relating to the prototype development, pilot operation, testing and validation of the company's product/service.

The budget of the Partner Organisations, should not exceed 20% of the total project budget.

It is noted that, participation of a Large Enterprise in a RESTART 2016-2020 Programme project is possible after the justification, through the proposal, of the incentive effect that the funding will have for the Large Enterprise, as specified in the Chapter 1.2, Section III, of the RESTART 2016-2020 Work Programme.

In the frame of the present Call for Proposals an enterprise may receive funding as Host Organisation (HO), only in one (1) Project.

Funding of startups as HOs, which were funded by the RIF as HOs in the frame of previous Calls for Proposals under the PRE-SEED and SEED Programmes, is not allowed.

PROJECT ACTIVITIES

For the Host Organisation, Startups Activities are allowed which indicatively can be the following:

- Prototype Development.
- Market Research.
- Identification of the appropriate Business Model.
- Business Plan.
- Obtaining, validating and defending patents and other intangible assets.
- Obtaining consulting, legal or accounting services.
- Marketing/branding activities.
- Seeking of partners and investors.

For Partner Organisations, only Experimental Research activities are allowed.

DURATION OF PROJECT IMPLEMENTATION

Up to 18 Months



BUDGET

€ 1.200.000

MAXIMUM FUNDING PER PROJECT

€ 119.999

The maximum aid intensity for Enterprises and Other Private Sector Organisations cannot exceed 85%.

It is noted that, Aid Intensity for Partner Organisations is calculated according to the provisions of Chapter 3.2 of the present Work Programme. For Research Organizations, the aid intensity for Experimental Development activities cannot exceed the aid intensity of the Host Organisation which amounts up to 85%.

ELIGIBLE COSTS

Within the frame of the Programme, the following costs are eligible for the Host Organisation:

Personnel Cost, Costs for Instruments and Equipment, Costs for External Services, Costs for Travelling Abroad, Consumables, Other specific costs, Overheads.

The calculation of the Proposal Budget will be based on the simplified cost method «Personnel Costs» plus 40% on Personnel Costs for covering the rest of the Project costs.

For Cost Category «Instruments and Equipment», purchase cost for instruments and specialised equipment, and computers and software (including standard office computer and software), is eligible. The purchase of used equipment is allowed, however beneficiaries are advised to purchase brand new equipment. Purchase of basic office equipment, furniture etc, is not eligible.

For Cost Category «External Services» the acquisition of consulting and other services for the following indicative activities, is eligible:

- Market Research,
- Technical consulting services and training relating to the prototype development (incl. Testing and certification, quality labelling, access to research infrastructures, libraries and databases),
- Advisory services, assistance and training in the fields relating to the use of standards and regulations embedding them,
- Purchase of patents, as well as licensing patent rights from external sources,



- Design and preparation of Communication Material (publications, audio-visual material, graphic design services, website, logo design) to be used for attracting investors/customers,
- Consulting services related to payroll, accounting and tax issues, or
- Legal services in issues related to registration of business name / logo, shareholders capital structure (incl. employees' stock ownership plan, shareholders agreements etc), mergers and acquisition contracts, bank transactions, data protection and privacy, employment conditions.

The following Costs are not eligible:

- (a) Acquisition, validation and protection of patents / industrial designs and other intangible assets,
- (b) Consulting Services for technology transfer activities, and
- (c) Consulting Services for the preparation of Feasibility Study / Business Plan.

For the Startup Enterprises expenses above, the provisions of the Chapter 5.4 of the RESTART 2016-2020 Work Programme apply, regarding the checks and approvals of expenses.

For Experimental Research activities of the Partner Organisations, the following costs are eligible:

Personnel Cost, Costs for Instruments and Equipment, Costs for External Services, Costs for Travelling Abroad, Consumables, Other specific costs, Overheads.

The calculation of the Proposal Budget will be based on the simplified cost method «Personnel Costs» plus 40% on Personnel Costs for covering the rest of the Project costs.

In Projects funded with the simplified method «Personnel Costs» plus 40% on Personnel Costs for covering the rest of the Project costs, in the Payment Request, only the expenses of the Personnel Costs category are declared. However, the use of this Simplified Cost Option does not revoke the obligation of beneficiaries to comply with the provisions of the RESTART 2016-2020 Work Programme, regarding cost eligibility, the basic principles for project management, the preservation of evidence, and the compliance with National and EU Legislation, as described in the Work Programme.

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.



SERVICES OF THE CENTRAL KNOWLEDGE TRANSFER OFFICE (KTO)

Beneficiaries of this Programme will automatically become Beneficiaries of the services and tools for knowledge transfer offered by RIF, in the framework of the Central Knowledge Transfer Office (KTO).

Aiming at enhancing the projects' potential for exploitation of research results, all Project Consortia funded under the present Call are **obliged** to contact the Central Knowledge Transfer Office (KTO), within **two (2) months at the latest** from the Contract signing date, for the preparation of a specialised Service Delivery Plan. It is noted that, the **acceptance of the Service Delivery Plan** by the Project Consortia and the utilization of the central KTO services **will be optional**.

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 Programme «Creation and Initial Development of Startups with International Orientation (PRE-SEED)», as well as the other RESTART 2016-2020 Programmes, are included in the **RESTART 2016-2020 Work Programme for the period May 2022-December 2024**, 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

Within the framework of the present Call the following specific conditions also apply:

- All private organisations (Host Organisation and Partner Organisations) are required to register the updated data regarding their 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 to proceed with the appropriate checks in the competent Registries to verify the registration. For this purpose, all private organisations should submit an official proof for the data registration during the Contract Preparation stage.
- 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 the case where the enterprise exploits research results of third parties (including POs) should, within two (2) months from Contract signing date at the latest, to ensure (at a minimum) the licencing of Intellectual Property Rights.



- In the event that it is found that the Proposal (or a similar one with minor deviations regarding the content and / or participants) has been submitted under any other Programme / Call of the RESTART 2016 - 2020 Programmes, and this has not been duly declared by the Project Coordinator at the Proposal Submission Stage (In Part-A, Question: «Has this Proposal (or a similar one with minor deviations regarding the content and / or participants) been submitted under any other Programme of the RESTART 2016 - 2020 Programmes?»), the RIF has the right to declare the proposal ineligible and/or to consider to impose sanctions to the Host Organisation and/or the Project Coordinator.
- At least one person participating in the project team from the Host Organisation, prior to the Contract signing should obligatorily attend in two training seminars organised by RIF in the following subjects: (i) Regulations and financial monitoring of the project, and (ii) Project Management. In case of non participation the Contract Preparation process will be terminated.
- During the Project implementation the Project Coordinator (PC), should obligatorily attend two training seminars to be organised by RIF in: (i) New Product Development, and (ii) Entrepreneurial Finance. The attendance certificate for the seminars should be submitted with the final funding payment request and is a basic condition for the award of the final funding payment.
- For Projects that fall within the ICT and manufacturing sectors, and/or Projects which include the development of digital applications and/or software, a Product/Service Wireframe must be submitted as Annex at the Proposal Submission, which will be taken into consideration for the Proposal evaluation.
- In the frame of the present Call requests for project extension for up to three (3) months, will be examined only in exceptional cases.
- Payment Requests for the interim and final funding aid instalment are submitted up to thirty (30) calendar days following the end of the time period they pertain to.
- During the Examination of Payment Requests, the deadline for the submission of additional information is set at fourteen (14) calendar days.

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 - **Mandatory Submission** (document to be uploaded as an Annex on the IRIS Portal in PDF format and includes the CVs of the Coordinator and the key personnel of the project team). *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 to be Disclosed to the Evaluators (document to be uploaded as an Annex on the IRIS Portal in PDF format and includes the Product/Service Wireframe) – Requested **only for Projects that fall within the ICT and manufacturing sectors**, and/or Projects which include the **development of digital applications and/or software.**

PROJECT SELECTION

Evaluation Procedure

The Proposals are evaluated in two Stages:

For the Stage A of the Evaluation, a Preliminary Check and a Remote Evaluation procedure 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, will be followed, as specified in **the RESTART 2016-2020 Work Programme for the period May 2022-December 2024. It is clarified that, in case where all requested documents are not duly submitted at the Proposal submission, then the Proposal will not be forwarded for scientific evaluation.**

Prior to the evaluation of each Proposal, and the score assignment according to the evaluation criteria, evaluators will examine the compatibility:

- a) of the Proposal with the Programme and Call Objectives,
- b) of the proposed activities with the activities allowed by the Programme/Call, and
- c) of the Proposal with the «Do No Significant Harm» principle.

In case where the Proposal is not compatible with the above, the evaluator rejects the Proposal and does not proceed with the examination of the evaluation criteria.



Proposals which secure an Evaluation Score of at least 12.00/15.00 are eligible to qualify to Stage B of the Evaluation.

More specifically, the following qualify to Stage B:

- (i) the first five (5) ranked Proposals according to their Final Evaluation Score, starting with the highest scoring proposal (in descending order) with Women Project Coordinators, and
- (ii) the rest proposals ranked according to their Final Evaluation Score, starting with the highest scoring proposal (in descending order),

until the aggregated requested funding of the Proposals equals to the double of the available Call budget, and provided that the Proposals are deemed eligible for qualifying to Stage B.

The number of proposals that qualify to Stage B of the Evaluation may be increased in the following occasions: (i) Eligible proposals with the same score which are ranked at the bottom of the ranking list. In this case the proposals will proceed to Stage B, and (ii) Re-evaluation of proposals, for which a redress was submitted and approved regarding the result of the Evaluation in Stage B. In this case, re-evaluated proposals that receive the same or higher score than the last proposal on the ranking list, will qualify to Stage B. This condition applies both for the Proposals in total and specifically for the Proposals with Women Project Coordinators.

The evaluation of Proposals in Stage B is carried out by an Independent Evaluation Committee, consisted by experts with business background selected from RIF's Evaluators Database. 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 them and with the representatives of the project Team during the meeting. The participation of representatives from the POs in the meetings with the Committee is allowed if deemed necessary by the applicants.

The meetings with the Committee for the Stage B evaluation are expected to take place indicatively within February 2025.

The final decision regarding the selection of a proposal for funding by the RIF, is at the discretion of the Committee. After the 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.

Evaluation Criteria/Weighting

The same Evaluation Criteria apply for both Stages (A and B).

1. Excellence - Weight 30%

- Quality of Project Objectives.



- The project proposal refers to the adoption of a business idea with high degree of novelty and prospects of rapid growth, from a Startup enterprise aiming to develop and promote competitive innovative products or services, with a potential for penetration into the international market. Particularly desirable are high-risk / high-return ideas with a view to entering the international market.
- The timing for the proposed innovation/technology is right.

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

The evaluation of innovation is based on existing knowledge, practice and technology at international level (state-of-the-art). It is evaluated whether the idea refers to a product / service with a high degree of novelty and significantly different in comparison with existing or competing solutions and international practice and is based on factors such as the quality / functionality of the product / service, the cost, the degree of ease of use, etc. Disruptive and breakthrough high-risk / high-return innovative ideas, with the potential to bring significant and transformational change in the market and the needs of end-users, are particularly sought after.

Emphasis should be placed on the clear identification of the strengths and weaknesses of the product / service as well as opportunities and threats for successful introduction to the existing market or the successful creation of a new market.

○ Soundness, credibility and feasibility of the proposed idea.

The soundness, credibility and feasibility of the proposed idea for the development of new products or services is evaluated. Emphasis is placed on the existence of a realistic description of the current stage of development of the idea and of the maturity of the technology (where applicable), in relation to the expectations of the Call. The following are also evaluated:

- The degree of understanding of both the risks and the opportunities related to the exploitation of the innovation.
- The documentation of the technological and financial/commercial viability of the innovation.
- Whether the objectives of the proposed project, as well as the proposed approach and activities are consistent with the expected benefit of the innovation.
- The definition of an appropriate form of the results as well as the success criteria.

During the evaluation it is taken into account that the high degree of novelty of an idea comes with a high chance of failure of the business proposal. Respectively, in case of success the investment may result in a high reward.

2. Added Value and Benefit - Weight 35%

○ Scientific and/or technological and/or social and/or economic impact and measures to maximize it.



The economic, social and other impact that will emerge through the implementation of the proposed project is evaluated, especially in relation to the following:

- The development of a viable and profitable business with rapid growth rates (and business scalability) addressing the international market.
- The company's potential to attract private investment funds.
- The expected contribution in increasing job opportunities.
- To meet a specific need and/or improve the consumer's experience and quality of life (cost savings, efficiency gains, product / service quality and reliability, etc.).
- The ability to provide solutions to existing social, environmental and other challenges.

Particular emphasis is given to the following elements that should be included in the description of the project proposal:

- Credibility of the proposed business strategy of the Host Organisation, as described in the Proposal (Business Model Canvas).
 - Convincing description of the existence of substantial demand for the innovation (including willingness of end users to buy the product / service).
 - The total expected market size (existing or new market), its expected growth rate and the market share that the business is targeting.
 - The ability to create a new or disrupt an existing market. The creation of new markets through the proposed innovative ideas is highly desirable.
- Effectiveness of the proposed measures for the management of Intellectual Property Rights.

The strategy for the protection and safeguarding of intellectual property rights which are necessary for the implementation of the business plan of the company in order to achieve the maximum added value and benefit through the project, is evaluated. In particular, the following are evaluated:

- The suitability and reliability of the knowledge protection strategy in order to ensure the “freedom to operate”, including ownership, or at a minimum licencing (especially in case of exploitation of research results of third parties) of intellectual property rights, any pending patent applications, as well as issues related to license exploitation, and
- The response to any requirements for compatibility with national, European and international laws and/or standards.

3. Implementation - Weight 35%

- Completeness and appropriateness of the Work Packages' content, the allocation of the various activities, the timetable and the budget.



The completeness, reliability and appropriateness of the content of the project proposal, including the appropriateness of the timetable and the proposed budget, are evaluated. Particular emphasis is placed on the completeness and reliability of the following elements that should be included in the description of the project proposal in order to substantiate the potential to achieve the added value and benefit:

- Reliable description of targeted users or customers of the innovation, how their needs have been addressed and the reasons why they will want to use or buy the product / service compared to already available products / services.
 - Realistic and reliable analysis of market conditions and factors that affect the market, including analysis of competitors and competitive offerings and key market stakeholders.
 - Prospects for success by creating new or disrupting existing markets.
 - Reliable and data-driven exit strategy for potential investors.
- Effectiveness of the proposed methodology for the implementation of the Project Proposal.

The effectiveness of the proposed methodology for the implementation of the project proposal is evaluated. Particular emphasis is given to the following:

- The adoption of internationally-established methodologies for the development of innovative Startups that enhance the potential for the successful market penetration of their products and services and minimize the risk involved and the required penetration time;
 - The degree of involvement of potential users in the development / validation process of products / services, and
 - The inclusion of a suitable Go-To-Market strategy.
- Completeness, quality and capacity of the Host Organisation (at the level of organisation and/or persons), and the Partner Organisations where applicable, for the implementation of the Project Proposal and achievement of the proposed objectives.

The team (with particular emphasis on the startup's team members) involved in the implementation of the project proposal, is assessed on the following:

- The availability of appropriate and complementary technical, scientific and business knowledge and skills among team members,
- The existence of very good knowledge of the market which the products / services are targeting, and
- The existence of leadership and management skills within the team, as well as the commitment shown by the team to implement the proposed project.

The capacity and contribution of the Partner Organisations (in the case of a Consortium) to the implementation of the proposed project and the achievement of its objectives, as well as the need to involve third parties (e.g. subcontractors) to



provide skills / technical knowledge that is not available within the team, is evaluated. At the same time, any already secured investments by private investors (e.g. Business Angels, seed funds, Venture Capitals, etc.) are taken into account.

- Suitability and adequacy of the proposed coordination and management activities, including identification and handling of potential risks (Contingency Plan).

In particular, the coordination and management activities of the proposed project are evaluated. The completeness and reliability of the Contingency Plan for the management of any risks and deviations in the implementation of the proposed project are also evaluated. Among others, emphasis is paid on the following:

- The feasibility of adopting a Minimum Viable Product approach for market entry, with the aim of testing the market and implementing any necessary adjustments; and
- The development of alternative scenarios as well as the possibility of pivot during the implementation of the project.

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.