

Review of Competitive RDI Calls

**Forum for Applicants and Evaluators
on calls promoting domestic innovation**

József Pálinkás, President

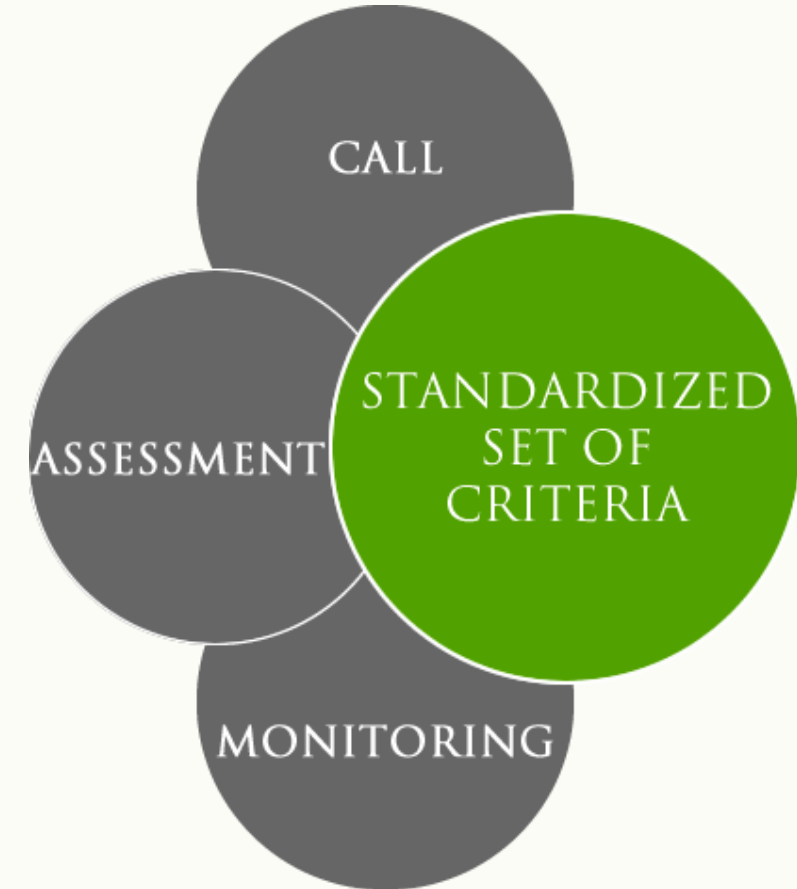
Budapest, 6 February 2018



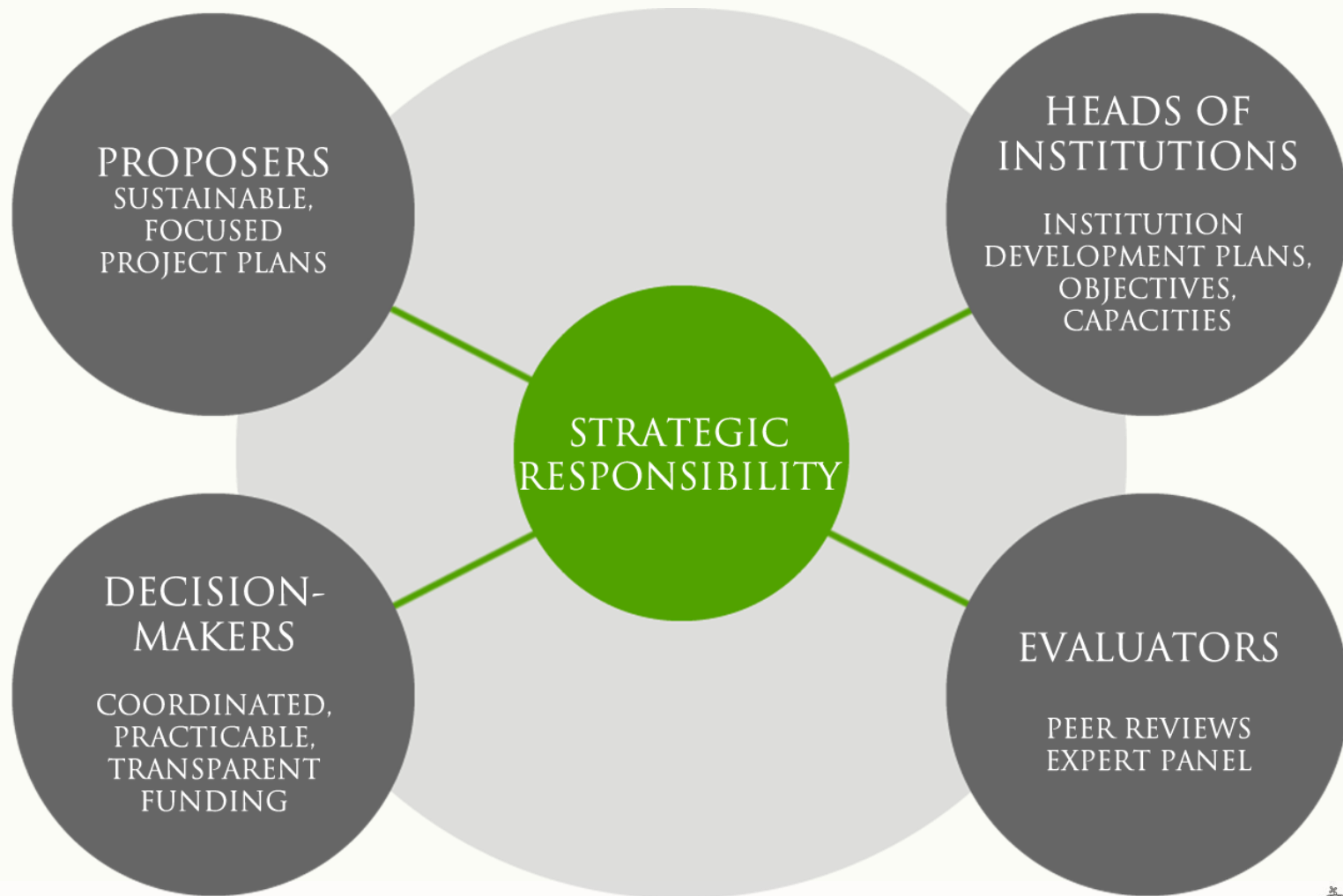
Coordination of resources in a competitive funding system

- coordinated management, flexible planning, complex portfolio of calls
- well-balanced support to discovery research, experimental development and innovation
- novel content, international competitiveness, sustainability
- challenge-oriented rather than source-oriented project funding
- practical applicability and marketability of RDI results

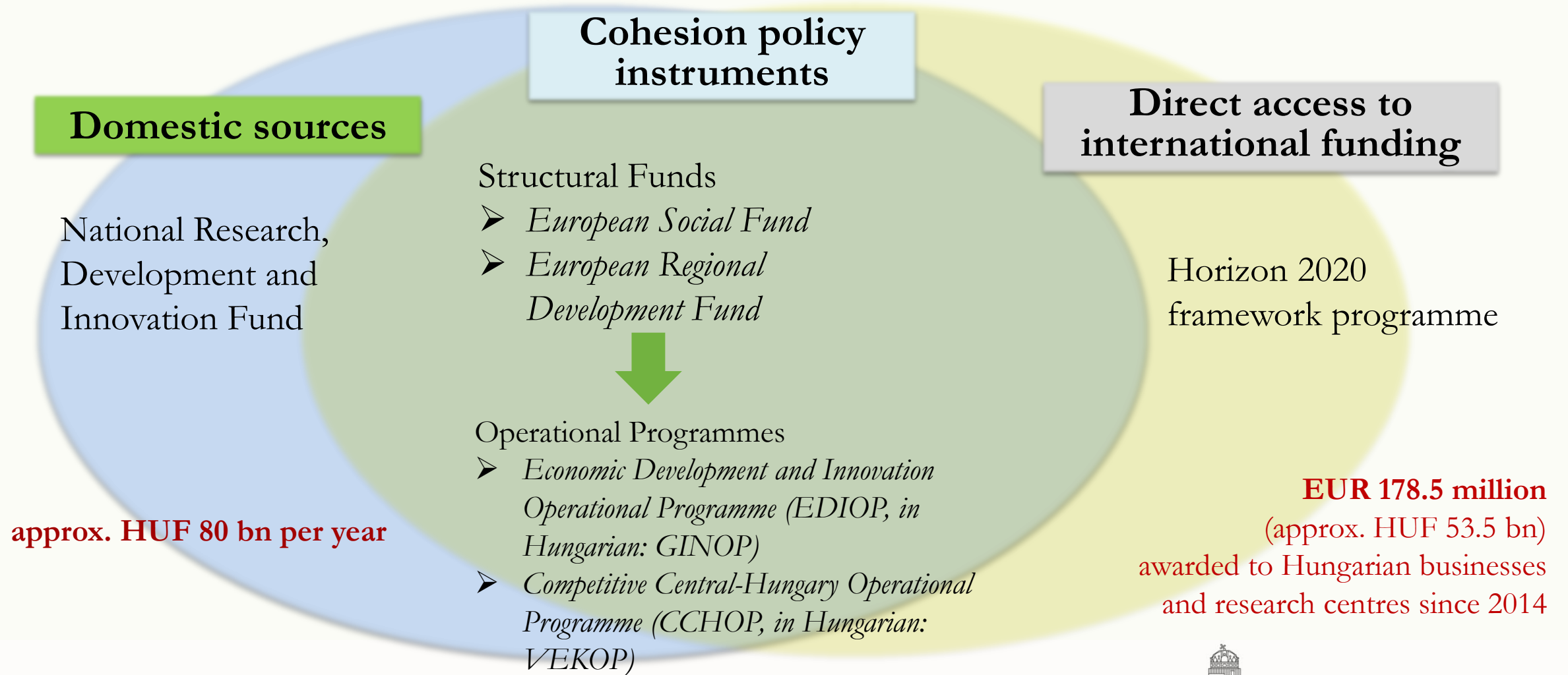
The power of excellence



Stakeholders of value-creating innovation



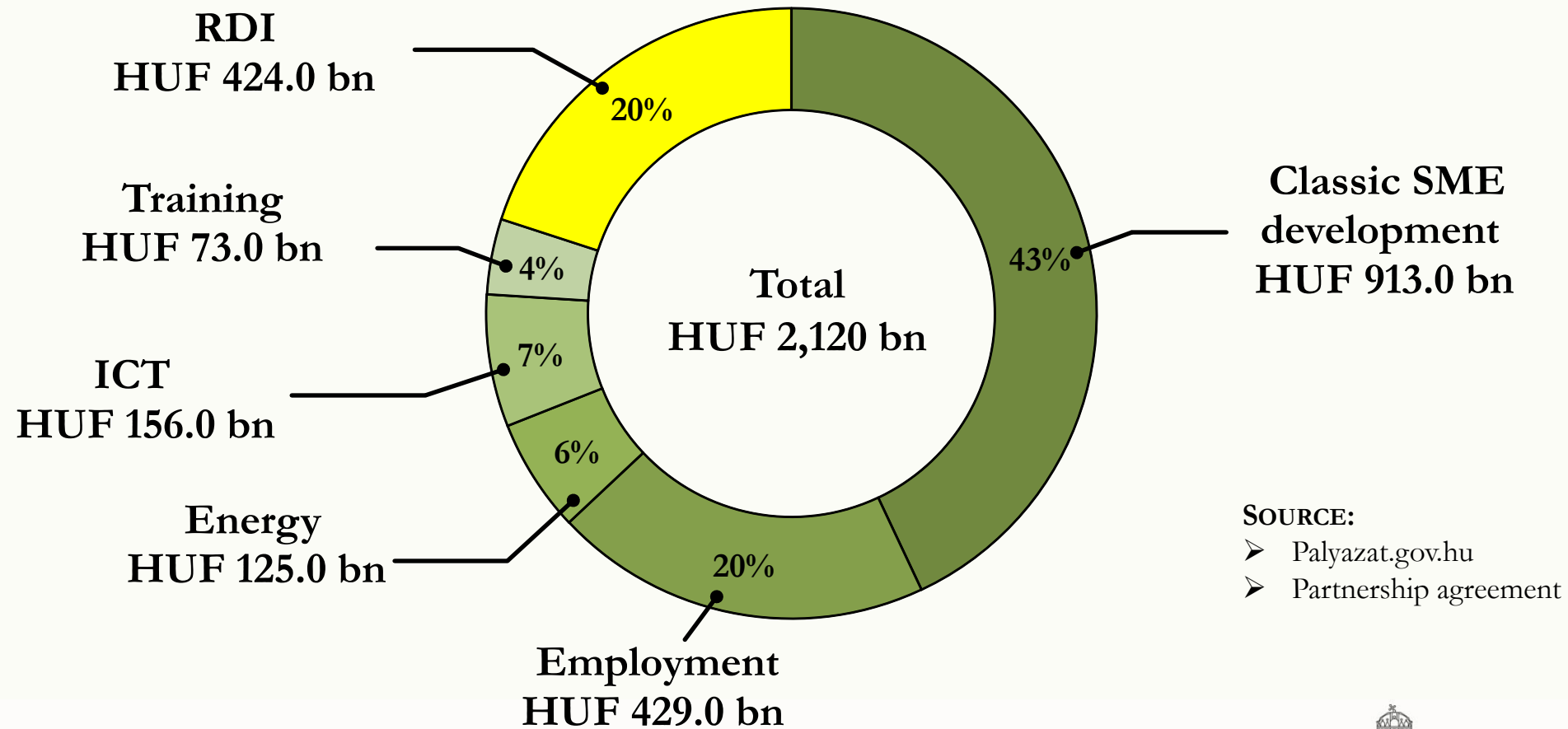
The system of RDI sources



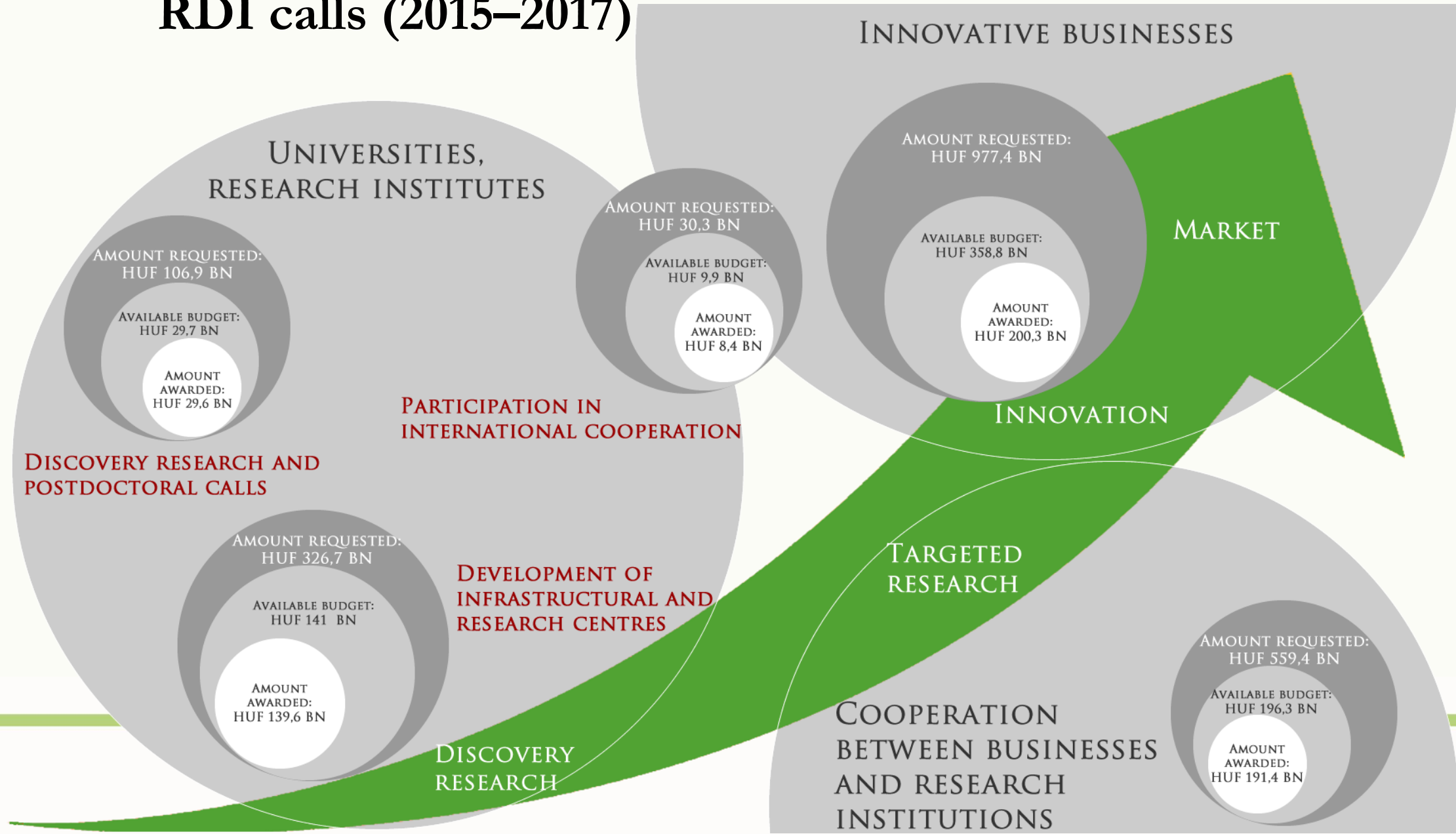
approx. HUF 750 bn between 2014 and 2020



EU funds available to SMEs by thematic priority



Target groups, calls and funding decisions in the RDI calls (2015–2017)

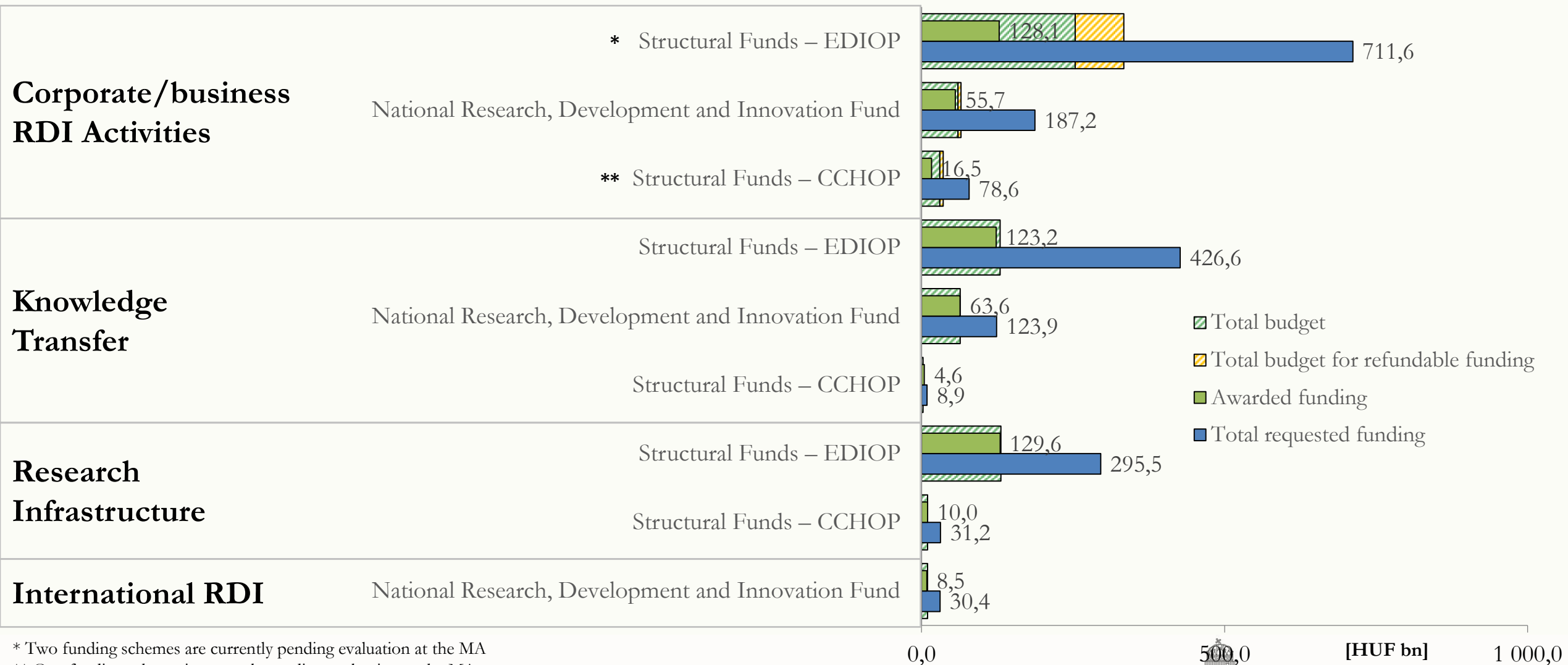




APPLICANTS



Aggregate data of competitive RDI calls in 2015–2017

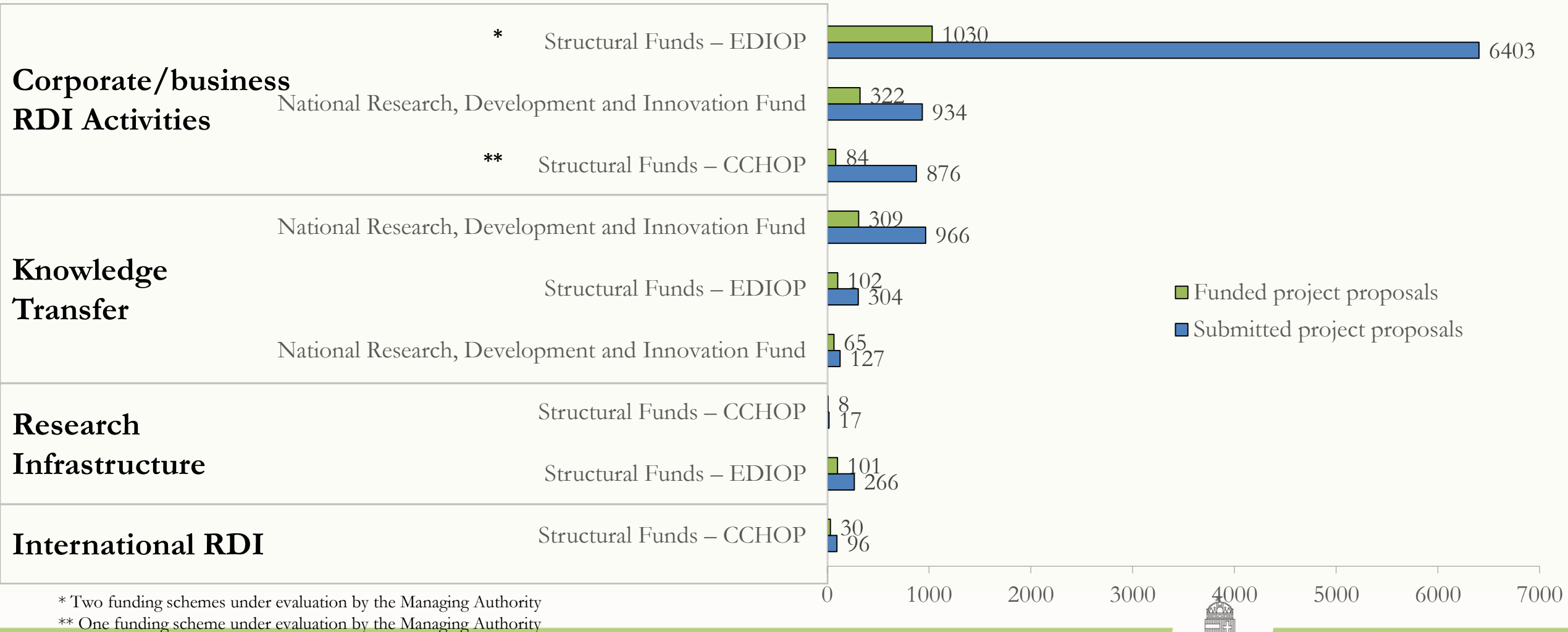


* Two funding schemes are currently pending evaluation at the MA

** One funding scheme is currently pending evaluation at the MA

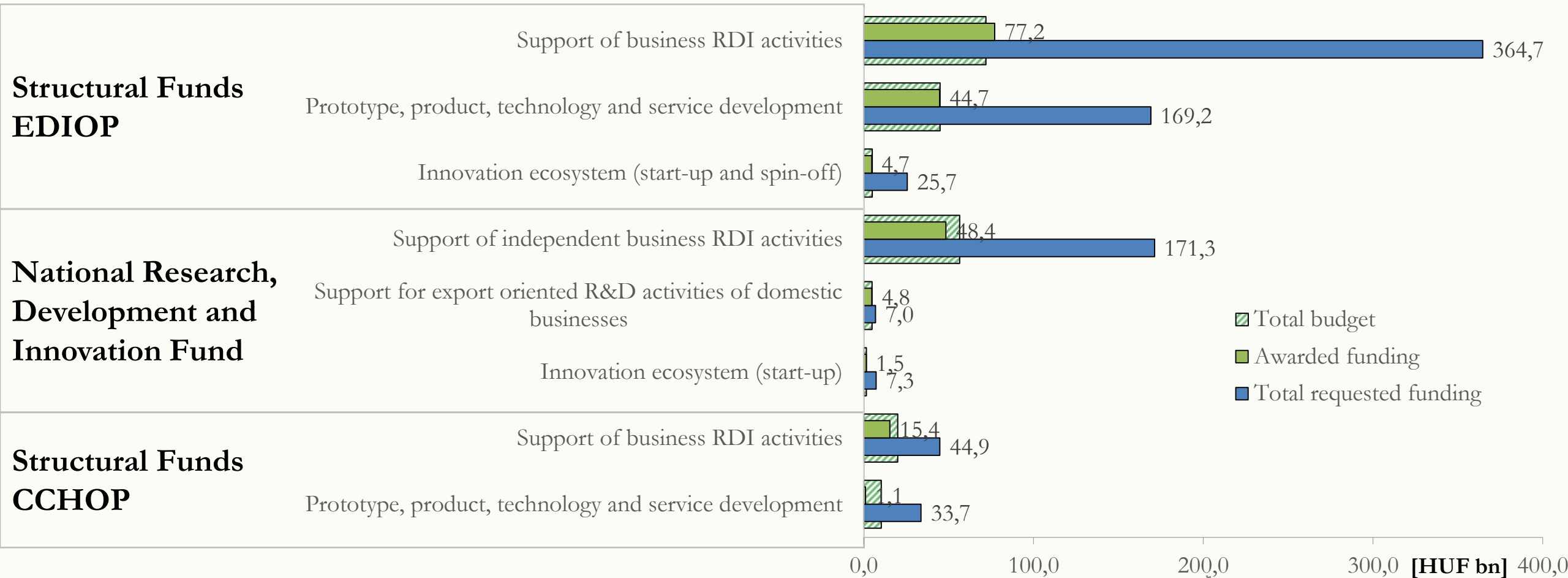


Aggregate data of competitive RDI calls in 2015–2017



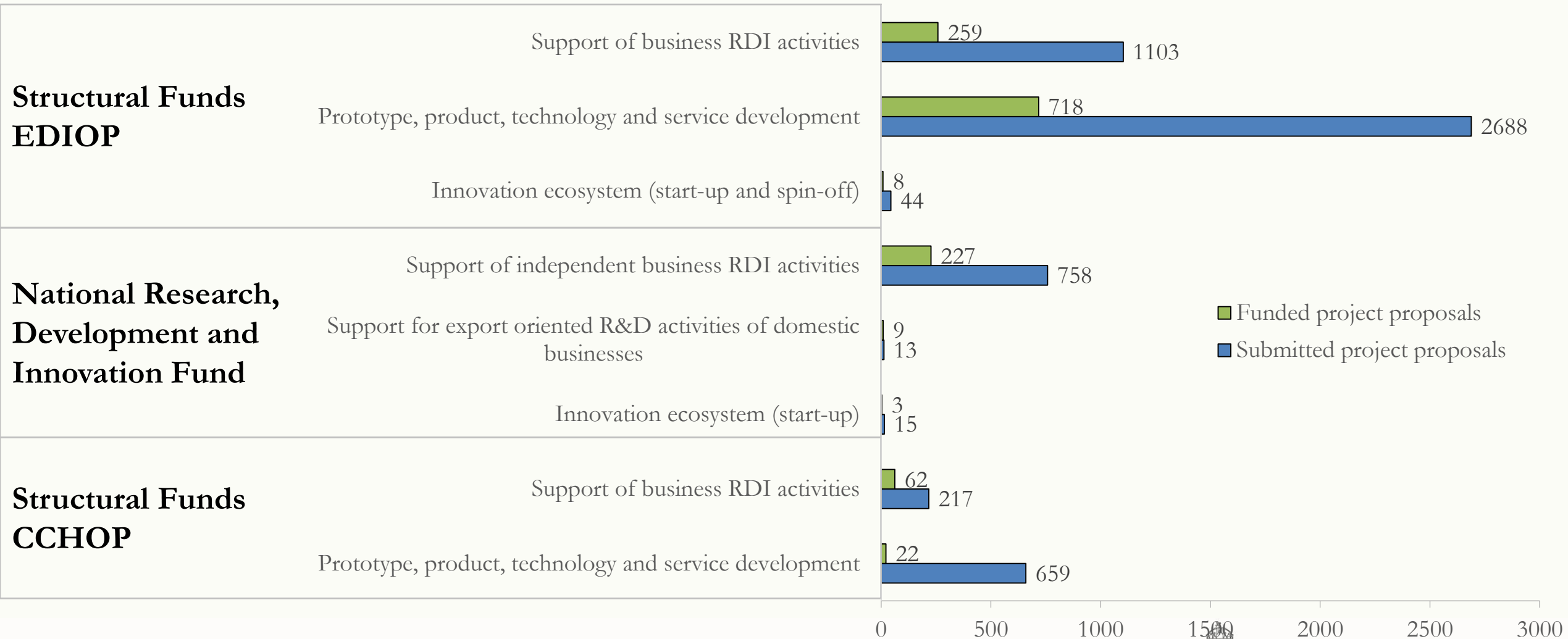
Aggregate data of competitive RDI calls in 2015–2017

Calls fostering innovative businesses I.



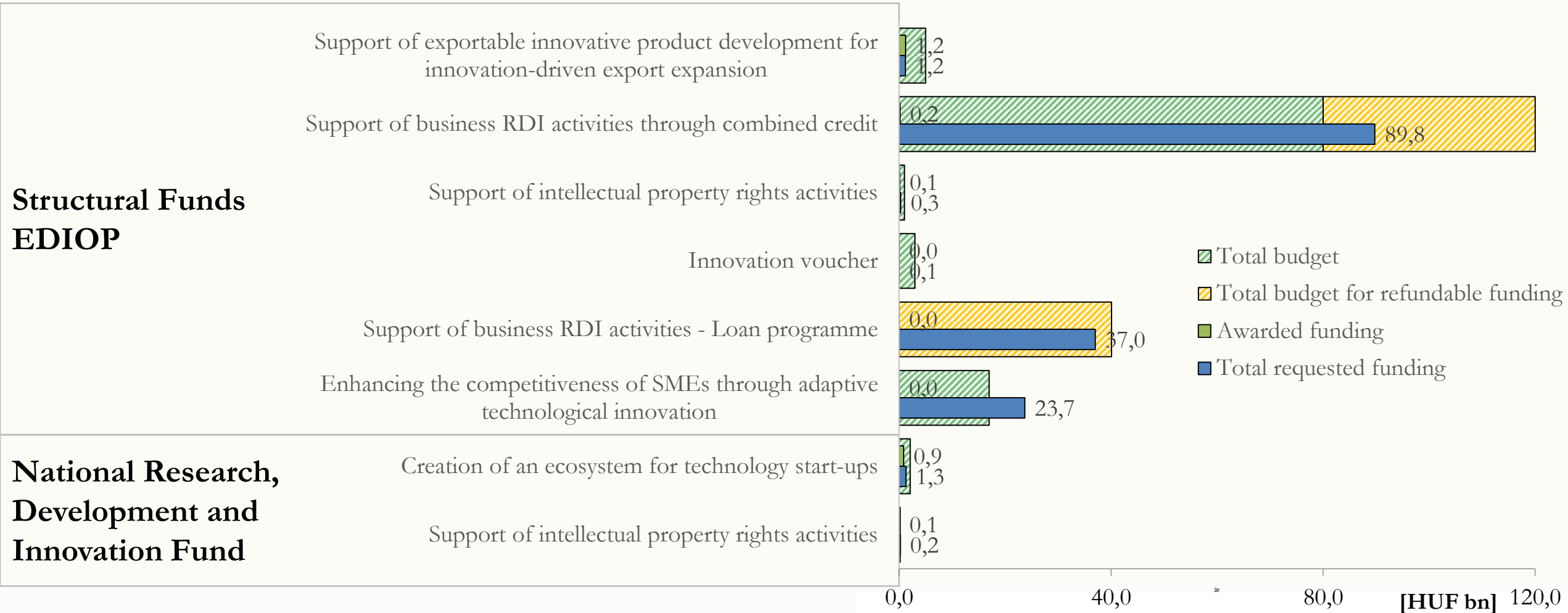
Aggregate data of competitive RDI calls in 2015–2017

Calls fostering innovative businesses I.



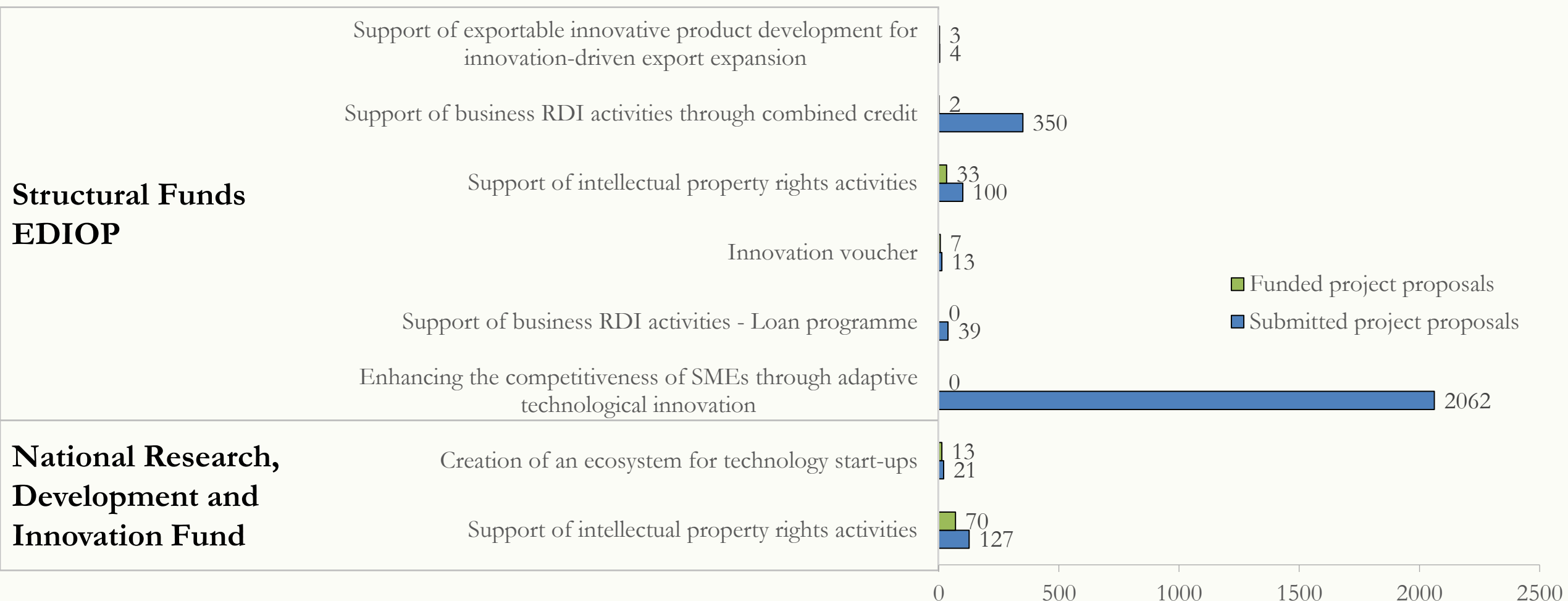
Aggregate data of competitive RDI calls in 2015–2017

Calls fostering innovative businesses II.



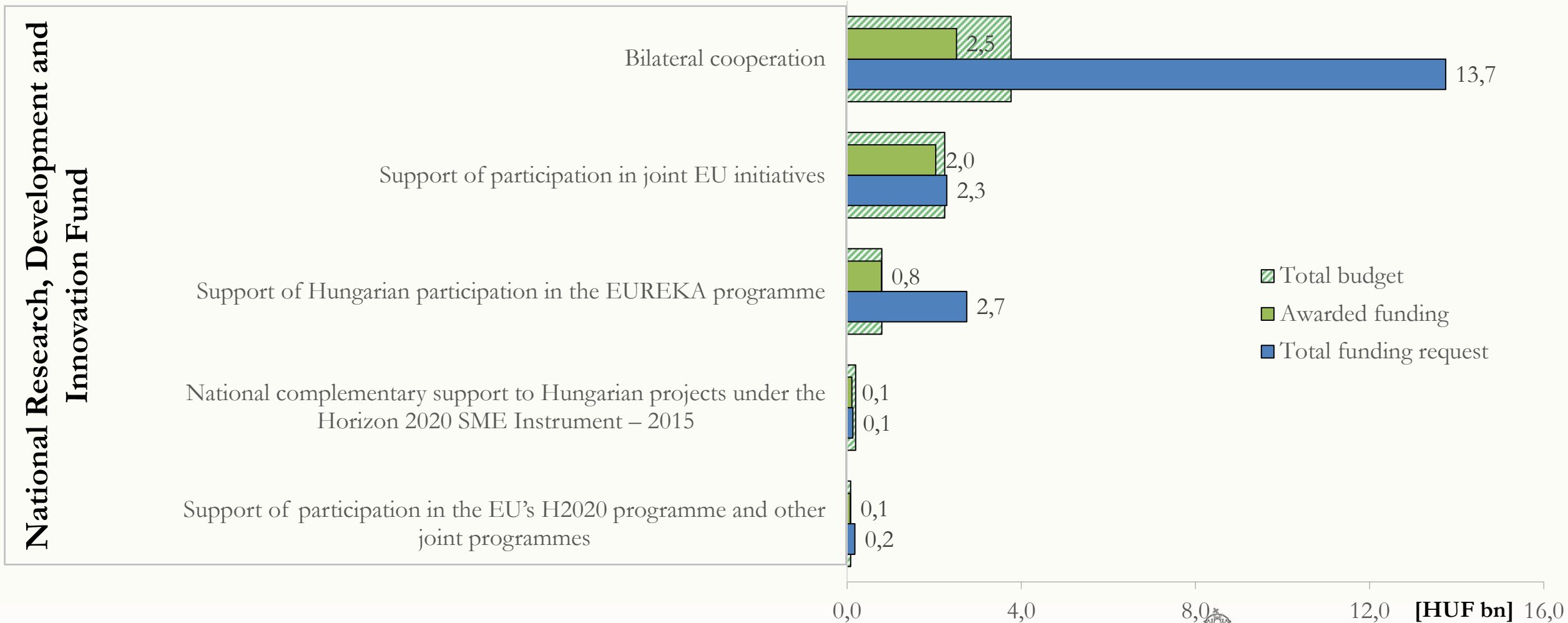
Aggregate data of competitive RDI calls in 2015–2017

Calls fostering innovative businesses II.



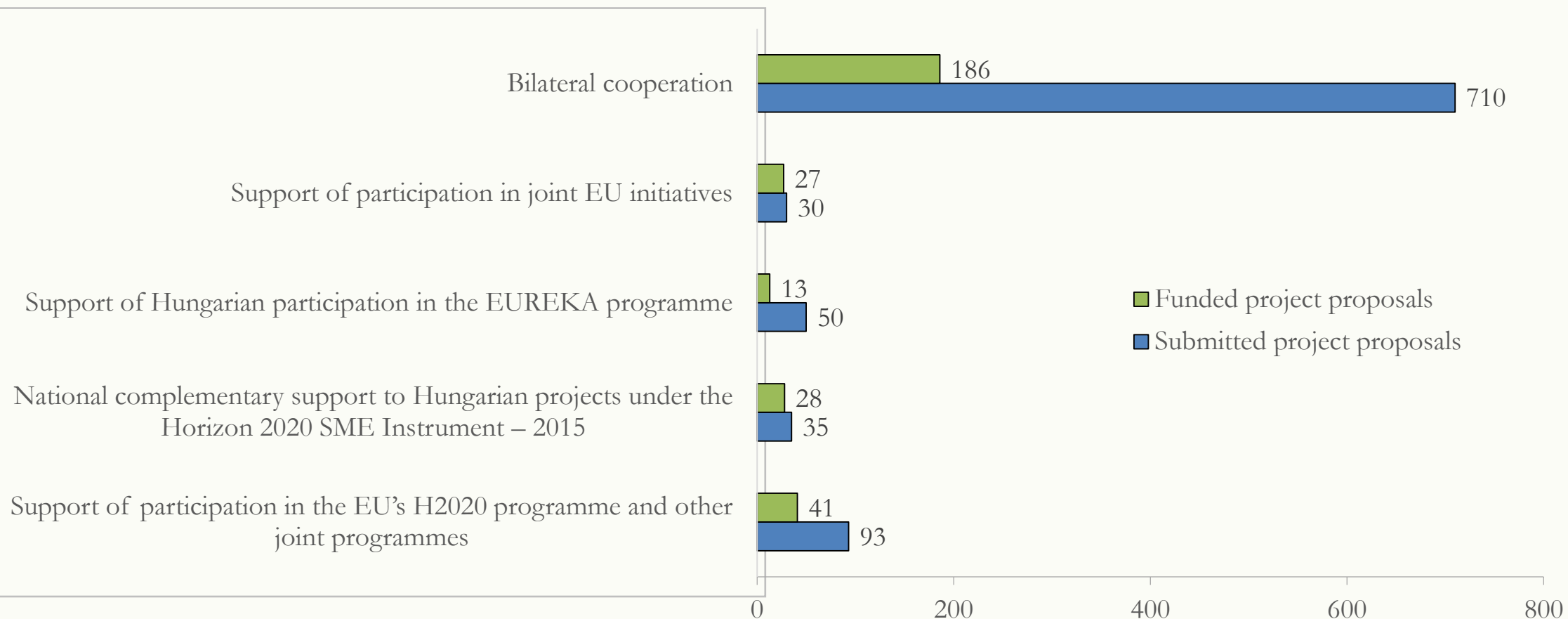
Aggregate data of competitive RDI calls in 2015–2017

Participation in international cooperation



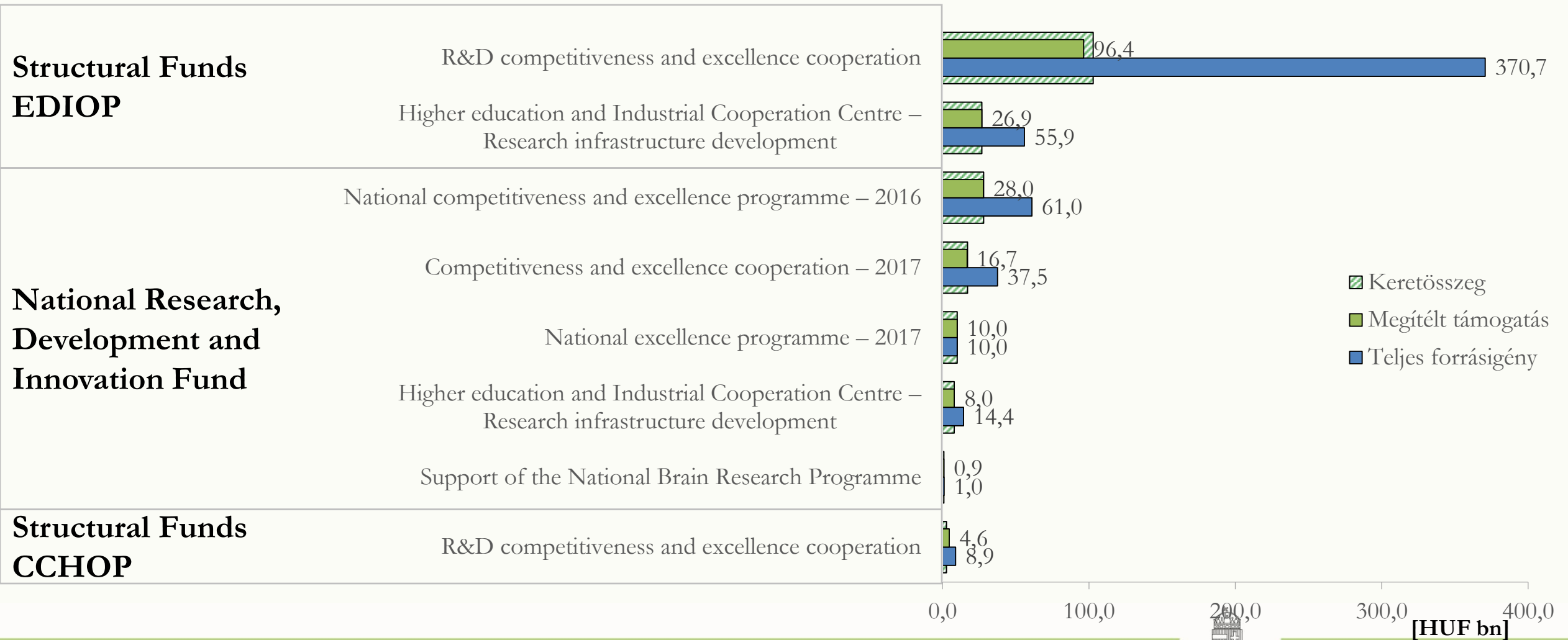
Aggregate data of competitive RDI calls in 2015–2017

Participation in international cooperation



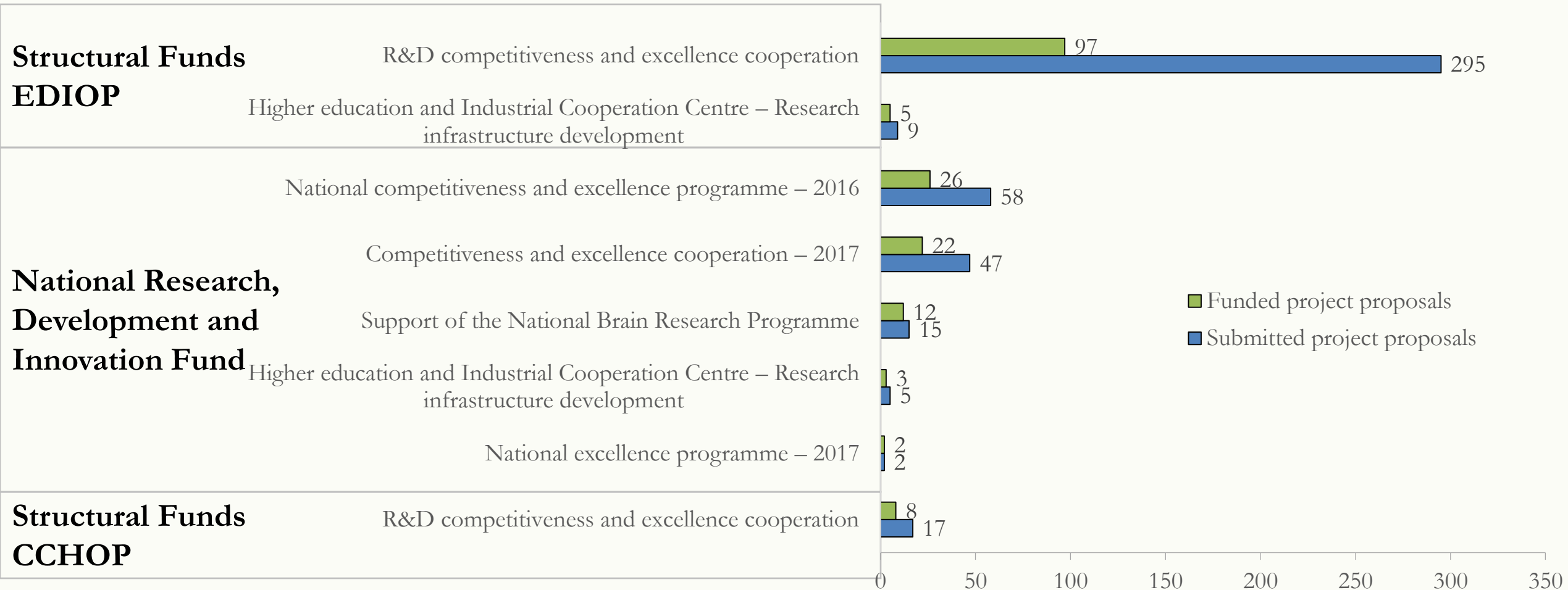
Aggregate data of competitive RDI calls in 2015–2017

Calls fostering cooperation between businesses and research centres



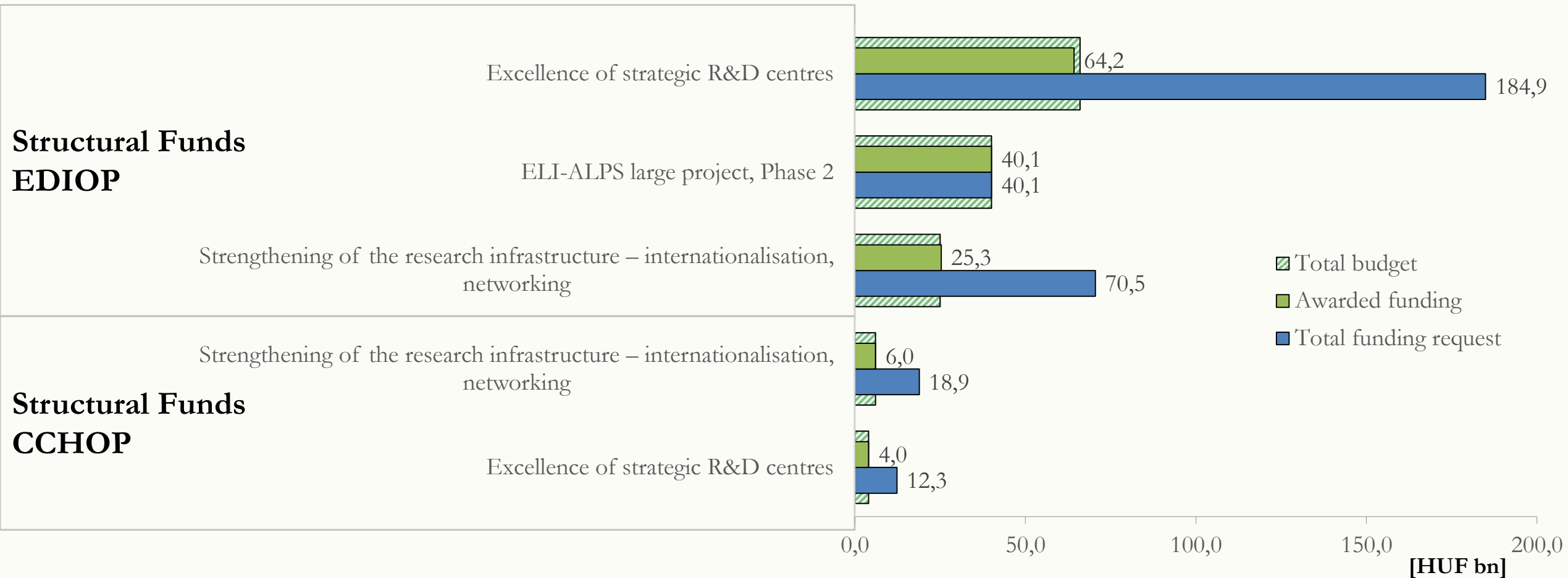
Aggregate data of competitive RDI calls in 2015–2017

Calls fostering cooperation between businesses and research centres



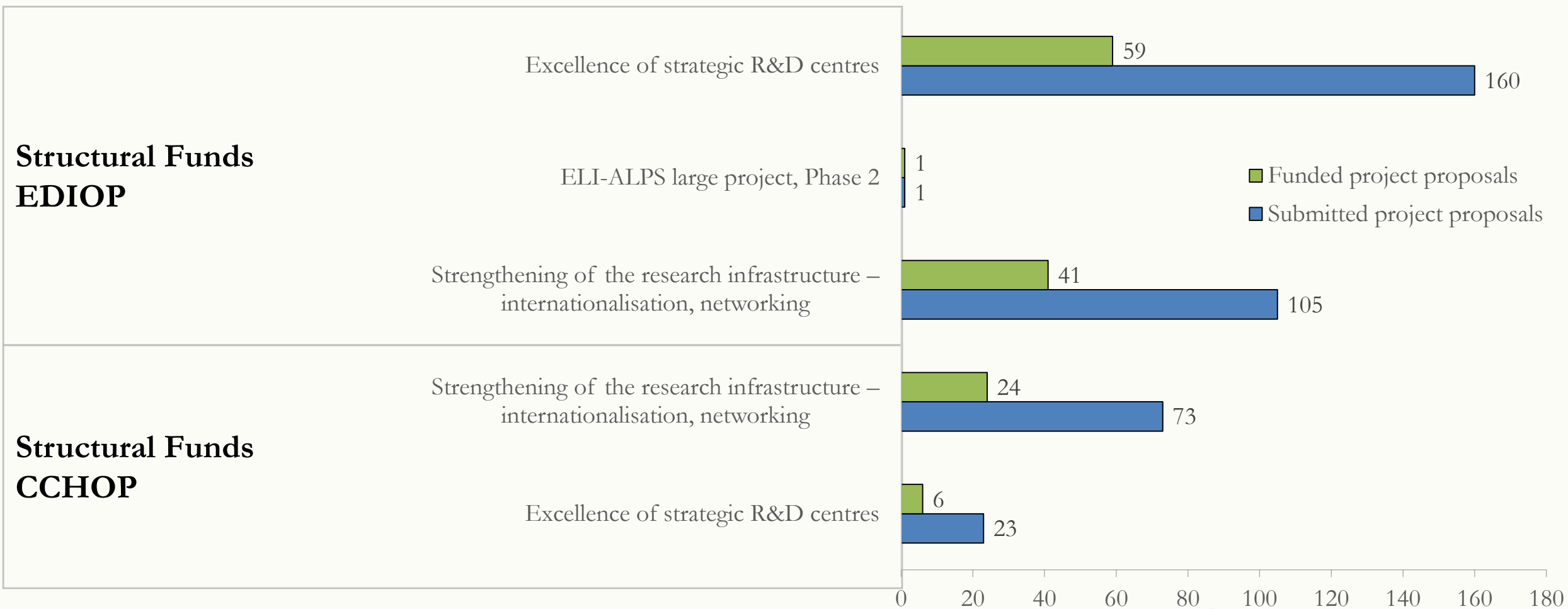
Aggregate data of competitive RDI calls in 2015–2017

Calls fostering infrastructure development



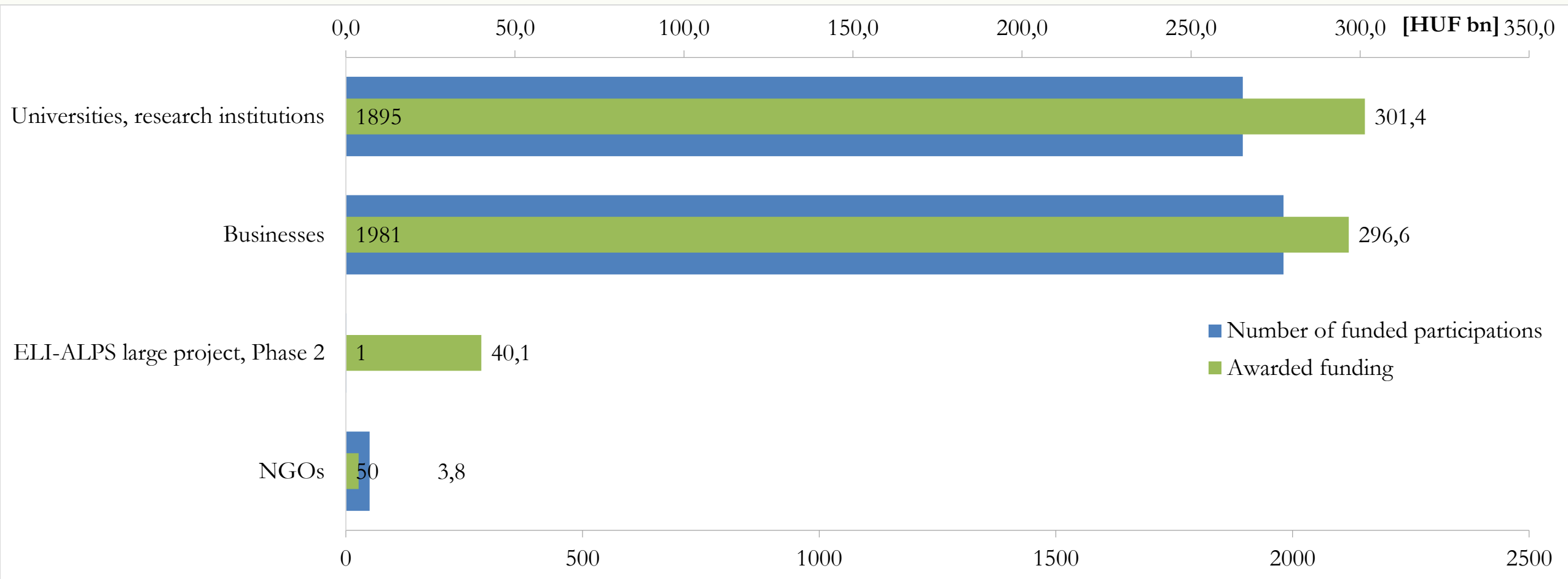
Aggregate data of competitive RDI calls in 2015–2017

Calls fostering infrastructure development



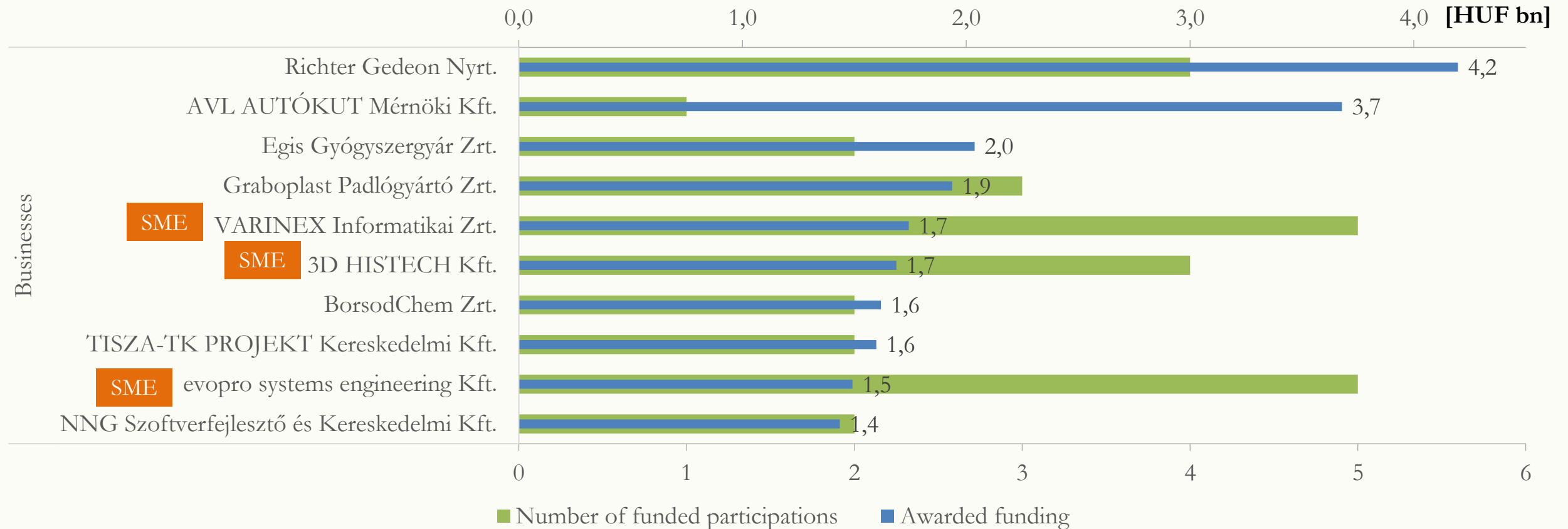
Aggregate data of competitive RDI calls in 2015–2017

Funded project proposals by type of institution



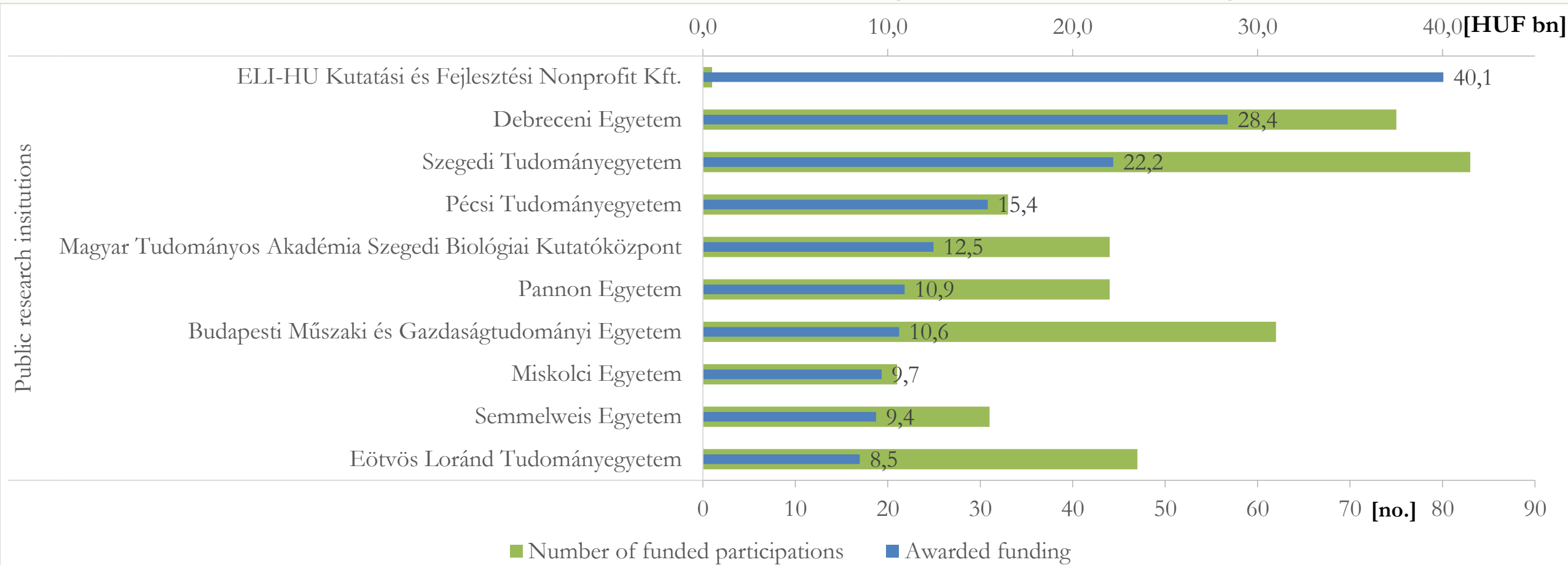
Aggregate data of competitive RDI calls in 2015–2017

Top funded businesses



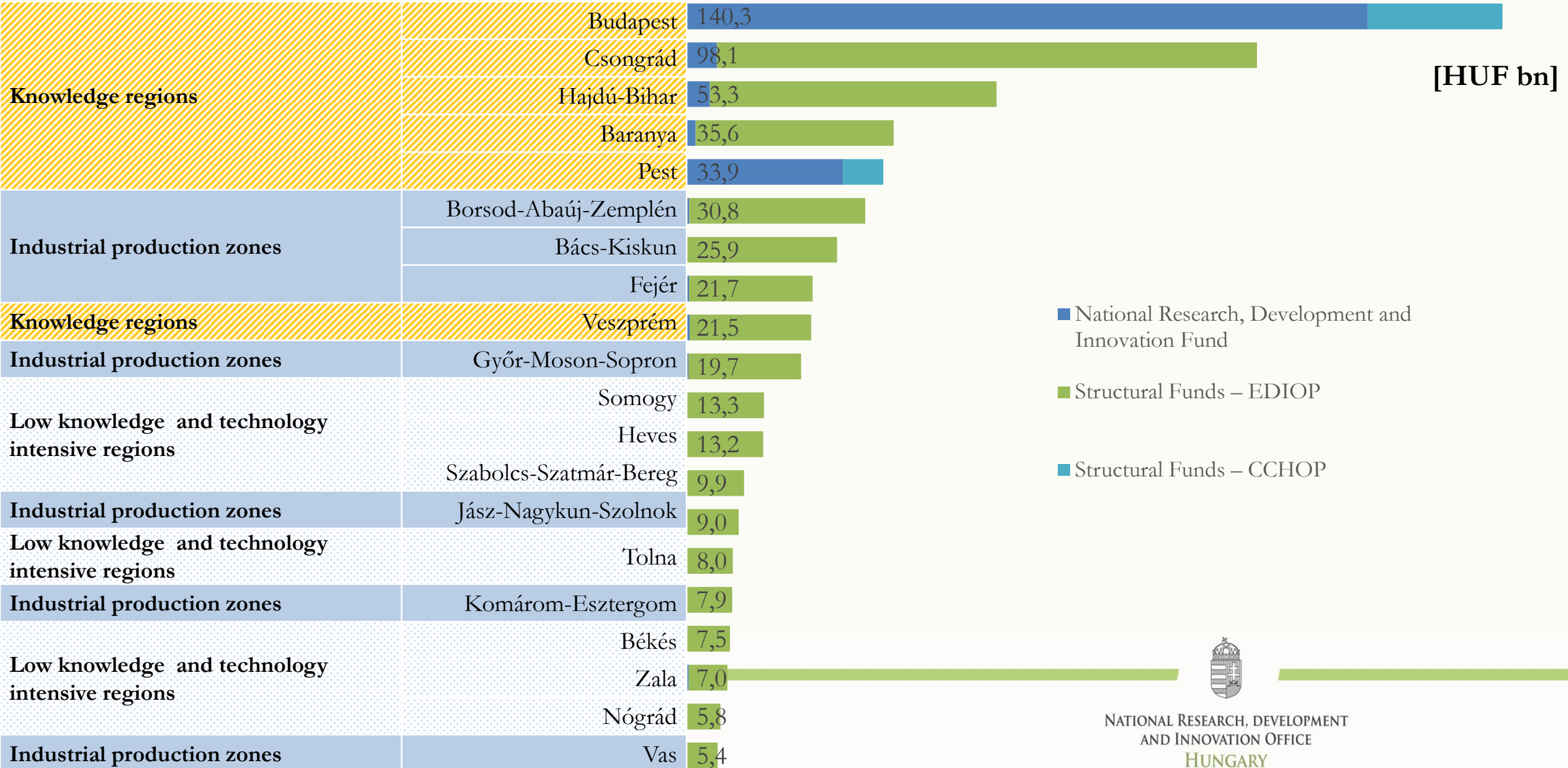
Aggregate data of competitive RDI calls in 2015–2017

Top funded research and knowledge-dissemination organisations

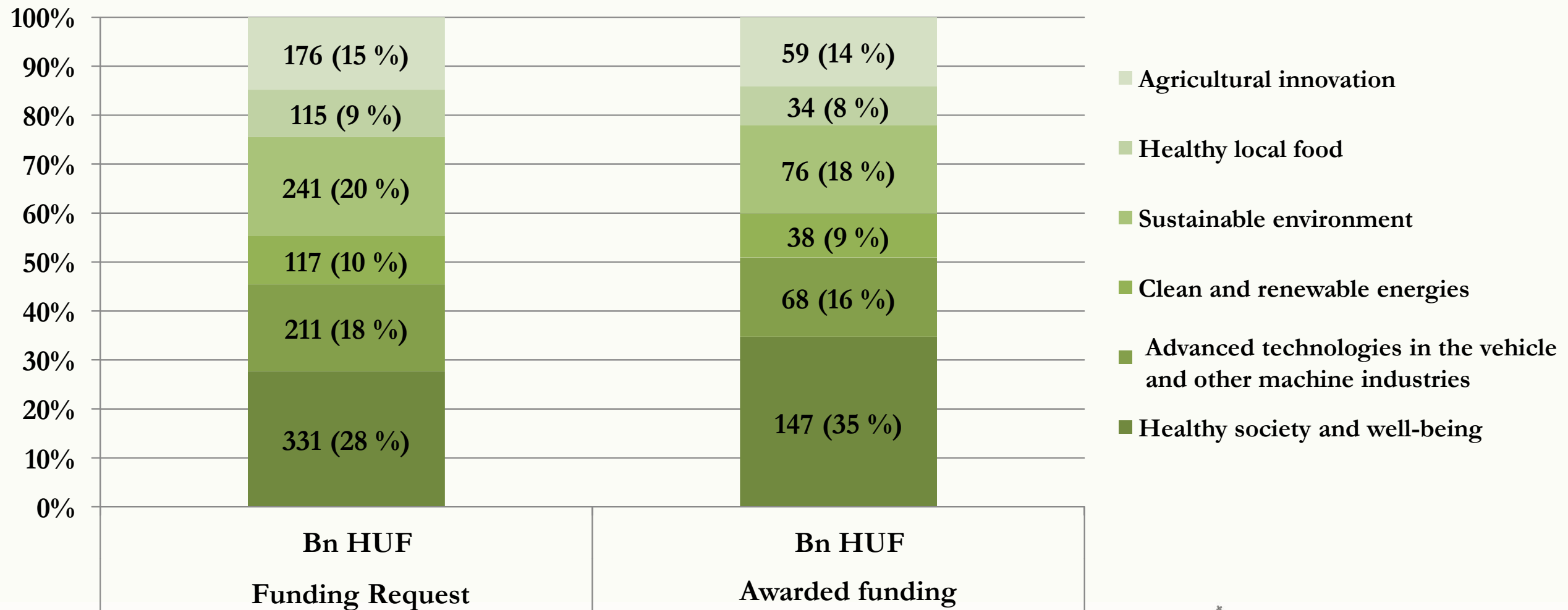


Aggregate data of competitive RDI calls in 2015–2017

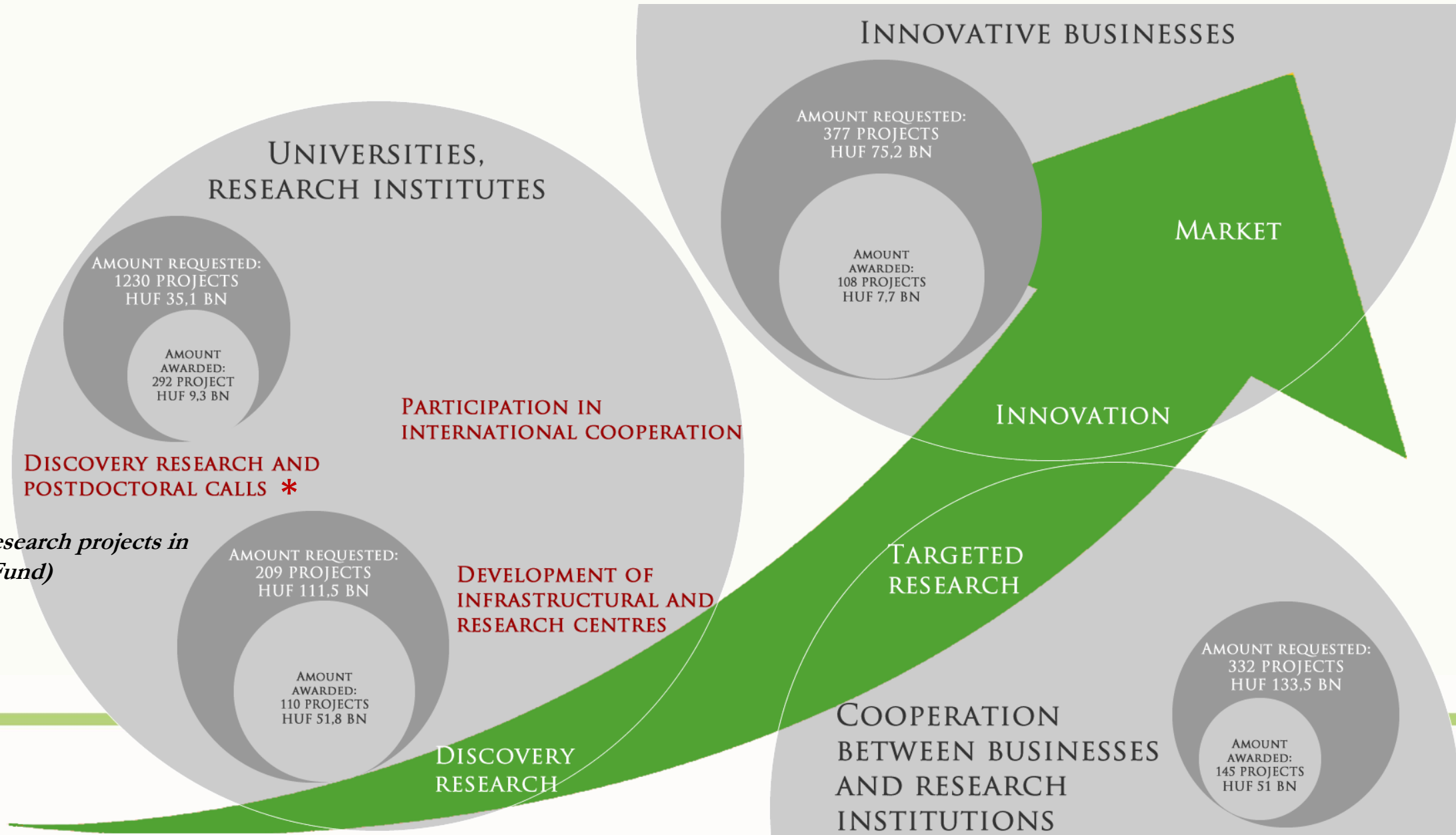
Territorial distribution of awarded funding and S3 region types



S3-related funding schemes by sectoral priority (2015–2017)



Funding requests and awarded funds in S3 priority of Healthy society and well-being (2015–2017)



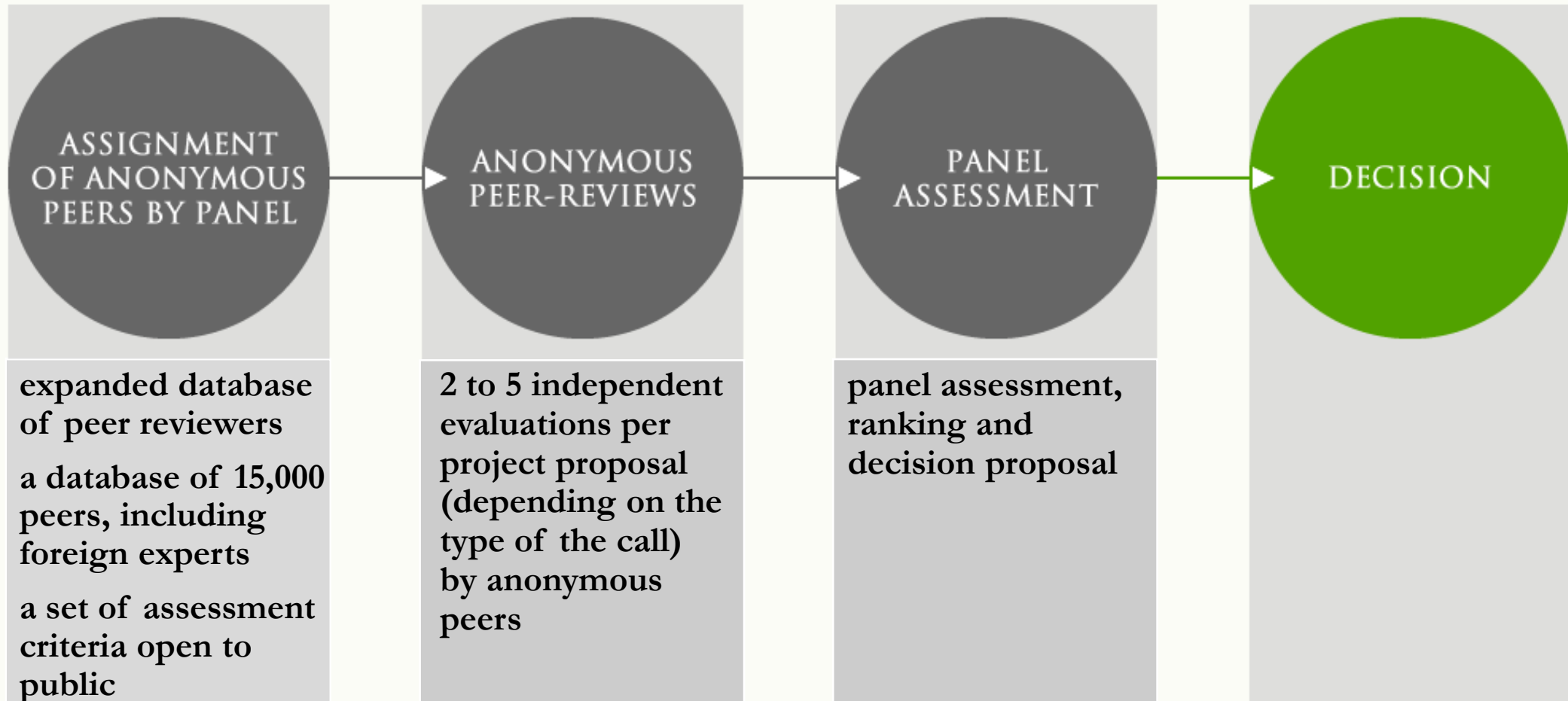
** Only discovery research projects in medicine (NRDI Fund)*



ASSESSMENT



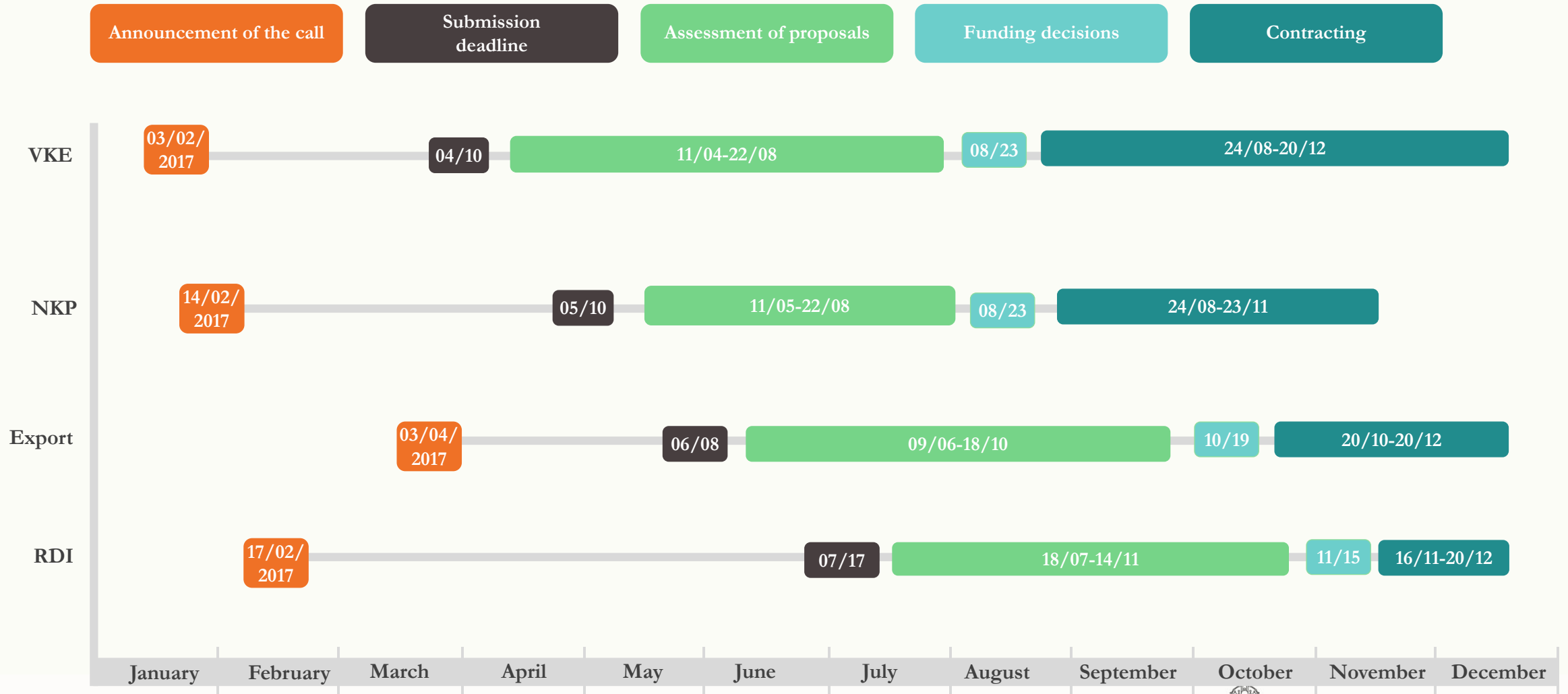
Evaluation process of the system of competitive calls



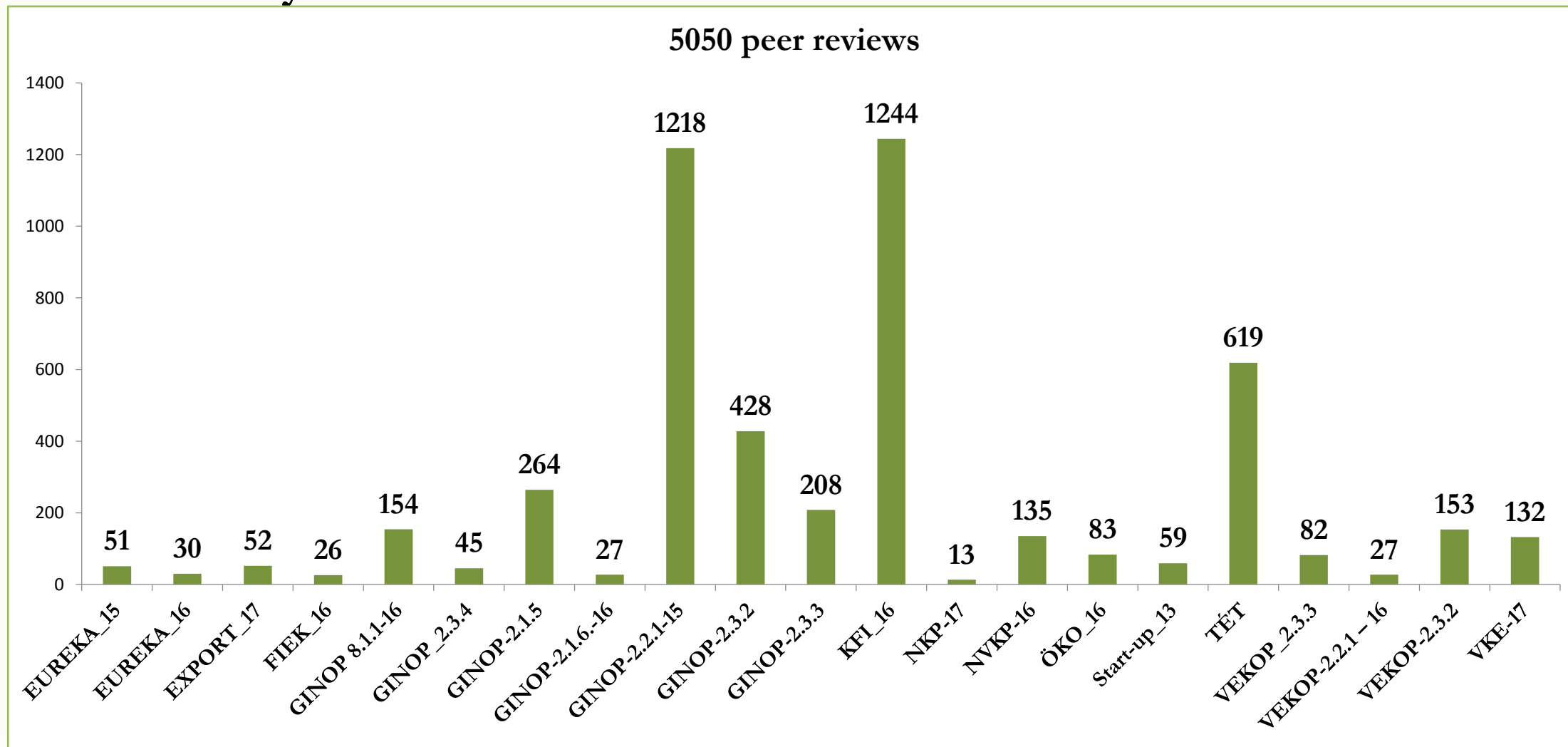
TRANSPARENT, REGULATED PROCESS



The assessment process of RDI calls in 2017



Anonymous peer reviews commissioned by the NRDI Office by call in 2015–2017



How peer reviews are made? – Corporate RDI



Anonymous peer reviews – Corporate RDI

Assessment criteria	Value
Assessment prerequisites	
Is the project objective in line with the call objective?	Yes/No
a) Does the project fit in with at least one sectoral priority of the National Smart Specialisation Strategy?	Yes/No
b) Does the project involve any scientific-technological innovation or does it foresee the creation of a new prototype/product/technology?	Yes/No
Is the budget realistic for the project activities?	Yes/No
Does project implementation entail any outstandingly high risk?	Yes/No
Assessment of the financial situation (based on the last closed financial year) of the applicant organisation (or consortium leader in the case of a consortium)	0-5 points
Professional soundness of the project	0-40 points
Ratio of R&D jobs created and funding amount	0-15 points
Business potential, national/international use of the product or technology developed with the help of the funding (in relation to the consortium leader in case of a consortium)	0-30 points
Increase of the share of own funds in case of maximum funding intensity	0-10 points
Total:	0-100 points
Reviewer's recommendation	Recommended/Not recommended
Reasoning	

← **Yes/No questions**

← **Scores**

← **Recommendation**

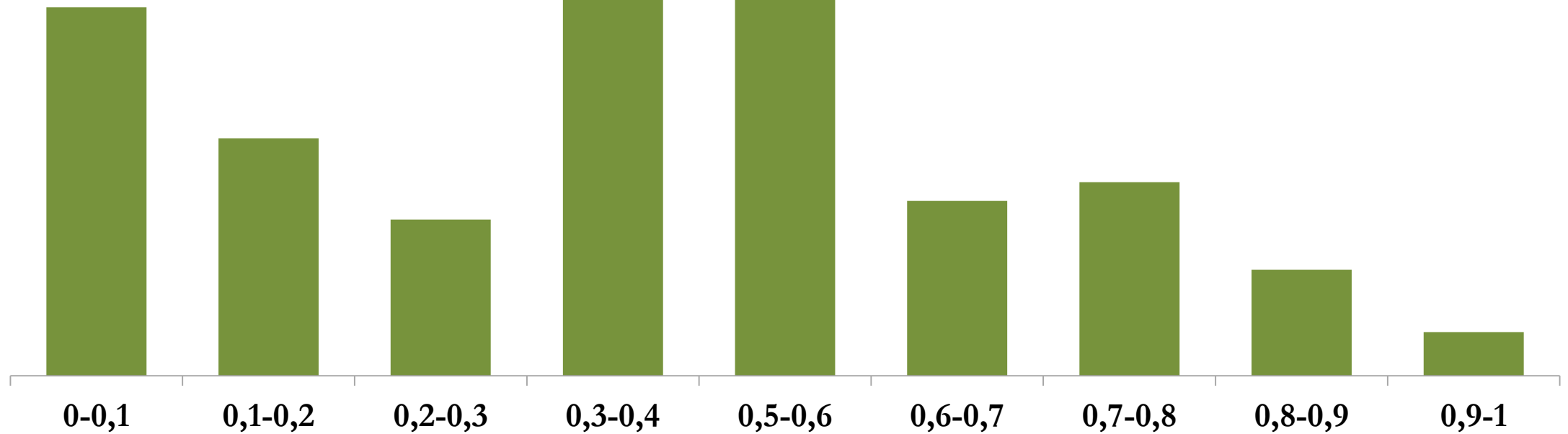
← **Reasoning**



Anonymous peer reviews – Corporate RDI

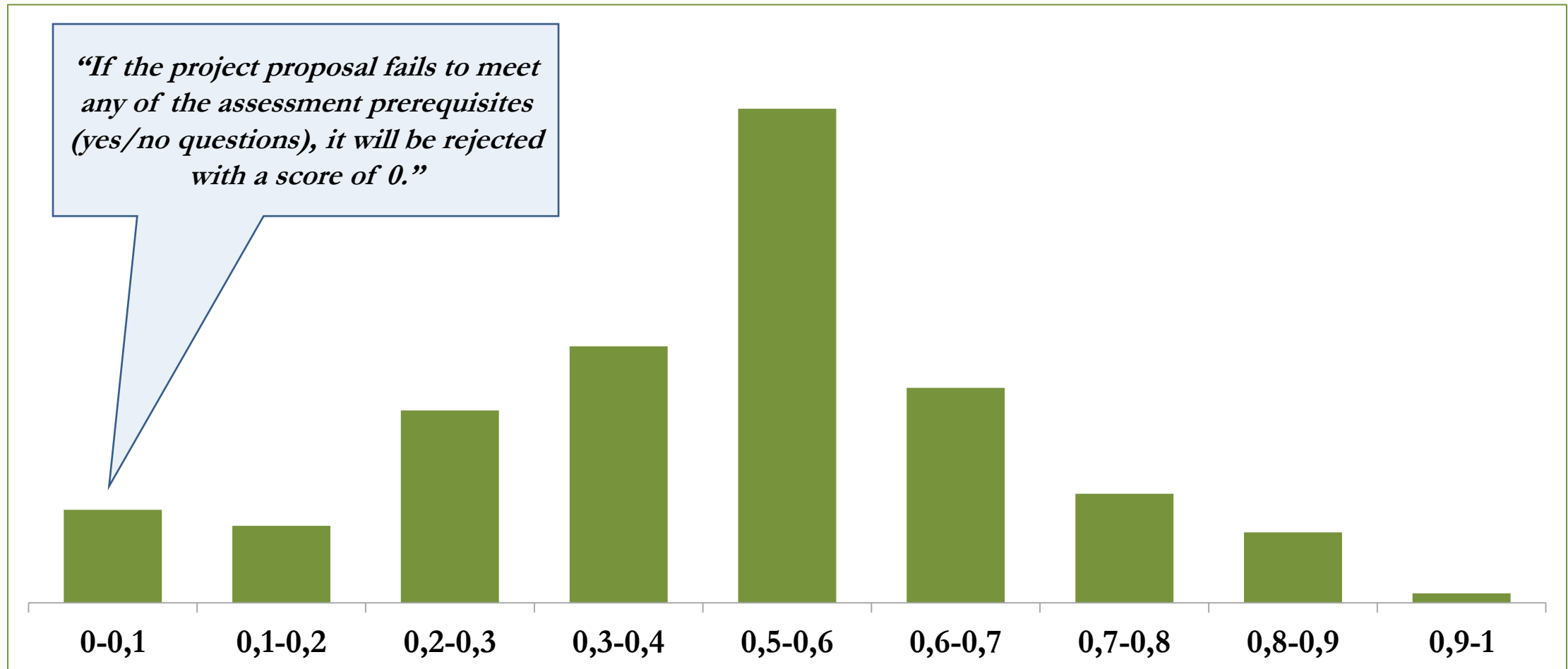
Ranging of scores in the first round

“If the project proposal fails to meet any of the assessment prerequisites (yes/no questions), it will be rejected with a score of 0.”



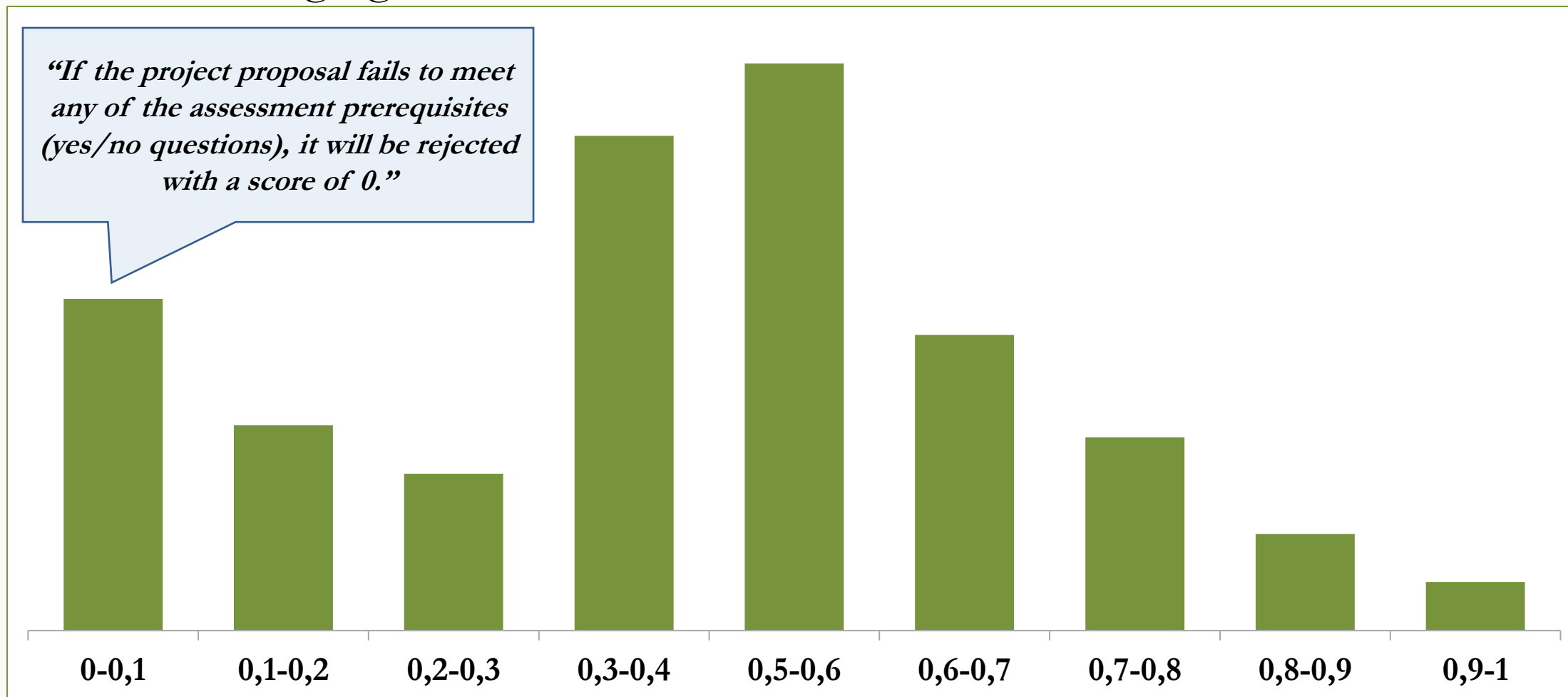
Anonymous peer reviews – Corporate RDI

Ranging of scores in the second round



Anonymous peer reviews – Corporate RDI

Ranging of scores in the third round



Anonymous peer reviews – Corporate RDI

Assessment criteria	Value
Assessment prerequisites	
Is the project objective in line with the call objective?	Yes/No
a) Does the project fit in with at least one sectoral priority of the National Smart Specialisation Strategy?	Yes/No
b) Does the project involve any scientific-technological innovation or does it foresee the creation of a new prototype/product/technology?	Yes/No
Is the budget realistic for the project activities?	Yes/No
Does project implementation entail any outstandingly high risk?	Yes/No
Assessment of the financial situation (based on the last closed financial year) of the applicant organisation (or consortium leader in the case of a consortium)	0-5 points
Professional soundness of the project	0-40 points
Ratio of R&D jobs created and funding amount	0-15 points
Business potential, national/international use of the product or technology developed with the help of the funding (in relation to the consortium leader in case of a consortium)	0-30 points
Increase of the share of own funds in case of maximum funding intensity	0-10 points
Total:	0-100 points
Reviewer's recommendation	Recommended/Not recommended
Reasoning	

← Yes/No questions

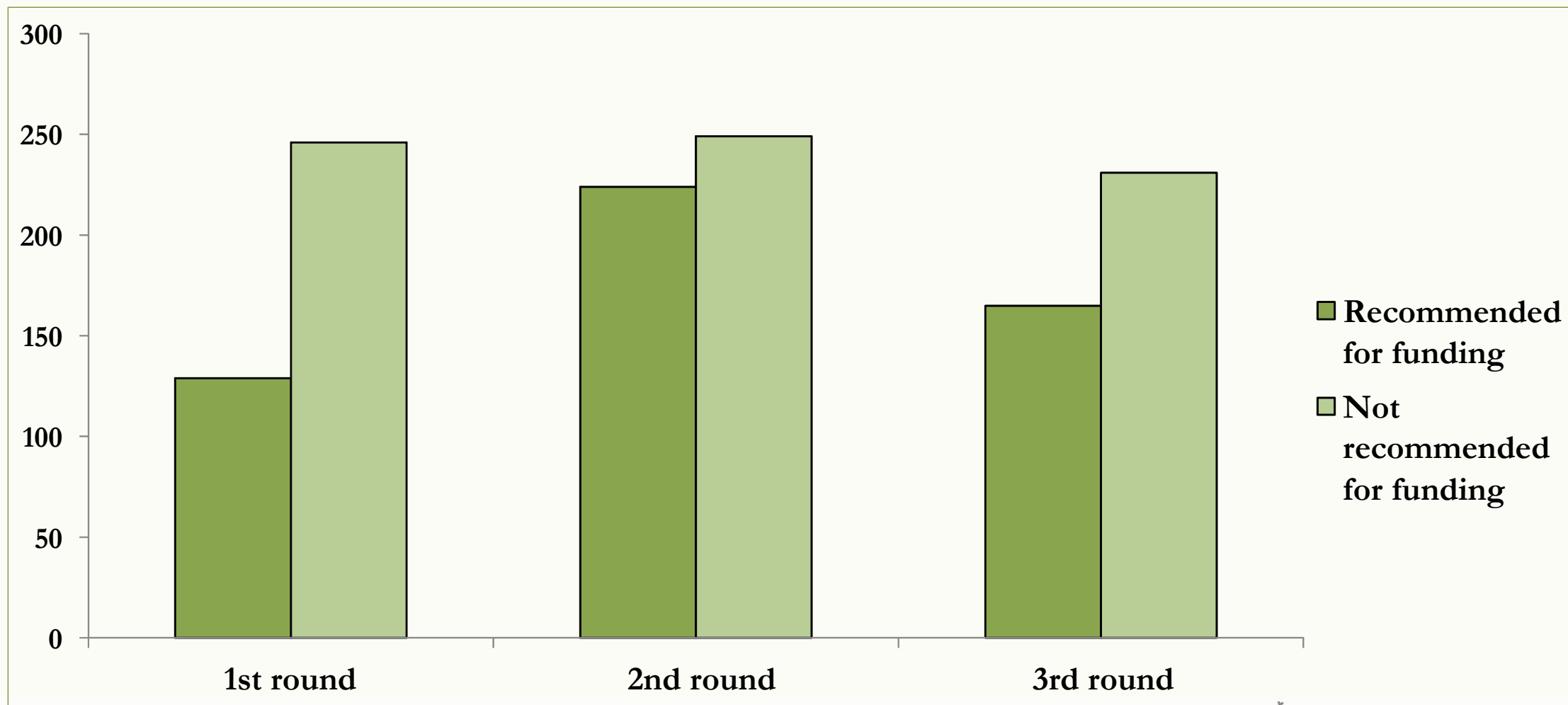
← Scores

← Recommendation

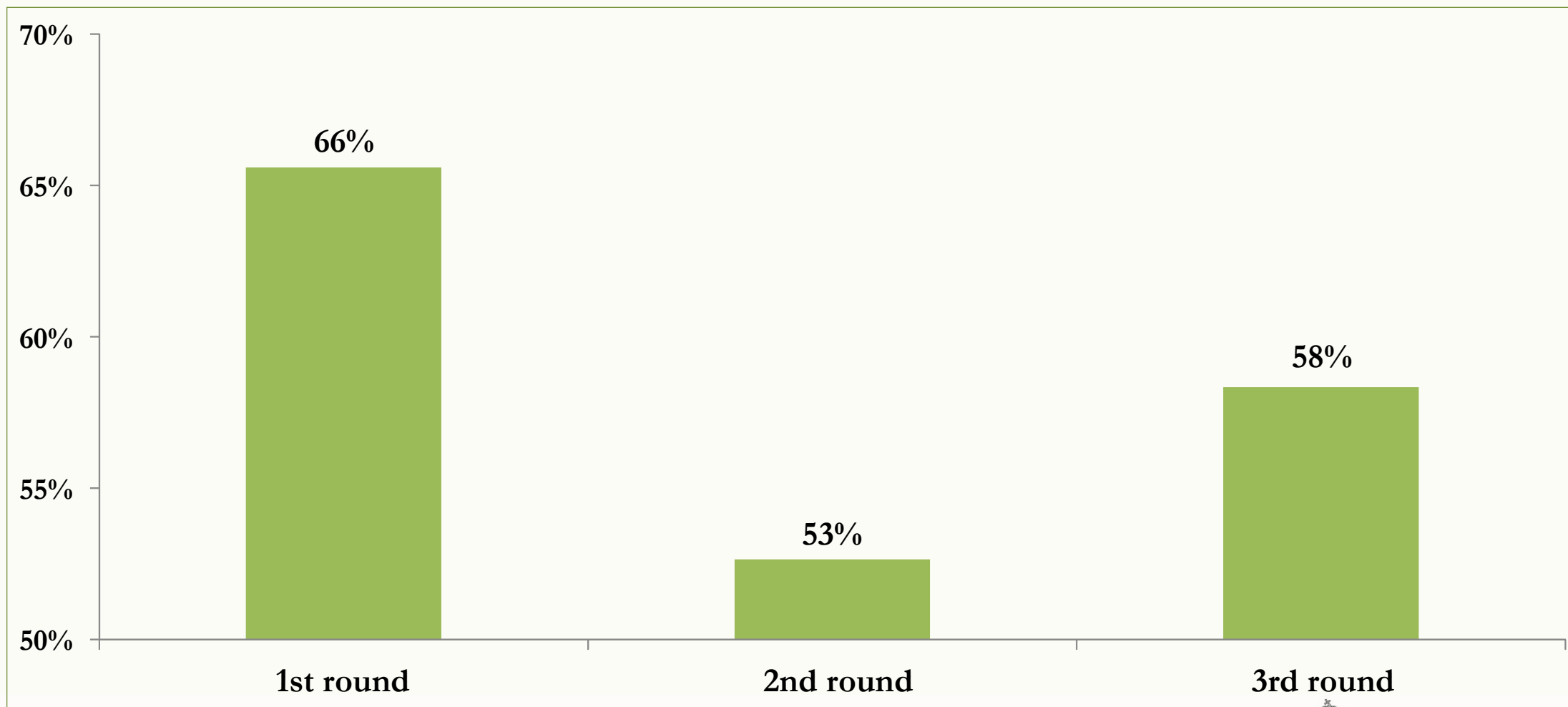
← Reasoning



Anonymous peer review outcomes – Corporate RDI



Share of rejective reviews by anonymous peers



Anonymous peer reviews – Corporate RDI

Assessment criteria	Value
Assessment prerequisites	
Is the project objective in line with the call objective?	Yes/No
a) Does the project fit in with at least one sectoral priority of the National Smart Specialisation Strategy?	Yes/No
b) Does the project involve any scientific-technological innovation or does it foresee the creation of a new prototype/product/technology?	Yes/No
Is the budget realistic for the project activities?	Yes/No
Does project implementation entail any outstandingly high risk?	Yes/No
Assessment of the financial situation (based on the last closed financial year) of the applicant organisation (or consortium leader in the case of a consortium)	0-5 points
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Increase of the share of own funds in case of maximum funding intensity	0-10 points
Total:	0-100 points
Reviewer's recommendation	Recommended/Not recommended
Reasoning	

← **Yes/No questions**

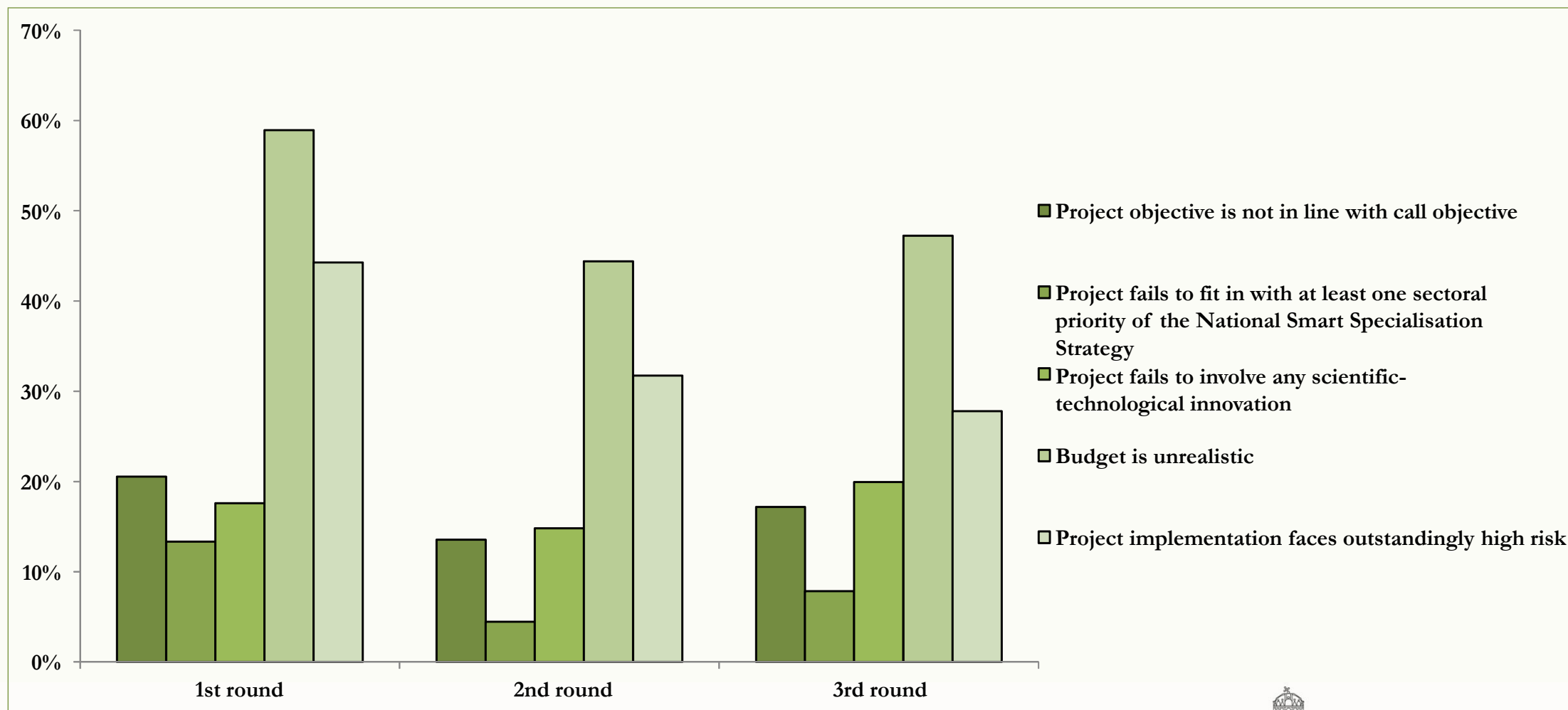
← **Scores**

← **Recommendation**

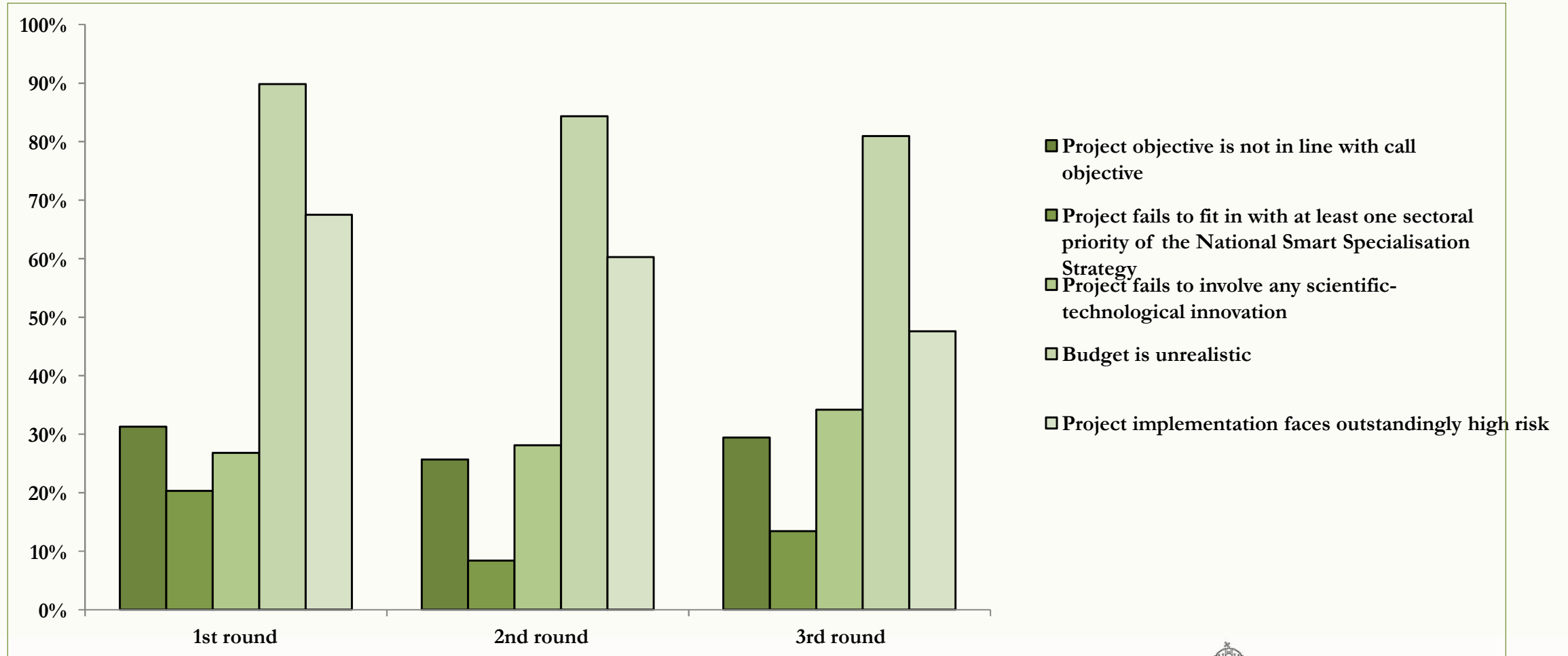
← **Reasoning**



Distribution of project proposals failed against any of the assessment prerequisites by failed question – Corporate RDI

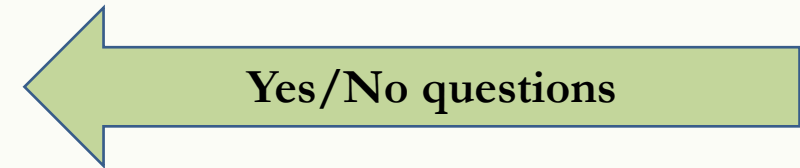


Distribution of project proposals failed against any of the assessment prerequisites by failed question in the case of non-funded proposals – Corporate RDI

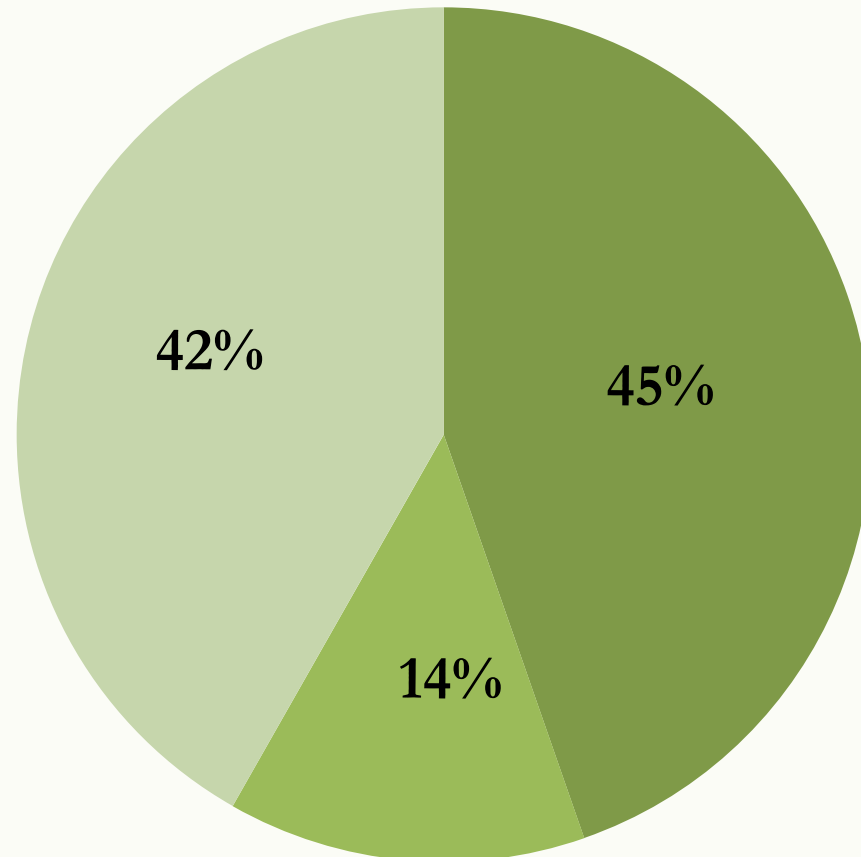


Anonymous peer reviews – Corporate RDI

Assessment criteria	Value
Assessment prerequisites	
Is the project objective in line with the call objective?	Yes/No
a) Does the project fit in with at least one sectoral priority of the National Smart Specialisation Strategy?	Yes/No
b) Does the project involve any scientific-technological innovation or does it foresee the creation of a new prototype/product/technology?	Yes/No
Is the budget realistic for the project activities?	Yes/No
Does project implementation entail any outstandingly high risk? * Outstandingly high risks: <ul style="list-style-type: none"> ▪ risky financial management data from the perspective of project implementation ▪ the implementation venue is not suitable for performing the activity indicated in the project proposal ▪ own funds are secured through a loan agreement with a private individual, including in particular a foreign private individual or foreign company, or through member loan ▪ there is a direct or indirect match between the seats, business premises or owners of the applicant and the person performing the situation/market research or the supplier ▪ the professional competences and/or material capacities of the consortium member or the person/supplier performing the situation/market survey are not suitable for the implementation of the project 	



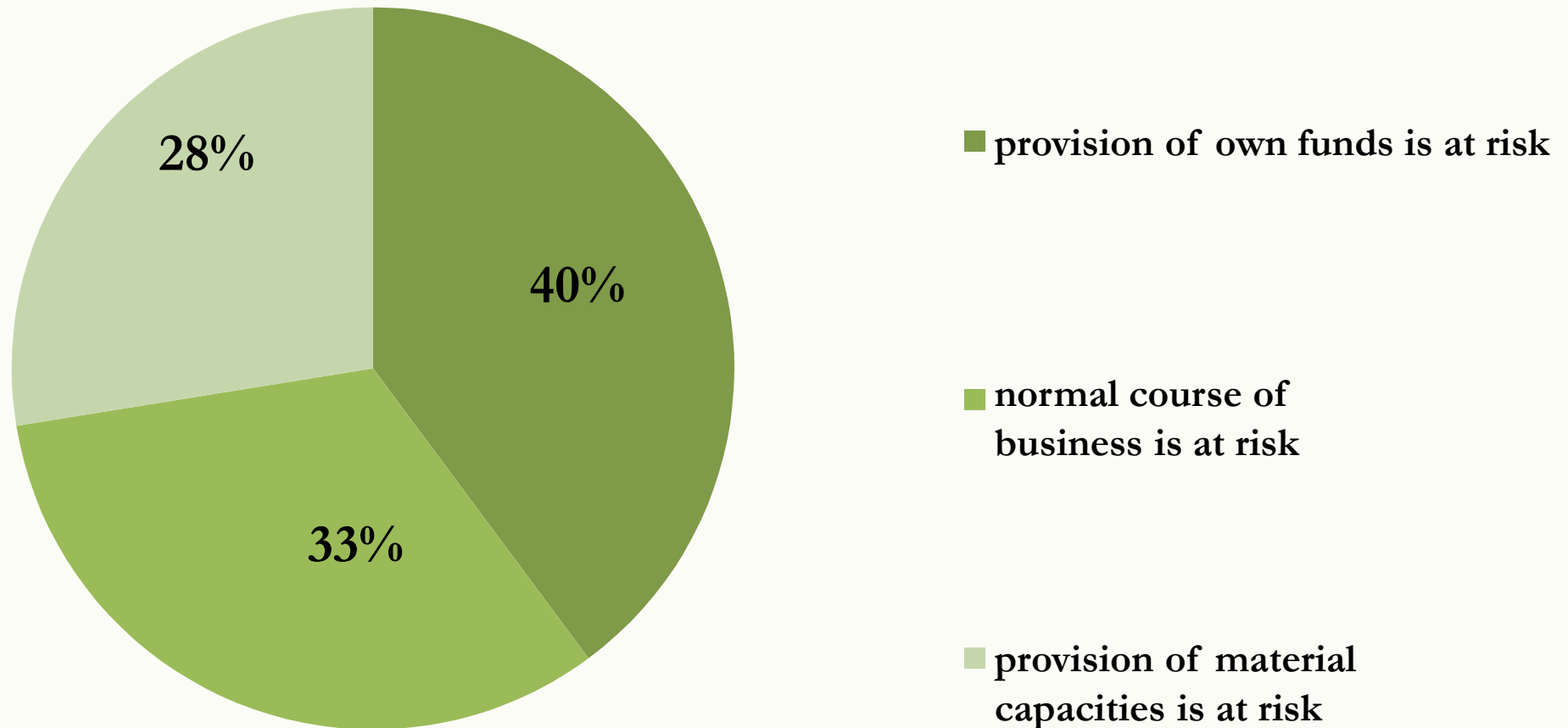
Distribution of outstandingly high risks – Corporate RDI



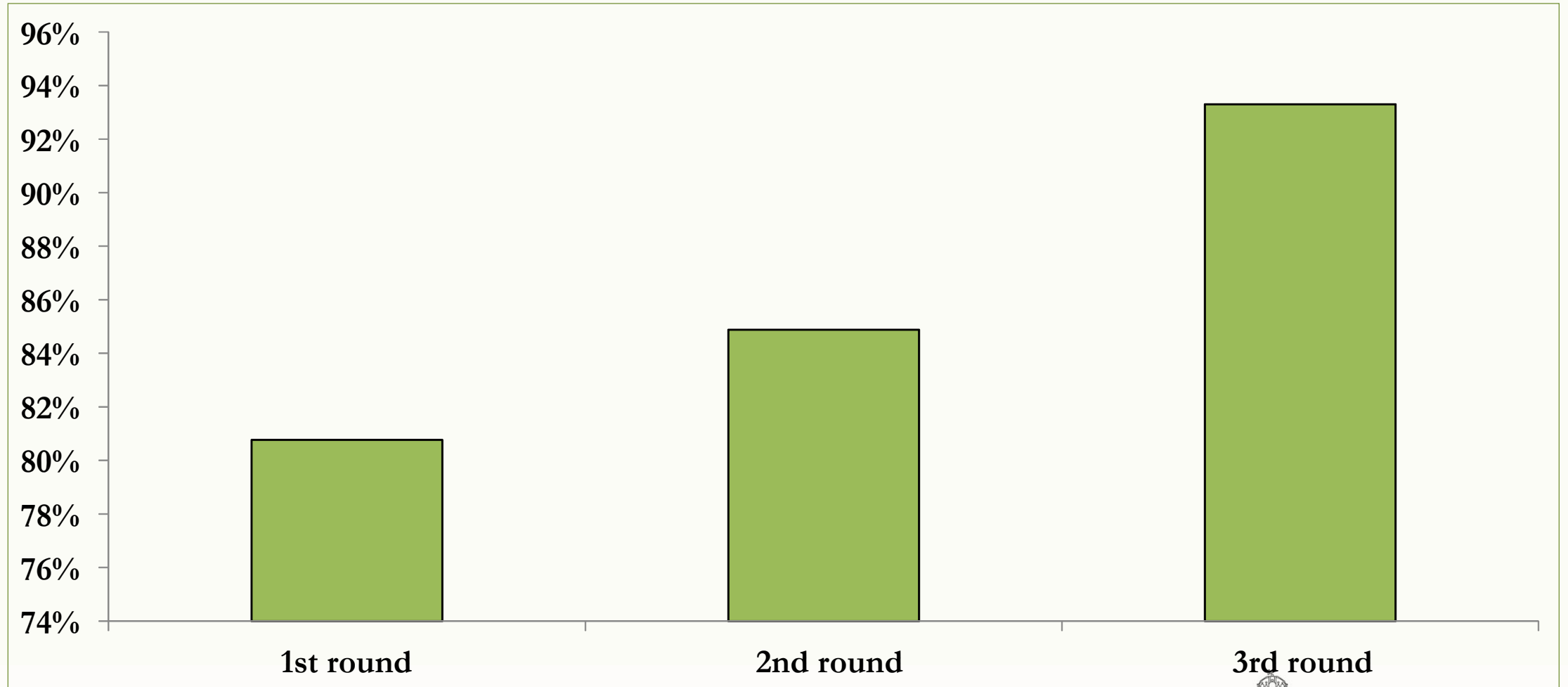
- risky financial management data from the perspective of project implementation
- the implementation venue is not suitable for performing the activity indicated in the project proposal
- the professional competences and/or material capacities of the consortium member or the person/supplier performing the scenario/market survey are not suitable for the implementation of the project



Distribution of the main types of risky financial management data from the perspective of project implementation – Corporate RDI



Proposals given “notice of deficiencies” – Corporate RDI



Most common types of deficiencies

- Unrealistic budget [1]
- Project implementation faces an outstandingly high risk
 - Risky financial data from the perspective of project implementation [2]
 - Provision of own funds is at risk
 - Normal course of business is at risk
 - Lack of competence or material capacities of the applicant or the supplier [3]
- Share of formal notice of deficiencies [4]





2018 CALLS FOR PROPOSALS



Major changes in 2018 call for proposals

1. Targeted call for micro and small enterprises [1]
2. Introduction of own equity/own funds ratio [2]
3. Priority field for presenting the necessity and suitability of services used, and for the justification of the procurement of assets [1],[3]
4. Submission of price quotes is mandatory – may not be submitted under a notice of deficiency [4]
5. Applied (industrial) research – min. 2 persons with at least MSc degree as *full time employee* [3]



2018 calls of the NRDIFund I.

1. Funding to micro and small enterprises for innovation activities (2018-1.1.1-MKI)

- foreseen total budget: **HUF 10 billion** (indicative)
- amount of funding per project: **HUF 30 to 100 million**
- the call is open to legal entities with registered seat, business premises or branch office in the **Central Hungary region** or the Central Hungarian branch offices of legal entities with registered seat in the EEA, which belong to one of the company form categories specified in the call, provided that they have at least **one full completed business year**, maintain double-entry accounting and are not subject to the simplified entrepreneurial tax (EVA) or the small taxpayers' itemized lump sum tax (KATA).

2. Funding to SMEs and large companies for RDI activities (2018-1.1.2-KFI)

- foreseen total budget: **HUF 20 billion** (indicative)
- amount of funding per project: **HUF 100 to 600 million**
- The call is open to legal entities with registered seat, business premises or branch office in the **Central Hungary region** or the Central Hungarian branch offices of legal entities with registered seat in the EEA, individually or in a consortium of maximum 3 members, provided that they have at least **two full completed business years**, maintain double-entry accounting and are not subject to the simplified entrepreneurial tax (EVA) or the small taxpayers' itemized lump sum tax (KATA).



Main features of the 2018-1.1.1-MKI and 2018-1.1.2-KFI calls of the NRDI Fund

2018-1.1.1-MKI_18

- micro and small enterprises
- at least one full completed business year
- independent entries
- experimental development, market entry

- HUF 30 to 100 million funding
- de minimis 100%
- procurement of assets 100%

2018-1.1.2-KFI_18

- SMEs and large companies
- at least two full completed business years
- consortium entries
- applied research, experimental development, market entry
- HUF 100 to 600 million funding
- de minimis 50%
- procurement of assets – as per intensity



2018 calls of the NRDI Fund II.

2. Competitiveness and excellence cooperations (2018-1.3.1-VKE)

Aims to support projects implemented in extensive collaboration between industry, academia and research institutions, in line with industrial needs, controlled by industrial consortium leaders, ensuring long-term sustainable cooperation

- the call is exclusively open to **consortia of up to 5 members**.
- consortium leaders have to be business companies; consortium partners have to be legal entities with registered seat in **Hungary** or with registered seat in the European Economic Area and a branch office in Hungary
- foreseen total budget: **HUF 26 billion**
- amount of funding per project: **HUF 500 to 1500 million**



2018 calls of the NRDI Fund III.

3. National Excellence Programme (2018.1.2.1-NKP)

Available budget: HUF 5 billion, 5 sub-programmes with a budget of HUF 1 billion each

Duration: from 36 to 48 months

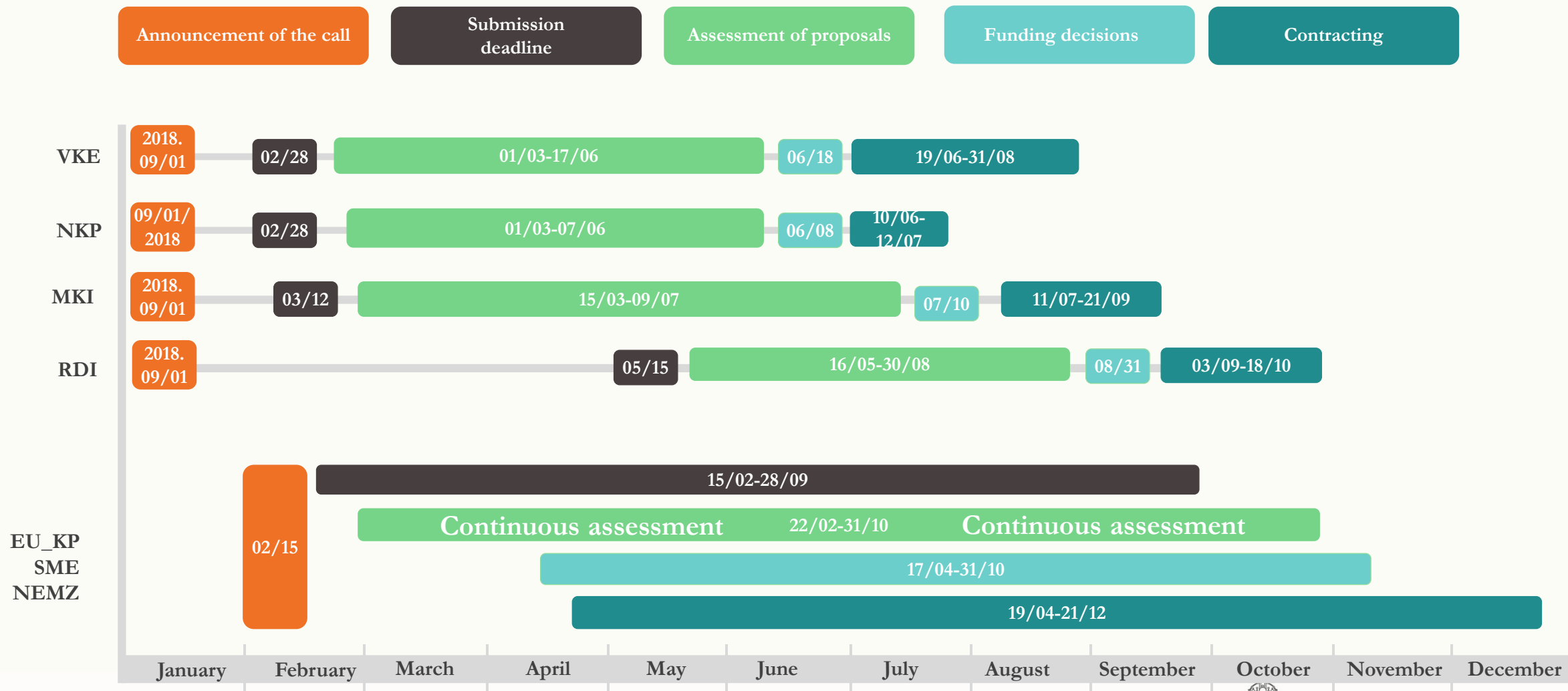
- A.** ELI Related Experimental Research National Programme
- B.** Artificial Intelligence in Application National Programme
- C.** Secure Society National Programme
- D.** “Clean Drinking Water” National Programme
- E.** Protein Science and Applications National Programme

For sub-programmes “B”, “D” and “E” the maximum amount of non-refundable funding may be **HUF 1 billion**; consortia have to comprise from **3 to 5 members**.

For sub-programmes “A” and “C” the maximum amount of non-refundable funding may be **HUF 300 million**; consortia have to comprise up to **3 members**.



Planned timing of 2018 calls

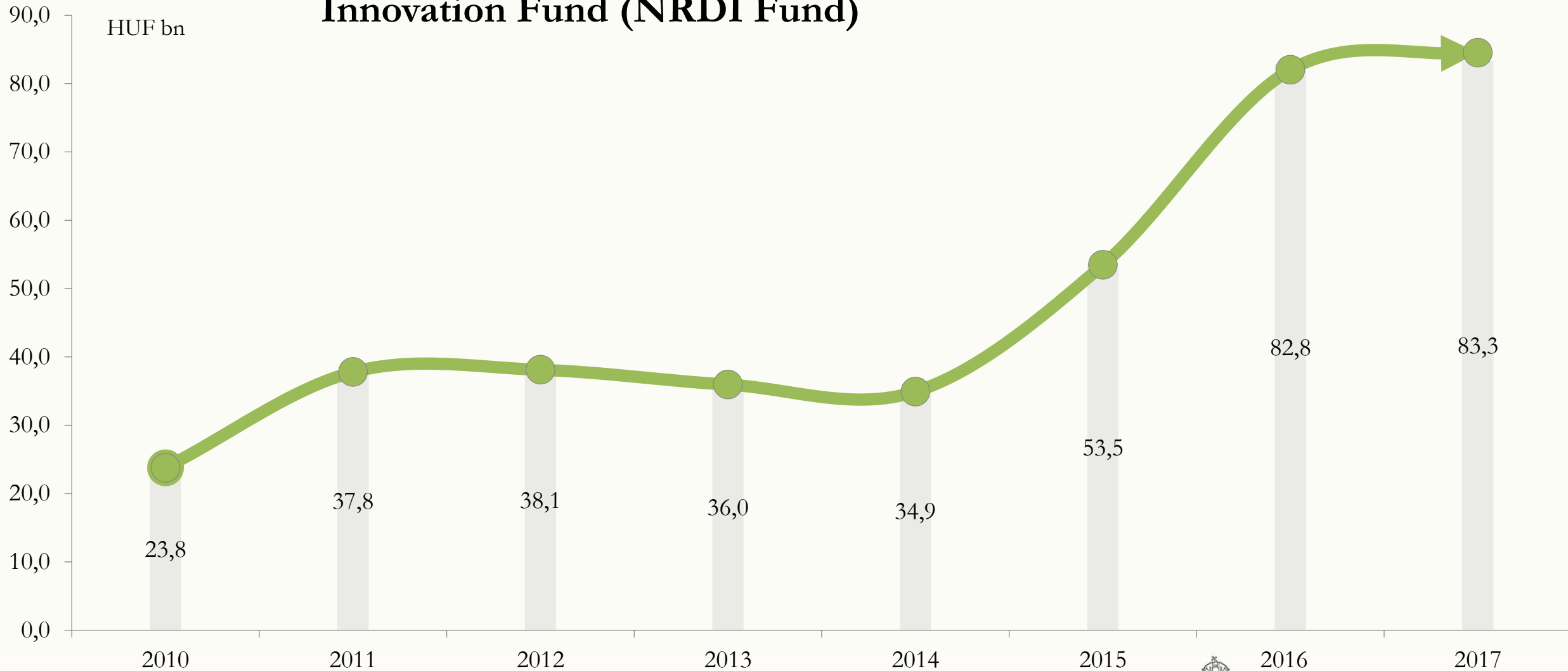




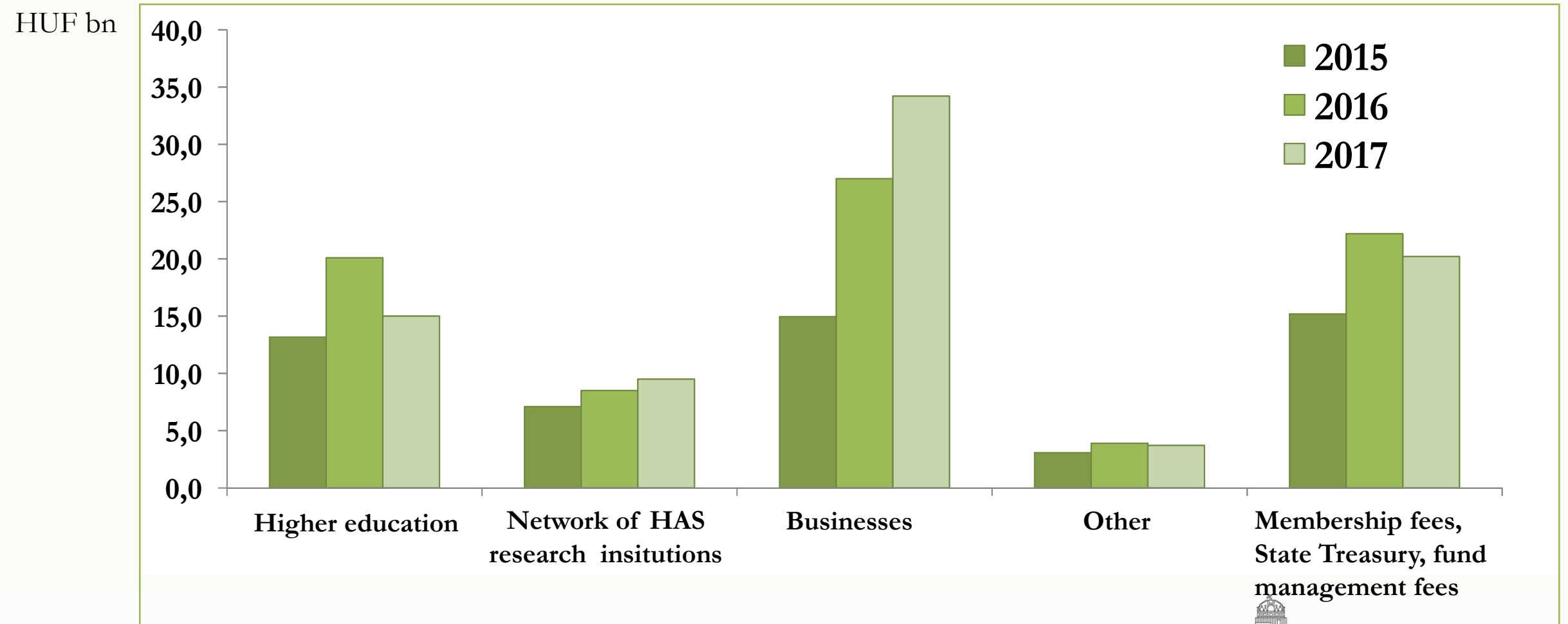
NRDI FUND (2017) ACHIEVEMENTS



Funding disbursed from the National Research, Development and Innovation Fund (NRDI Fund)

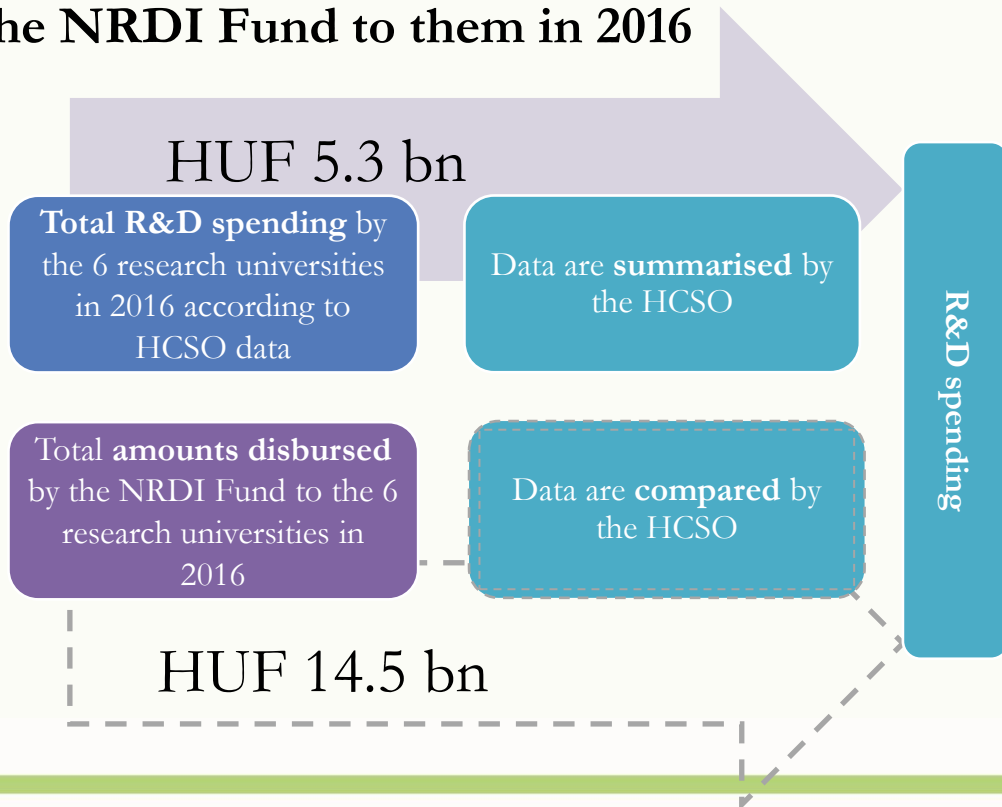


Beneficiary target groups of the NRDI Fund in 2017



NRDI Fund disbursements as reflected in R&D spending figures on the basis of institutions' data sheets submitted to the Hungarian Central Statistical Office (HCSO)

Research universities' R&D spending (HCSO data) and amounts disbursed from the NRDI Fund to them in 2016



NRDI Office initiatives

1. Cooperation agreement with the HCSO
2. Raising awareness of the importance of filling in OSAP data sheets correctly
3. Development of methodology proposals
4. Involvement of a wider scope of data on research funding



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