GAZDASÁGI ÉS KÖZLEKEDÉSI MINISZTÉRIUM

NKTH
Nemzeti Kutatási és Technológiai Hivatal

Nemzeti Technológia Program

NATIONAL TECHNOLOGY PROGRAMME

Guide for Proposers

Budapest, 25 February 2008

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Introduction

On behalf of the Minister of Economy and Transport, the National Office for Research and Technology (hereinafter referred to as Office) publishes a call for proposals titled National Technology Programme to support application oriented research and development.

I. General Information about the Call for Proposals

1. Objectives

The programme aims at enhancing the competitiveness of the economy and improving the sustainability of development by promoting application-oriented, strategic research and development in the field of state-of-the-art technologies. The objective of funding is to promote innovation taking Hungarian R&D strategies into consideration.

Project proposals under the programme shall have unequivocal and clear objectives and can apply cross-disciplinary technological solutions.

The aim of the Programme is to promote R&D activities which

- set the scene for **technology based** innovations with significant **economic and social impact** (utilizable by a wider range of users)
- result in the **development of** competitive **products and services** based on real market demand
- are designed and implemented by **enterprises as key players**
- build on the **cooperation between enterprises and the R&D sector**, and lead to strategic partnerships
- secure the pool of researchers for the researcher-community and strengthening this community by involving **PhD students and early stage researchers** in projects
- are implemented using significant **own financial resources and other matching funds**
- are linked to the given topics under dedicated calls and expected to achieve competitive, world-class results
- shall facilitate the Hungarian preparation for the 7th Research and Development Framework Programme of the European Union.

1.1. Implementation of the Objectives

Those projects will receive funding which aim at elaborating and demonstrating innovative products, devices, procedures, services, technologies and materials with international scientific results or significant intellectual added value, and which are implemented through business-to-business and business-to-public research unit co-operation.

1.2. Sub-programmes and Dedicated Topics of the Call

Under its calls in 2008, 2009 and 2010, the programme invites proposals under four sub-programmes as well as dedicated thematic areas to provide R&D solutions for economic and social challenges. Project proposals may be submitted under one of the sub-programmes or under one of the dedicated calls. **In case the topic of the project proposal is correspond to the topic of a dedicated call published for the given deadline, the project proposal may exclusively be handed in under the given dedicated call.**

Calls published twice a year shall incorporate sub-programmes selected from the following list:
1. Life sciences (A1),
2. Competitive Industry (A2),
3. Competitive Agriculture (A3),
4. Liveable and Sustainable Environment (A4)
The list and description of available sub-programmes for given submission deadlines are set forth by Chapter IV of the Guide.

Dedicated thematic areas, with slightly different requirements, address a narrower group of applicants.
Calls published in 2008 shall incorporate dedicated thematic areas selected from the following list:

- Nanomedicine (D1)
- Renewable energy (D2)
- Ambient assisted living (AAL) (D3)
- Transport security (D4)
- IT solutions (D5)
- Mobile technology (D6)
- Food industry technology applications (D7)
- Gene technology (D8)

The list and description of available dedicated thematic areas for given submission deadlines are set forth by Chapter IV of the Guide.
The Office shall review and update the dedicated thematic areas annually.
Under all sub-programmes and dedicated calls, project proposals are evaluated based primarily on the area of their application.

The description of sub-programmes and dedicated thematic areas under a call are included in the chapter describing the special conditions linked to the given call.

To achieve their clear and well-defined objectives and provide complex solutions, proposals may apply several key technologies (biotechnologies, nano- and microtechnologies, material-, production-, information- and communication technologies as well as environmental- and agro-technologies).

2. Source and Legal Ground of Funding

The source of funding to achieve the objectives of the Programme is the Research and Technology Innovation Fund (hereinafter referred to as: Fund).

Title of funding: paragraphs (1) a) of section 8 of the Act XC/2003 on the Research and Technology Innovation Fund (hereinafter referred to as Atv.).

Further rules of granting and using funds are regulated by Government Decree 133/2004. (IV.29) on the Management and Use of the Research and Technology Innovation Fund and Government Decree 146/2007 (VI. 26.).

3. Eligible Applicants

This programme provides support for R&D projects which are implemented through the efficient cooperation of enterprises, non-profit and public research units or through business-to-business cooperation in the framework of research consortia.
Eligible applicants under all sub-programmes and dedicated calls shall include:

- Business enterprises and cooperatives with legal entity and registered seat in Hungary,
- Hungarian branches of enterprises with foreign registered seat,
- non-profit organizations with legal entity, public bodies or their institutes with legal entity,

A joint project proposal shall be submitted by the consortium members according to the instructions of the Call for Proposals and the Guide for Proposers.

The number of consortium-members may not exceed 6, while the coordinator must be an enterprise pursuing its economic activity as primary activity.

4. Form of Project Funding

Form of funding: final grant disbursed to the beneficiary with no repayment obligation (hereinafter referred to as "grant").

If the beneficiary is a public body or an institution of a public body, or a non-profit organisation which does not pursue economic activities under the project which include manufacturing products and/or providing services on the given market or if the type, costs and financing of their non-economic activities under the project are distinctly separated from their economic activities, the grant shall not be regarded as state subsidy. Pursuant to Community Framework No. 2006/C 323/01, the primary activities of research organisations are considered to be normally of a non-economic character, notably: education, the conduct of independent R&D for more knowledge and better understanding (including collaborative R&D), the dissemination of research results, technology transfer activities (licensing, spin-off creation or other forms of management of knowledge created by the research organisation) if these activities are of an internal nature and all income from these activities is reinvested in the primary activities of the research organisations.

In the case of enterprises (and non-profit organizations, public bodies or institutions of public bodies carrying out economic activities) funding shall be regarded as **state aid**. If economic activities of non-profit organisations, public bodies or institutions of public bodies are funded, the state aid rules for enterprises shall apply.

Funding shall be disbursed directly and proportionately to consortium members, according to the consortium agreement.

5. Funding intensity

Funding Intensity - under each sub-programme and dedicated thematic area - per applicant

1. Funding provided to enterprises (or non-profit organizations and public bodies carrying out economic activities under the project):
Calculated on the basis of eligible costs for R&D projects, gross funding intensity shall be:

Maximum funding intensity

- for basic research: 100%;
- for industrial (applied) research: 50%;
- for experimental development: 25%.

In the case of industrial research or experimental development the above rates may be increased by the following percentage points for the following types of applicants
small sized enterprise - by 20 percentage points of the funding intensity;
medium sized enterprise - by 10 percentage points of the funding intensity;

The definition of small- and medium sized enterprises (SME's) is set forth by Section 3 of the Act XXXIV of 2004 on SMEs and subsidizing SME development:
"Section 3 (1) Enterprises shall qualify as SME if
a) their total number of employees is less than 250, and
b) their annual net turnover is a maximum of EUR 50 million in HUF, or their balance sheet total is a maximum of EUR 43 million in HUF.
(2) Within the category of SME, enterprises shall qualify as small sized enterprises if
a) their total number of employees is less than 50, and
b) their annual net turnover or balance sheet total is a maximum of EUR 10 million in HUF.
(3) Within the category of SME, enterprises shall qualify as micro-businesses if
a) their total number of employees is less than 10, and
b) their annual net turnover or balance sheet total is a maximum of EUR 2 million in HUF.
(4) Enterprises in which the state or municipal councils hold a stake over 25% severally or jointly - based on direct or indirect ownership or voting right - shall not qualify as SME's.
(5) The provision under point (4) above shall not be an excluding factor in the case of institutional investors described under point 1, Section 19."
Detailed rules - including calculation methods of the above indicators - are set forth by Sections 4 and 5 of Act XXXIV of 2004.

Funding intensity may be increased by a further 15 percentage points up to a maximum of 80%
a) for industrial research and experimental development if the project is implemented through an actual cooperation of at least two independent enterprises under the following conditions:
  aa) none of the participating enterprises covers more than 70% of total eligible project costs, and
  ab) the project brings about cooperation with at least one SME or results in cross-border cooperation (i.e. R&D activities are carried out in at least two member states);
b) for industrial research and experimental development if the project is implemented through an actual cooperation of an enterprise and a research organization under the following conditions:
  ba) the research organization covers at least 10% of eligible costs, and
  bb) the research organization is entitled to publish the results of the research project if those stem from its own research activity;
c) exclusively for industrial research if project results are disseminated to a wide audience at technical and scientific conferences, or are published in scientific and technology periodicals, or made available in freely accessible databases (databanks, where anyone can have access to the raw research data), or by means of open source-code and free software.
For the purposes of points a) and b), subcontracting shall not qualify as actual cooperation.

For a given activity type, consortium members may receive a 15 percentage points increase in funding intensity only once and with observing the maximum funding intensity of 80%.
If conditions described under point a) or b) or c) are met under a project,

- in the case of industrial research maximum funding intensity shall be 80% for small sized enterprises, 75% for medium sized enterprises and 65% for large enterprises,
- in the case of experimental development maximum funding intensity shall be 60% for small sized enterprises, 50% for medium sized enterprises and 40% for large enterprises.

If the tasks of a given consortium member under a project include different stages of R&D activities, applicable funding intensity - calculated based on the incurred eligible costs - shall be established by calculating the weighted average of the relevant funding intensity figures. **Priority shall be given to projects which are implemented using significant own financial resources.**

Research organizations are organizations, e.g. universities or research units - regardless of their legal form (whether they are regulated by public law or common law) and form of financing -, whose primary objective is to carry out basic research, industrial research and experimental development and the dissemination of the results thereof by means of education, publications or technology transfer; all their profit is reinvested in such activities, dissemination of their results or education; those enterprises which may have influence upon these organizations, like shareholders or members, do not have preferential access to the research capacities of these institutions or to their research results.

2. In the case of non-economic activities carried out by non-profit organizations with legal entity, public bodies and their institutes with legal entity: present funding does not qualify as State aid as defined in Article 87(1) of the Treaty, thus funding intensity may be 100% in their case.

Applicants are expected to contribute their own financial resources to the project costs – this amount depends on the project activities and the applicants' organization form. According to point (4) Section 81 of Government Decree 217/1998 (XII.30.), funding received from the sub-systems of public finances shall not be considered own financial resources, except for financing allocated specifically for the given purpose in the budget of the public body under the sub-systems of public finances applying for project funding or in the budget of its overseeing body. Applicants have to declare (15. point of Declarations) that in case of winning they provide the own resources for the implementation of the project. The winners shall enclose to the contract the **certificate of existence and form of own financial resources issued by the bank or financial institute of the applicant.**

Advance payment may be disbursed in accordance with paragraphs (3)-(4), section 18 of Government Decree 133/2004 (IV.29.) and the provisions of the funding contract.

At least 50% of the total funding requested by a given project must be requested by consortium-member enterprises pursuing its economic activity as primary activity.

6. Eligible Activities

This programme provides support for user-demand oriented R&D projects which are implemented through the efficient cooperation of enterprises, public research units and/or research units of non-profit organisations or through business-to-business cooperation.
Projects may be implemented through basic research, industrial (applied) research and experimental development.

Basic research: broadens general scientific and technical knowledge and is not linked to industrial or commercial objectives,
Industrial or applied research: research conducted to acquire new knowledge to be used for developing new products, processes or services or for improving existing products, processes or services.
Experimental (pre-competitive) development: incorporating applied research into designs, i.e. designing new or improved products, processes or services (including the manufacturing of prototypes not intended for commercial use). Routine changes in products, manufacturing

processes, procedures or existing services shall not qualify as experimental development, even if those result in the improvement of those products, processes, procedures or services.

Priority shall be given to those projects which propose to exploit original Hungarian ideas (basic and applied research results) in production.

The proportion of different types of research within the project is determined by the nature of the project, but a **maximum rate of 30% is set for basic research**. Basic research, however, which may not be funded in itself, shall only be funded as part of a project, closely linked to industrial (applied) research and experimental development activities.

R&D funding shall only be provided to enterprises if the funding promotes research and development beyond their regular activities.
Project funding must have positive impact, i.e. as a result of funding, the range of R&D and innovation activities of the funded enterprises should be increased. Funding shall only be granted if at least one of the following indicators is improved as a result:
a) size of project - including the total cost of project, as well as the number of persons participating in R&D and innovation activities;
b) range of application, including expected project results;
c) pace of project implementation;
d) total expenditure spent on R&D and innovation by beneficiary.
The expected positive impact (especially in the case of large enterprises) should be described in the proposal.

Only those enterprises should apply with basic research activities which have competent research teams of at least three members. Further criteria are: members of the research-team must include qualified researchers (minimum 3 PhD), who have international basic-research publications covering the same field as the proposed project (publications must not be older than five years old).

7. Duration of Projects

The usual duration of projects shall fall between a **minimum of 18 and a maximum of 48 months,** which may change under different sub-programmes and dedicated thematic areas. In case a project is successful and the consortium submits a new workplan and budget plan - based on the professional and economic opinion of external experts - the president of NKTH (National Office for Research and Technology) may extend funding for a maximum of 24 months once, with proportionately decreasing funding.

8. Limits of Requested Project Funding

Requested grant for the total duration of the project shall be a **minimum of 200 and a maximum of 1000 million forints**, which may change under different calls, sub-programmes and dedicated thematic areas.

9. Exclusion

Any participant who

a) is subject to bankruptcy or liquidation proceedings, or dissolution procedure,
b) has been guilty of making false declarations during earlier calls under the Fund or under the targeted allocations provided by paragraph (2) of section (16) of Act XC of 2003 on the Research and Technology Innovation Fund, or has breached its obligations arising from an earlier funding contract,

c) has overdue public debts (except if these have been relieved (deferred or broken up into instalments) by the relevant tax authority;

d) has had expired liabilities to the Fund or to the targeted allocations provided by paragraph (2) of section (16) of Act XC of 2003 on the Research and Technology Innovation Fund for more than 60 days.

e) intends to carry out activities or projects not complying with environmental requirements;

f) has not got the necessary permits issued by the competent authority for the proposed activities;

g) qualifies as an undertaking in difficulty as described in 2.1 point of Communication from the Commission No 2004/C 244/02 on State aid for rescuing and restructuring firms in difficulty;

h) has been ordered by a decision of the European Commission to reimburse any aid; shall be ineligible, shall be excluded from the evaluation procedure and shall not receive financial contribution under the programme.

10. Eligible Costs

In line with Act C. of 2000 on Accounting, exclusively those costs shall be eligible which are incurred during R&D project implementation:

- **Personnel allowance:** Only actual personnel costs of researchers, technicians, other auxiliary staff directly involved in the given research project shall be eligible, exclusively to the extent of their employment in the supported project.

- **Contributions payable by employers:** Wage related charges (taxes and contributions) shall be eligible.

- **Costs of instruments and equipment:** to the extent and period of their use under the project. If the given equipment and instruments are not used to the end of their useful life during the research project, their depreciation costs proportionate to the duration of direct use in the project shall be eligible. This paragraph shall govern the acquisition of **intangible assets**, except for licensed patents.

- **Costs incurred for consultancy or equivalent services** exclusively and continuously used for research activities, including contracted research, technological knowledge purchased or leased from outside sources at market prices or **licensed patents** if the transaction has been carried out between independent parties and there is no sign of collusion. These costs shall be eligible only for 70% of total eligible project costs.

- **Other operational costs**, including costs of materials, equipment and other similar products directly incurred during or linked to research activities.

- **Additional general costs**, i.e. actual overheads incurred under the project are eligible. However, it must be noted that total overheads cost per consortium-member must not exceed 10% of the total of the grant and that of the own resources of each member. For overheads costs not exceeding 5%, there is no need to justify them with bills and invoices.
The overheads actually incurred during the implementation of the project must be accounted for in accordance with the proportions established on the basis of the principles determined in the Cost Accounting Standards for Costs of applicants, promptly supported by calculations. Overheads include a proportionate part of the following with

regards to the project: public utilities fees documented by an invoice, telephone, mobile phone subscription (pre-paid phone cards are not eligible), internet subscription fee, fuel costs, postage, rent, servicing, maintenance etc.
The smallest amount of eligible costs shall be gross HUF 2000 on a single invoice, costs smaller than that shall not be eligible.

● **Co-ordination costs:** A maximum of 2% of the grant received for a project can be used to cover the costs of co-ordination activities. The distribution of this 2% among participants should be specified by the consortium agreement. Coordination costs may only be operation costs (e.g. personnel costs and their charges as well as material expenses).

● **Informing the public, dissemination of results.** Beneficiaries shall inform the public about the objectives and benefits of successful proposals, and in the second half of projects also about their results. For industrial research, project results may be disseminated at technical and scientific conferences, in scientific and technology periodicals, in freely accessible databases, or by means of open source-code and free software. A maximum of 2% of the grant received for a project may be used to cover the costs of dissemination activities. The distribution of this 2% among participants should be specified by the consortium agreement. A financial plan on dissemination shall be compiled, which shall be a part of the communication plan. Informing the public and dissemination of results shall include the following:

- Creating a "Project-board", which shall be placed on the wall of the institution, undertaking, laboratory etc. concerned. The board shall contain the name and duration of funding;
- Organizing conferences, workshops, exhibitions and auxiliary equipment for them: boards, molinos, brochures, invitation cards etc.;
- Creating a website, or using an existing one;
- Publication (print or electronic, i.e. books, articles in periodicals, CD, etc.);
- Other communication tools which suit the given project.

The maximum rate of costs spent on coordination and informing the public was set to be 2% each of total grant, thus this amount may be distributed freely among consortium-members (even one member may carry out the relevant tasks and cover their costs).

If the applicant is not entitled for VAT refund under the funded project, the base of total cost calculation shall be the gross sum of total expenses of the project including VAT. If the applicant is entitled for VAT refund, the base of total cost calculation shall be the net sum of total expenses excluding VAT.

Costs of the project may be charged to the beneficiary’s own resources from the submission deadline of the proposal, and to the funding, from the date of the funding decision.

11. Evaluation Criteria of Project Proposals

- conformity of the project proposal with the objectives of the programme
- scientific, technology and innovation content of the project proposal, economic and social necessity and exploitation of its results, and its contribution to the development of a given field in Hungarian and international environment,

- feasibility of the project proposal, whether it is well-founded from a business point of view, marketability of results, export possibilities, quality of the submitted business plan and communication plan,
- professional and business competence of participating organizations, whether the financial background is adequate for providing the own share of financing, and the amount of the own share or external source as matching funds,
- number of new, knowledge intensive workplaces to employ (researchers with university diplomas and five years of relevant professional experience, engineers), number of PhD students and early stage researchers,
- contribution of the project to strengthening synergy with EU (especially FP7) projects,

12. Indicators

Indicators are used for monitoring the progress and efficiency of projects under the programme.

Target values of points 1-3 should be set on consortium level **in the proposal**, target values set in the proposal shall be included in the annex of the funding contract. Target values in the project proposal must be realistic, not meeting those values shall trigger sanctions, pursuant to the provisions of the funding contract. Consortiums shall provide indicator data at the submission of reports and at other milestones defined by the provisions of the funding contract. Indicators are included in Table 4.

For all applicants consortia, requested target indicators at the end of the project are as follows:

- Number of products or services or technologies or prototypes or candidate varieties in the pre-market phase: minimum 1.
- Number of involved PhD students and/or postdocs and/or early stage researchers: minimum 3 persons working at least 50 days per year each on the project.
- Number of domestic and international publications: minimum 10 altogether
- Detailed presentation of project results at international conferences: 1.

II. Guide to Compiling Proposals

1. Detailed Description of Project

1.1 Title Page of Project Proposal

National Technology Programme

Year of proposal submission	
Name of sub-programme / dedicated call	
Project acronym	
Title of project	
Name of co-ordinator enterprise	
Name of project leader (person representing the consortium)	

1.2 Application Form

An attached Excel file titled **2008InnovAlapKitoltesiUtmutato** contains a guide to the Application Form. The Application Form can be found in another Excel file titled **2008InnovAlapPalyUrlap**. The form and its guide are available for download from: www.gkm.gov.hu, www.nkth.gov.hu and www.magzrt.hu. (The links are located right next to the Call for Proposals). Please read the instructions of the guide carefully and fill in the form accordingly.

The Application Form has a twofold function: on the one hand, it contains the details of the project, on the other hand, that of the consortium members, as well as the financial plan breakdown for different reporting periods in both cases. **Thus it is strongly recommended that the financial plan in the Application form should be filled in after the work-plan (including the work packages and the corresponding activity periods) has been compiled!**

Start with filling in the first four worksheets (details of the project) of the excel file. Those are:

- worksheet titled “11 Details of the Project/Proposal”, KfPalyazat#2-1_11. **Tasks financed by the required funding must be carried out in Hungary, thus only Hungarian addresses may be provided under 'main locations of implementation' in 11h.**
- worksheet titled “11a Details of the Project/Proposal-Continued”, KfPalyazat#2-1a_11a. **Please provide the Hungarian and English language short description of the project in approximately 1000 characters which may be published as a press release.**
- worksheet titled “11b Details of the Project/Proposal-Continued”, KfPalyazat#2-1b_11b.
  Section number 11bb does not concern the Technology Call, thus it is unnecessary to fill it in. For section number 11bc, please indicate the experts playing a key role in project implementation and their work-time spent on the project, and for section 11bd, a summary of all further participants.
- on worksheet titled “12 Budget of the Project/Proposal”, KfPalyazat#2-2_12 reporting dates must be filled in, which will be automatically displayed in the budget charts of each consortium member. Budget of the project box cannot be filled in directly, it is filled in automatically as a total of the budgets of all members.

Then each consortium member must fill in 2 worksheets in the following order:

- start with the co-ordinator institute,
- then consortium members applying for funding,
- finally consortium members using their own resources exclusively.

- worksheet titled "21 Details of the Applicant". Non profit organisations and public bodies carrying out economic activities in the framework of the project shall indicate it in field 21 h.
- and worksheet titled "22 Budget of the Applicant". **If you are entitled to VAT-refund, do not forget to fill in field 22c.**

In the Application Form only the yellow and green fields (the latter for authorized signature) can be filled in directly, all the other fields are write protected. **Orange fields are filled in either automatically based on data in other fields, or by selecting an item from a pop-up list.** A few fields are filled in using the yellow buttons next to them.
Thus it is impossible to modify white fields or directly type in orange fields.
Guidelines for filling in the budget fields

- The total budget of an activity period should be indicated in the year when the given activity period ends, i.e. when the financial report is submitted. Always fill in the first cost-column under a given year, and only use the second if you are planning 2 reporting periods for the given year.

- For the total duration of the project, the amount of total advance payment may be 100% for public institutions, and maximum 90% of the receivable funding for other institutions (enterprises, foundations etc.). In the latter case, when determining advance payment scheduling, please note that for the last 10% of the state contribution advance payment shall not be provided (e.g. for a project with three activity periods, applicants may request 100% of the contribution for the first and second activity periods as advance payment, however, for the third activity period, applicants may only request advance payment to the extent to ensure that 10% of the total funding receivable by the given applicant shall remain unpaid). The advance payment received must be accounted for within 1 year.

- Advance payment should be indicated in the column of the activity period when the advance payment is to be used.

- All costs indicated in financial charts (including the total costs field) must include non-deductible VAT (see paragraph l. I.9). The fields "Total costs incl. VAT" must contain deductible VAT also.

- VAT-deduction right must be indicated in accordance with the declaration.

- The lines: "Included overheads, co-ordination, dissemination" of the charts are not extra costs, these costs are already included in the lines indicating operation costs. These fields must be filled in. Coordination and dissemination costs must only be indicated for contribution.

- Following the completion of financial plans, check the funding intensity of consortium-members one-by-one.

Please fill in all fields accurately, as the formal assessment is automatically generated from the electronically submitted application form, and in case of missing or incorrectly filled in data, the formal checking form shall show ineligibility.

In the case of consortia, the first four pages of the printed Application Form contain data about the project, while further worksheets contain the details of consortium members. On top of the 4 + 2 pages (the latter per consortium member) there is no need for printing out additional, empty worksheets.

1.3. Work plan

Please compile the work-plan of the proposed project in **approximately 25 pages**. Content requirements of the work-plan:

- Describe the objective(s) of the project. **Describe the innovative nature of the objectives in Hungarian and international context.**
- Give a summary of the applicants' activities preceding the project and providing grounds for it. Present the results already achieved by the applying R&D organizations.
- Present earlier R&D activities and achieved results as well as references of consortium members.
- **Describe the activities of the proposed project**. Coherence and justification of planned work packages, basic research, industrial (applied) research and experimental development activities. Professional and scientific content, implementation steps, scheduling and deliverables of tasks. Sum up the planned tasks according to **Table 1**. Describe project implementation by a **Gantt-chart**, too. **(Table 2)** Work packages on the Gantt-chart are indicated by stripes, the length of which are proportionate to the duration of respective work packages, and logical links between them are indicated by arrows. (Instead of A, B, and C, indicated in the example-chart bellow, use the number of work package.)
- **Dissemination plan for disseminating results.** For industrial research, the dissemination plan shall include dissemination to a wide audience at technical and scientific conferences, and/or in scientific and technology periodicals, and/or in freely accessible databases, and/or by means of open and shareware software. A dissemination plan must be compiled, and it shall include the following:
    1. a short and clear description of project objective,
    2. objective and target audience of the dissemination plan, and
    3. applicable tools and activities,
    4. scheduling
    5. financial plan.
- **Exploitation plan** Detailed description of expected economic results and other direct or indirect impacts of the project. Expected results of marketing new products, processes or services as results of development activities at international and Hungarian level (amount, lifecycle period, economic result over investment etc). Make a professional business plan concerning project implementation, and an exploitation plan concerning project results.

    In the exploitation plan, describe the following:

    1. Marketing of the products created as a result of the project

(giving market analysis, product positioning and creating value proposition, introducing competitors and analysis of competition, distribution channels, promotion)

2. Risk assessment
   (main risks and possibilities for risk reduction)
3. Capital needs beyond project duration
   (amount and scheduling capital needed for development, securities or investors, withdrawal strategies)
4. Financial plan describing the exploitation of project results
   (revenue plan, costs structure, cash-flow plan, profit plan)

1.4. Tables and Charts to be Filled in Accordance with the Work-Plan

Table 1: Description of project tasks

In addition to the approximately 25 pages written workplan please fill in the following tables.

Number	Name of task	Number of consortium member involved	Leader of the task (person)	Start date	End date	Cost of task* (1000 HUF)	Type of task**
1.				yy,mm,dd	yy,mm,dd		

* The sum must contain non-deductible VAT
** Basic research, industrial (applied) research, experimental development

Table 2: Gantt chart

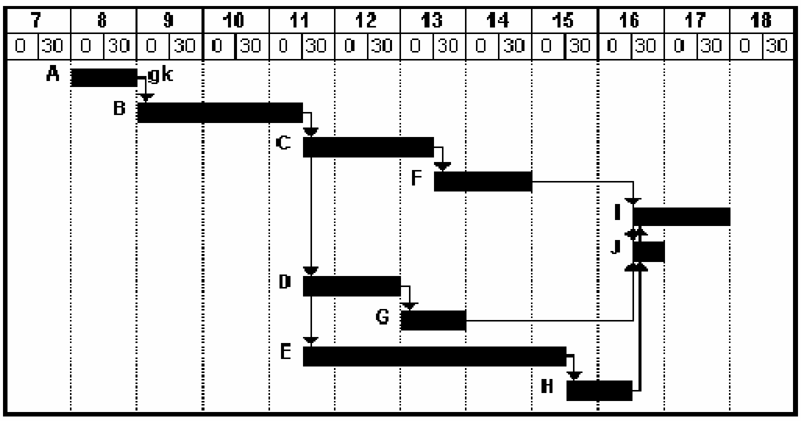

Table 3: Activity Periods of the Project

Design the activity periods of the project according to the work plan. Each reporting period should be closed by compiling an activity and a financial report, both of which should be submitted in 15 days following the end date of the given activity period. Plan 1 – or in exceptional cases 2 – reporting period(s) annually.

Then, in **Table 3**, list which work packages (of the tasks described in **Table 1**) are going to be carried out by which consortium member for each period. Also put down the estimated costs of each consortium member per period. Costs must include non-deductible VAT.

There is no limit to the number of planned work packages per period. Each reporting period must end with compiling an activity report and a financial report. Please note that if you plan a reporting deadline after 30th September, the transfer of the reimbursement of the corresponding activity period may be postponed to the following calendar year due to possible delays in the approval procedure.
Make sure that dates and costs provided in Table 3 correspond to the data in the Application Form.

Table 3

Name of consortium member:	
Report number:	Start and end of activity period: *yy,mm,dd*
Name of work packages	Scientific content of work packages in the given reporting period
Deliverables:	
Form of documenting tasks and deliverables:	
Publication of results:	
Total costs (in thousand forints)	

Table 4: Project monitoring indicators

Certainly, only those lines of the Table must be filled in which are relevant to the project. Please note that you must undertake to meet the minimum level of required target indicators.

Indicators	Target value
1 Project results with direct exploitability	
Number of newly developed products,	
Number of newly developed services,	
Number of newly developed technologies	
Number of newly developed prototypes	
Total number of patent applications	
Domestic out of the above	
International out of the above	
Number of patents granted	
Domestic out of the above	
International out of the above	
Number of candidate varieties reported for classification	
Number of other protected industrial property	
Number of publications	
Domestic out of the above	
International out of the above	
Number of dissertations; PhD	

Number of new projects as results of the original project	
Domestic out of the above	
International out of the above	
2. Human resources	
Number of staff employed in R&D positions under the project	
Number of PhD students involved in the project (persons, FTE)	
Number of postdocs involved in the project[1] (persons, FTE)	
Number of early stage researchers involved in the project (persons, FTE)	
Number of workplaces created by the project	
Number of new research workplaces out of the above	
Number of researchers participating in the project (persons)	
Labour time of researchers participating in the project (FTE)	
3. Social and economic exploitation	
Dissemination of project results (e.g. presentation at open fora) (form and quantity)	
at Hungarian conferences	
at international conferences	
Form and number of results exploited in education / training	
Economic exploitability and accessibility for public use (group of users, number of enterprises)	
Number of spin-off companies	
4. Financial resources	
Own financial resources used in the project (HUF)	
Amount of outside funds (e.g. venture capital, bank loan etc.) within the own resources (HUF)	
5. Long term economic exploitation (3 years following the end of project)	
Number of companies, institutions, cooperatives and enterprises exploiting the results	
Number of Hungarian intellectual property utilised in the project	
Amount of extra export turnover (HUF) and/or income-generating ability, increased market share as a result of the project,	
Countries in which project results are used	
Further co-operation with universities, research institutions	
5. Other special monitoring indicators applying specifically to the project provided by the applicants	

1.5. Description of the professional activities of applicants

Describe the professional activities of applicant **organizations** and **persons** having a key role in the project (for each consortium member).

The professional activities of applicant organizations (maximum half a page per organization) and persons (maximum one page per person) should be described specifically, with respect to the topic of the project proposal. Provide brief professional biographies and reference lists of the co-ordinator, the work package leaders and any other persons having a key role in the project (in case enterprises planning basic research activities fail to introduce their research team then their basic research activities and the related funding intensity will be considered as unfounded). Apart from the key persons, provide a comprehensive list of other R&D contributors, postdocs, PhD students, early stage researchers, technicians in **Table 5.** Please describe the involvement of postdocs, PhD students, early stage researchers to the project and the tasks to be implemented by them. Please make sure that one person is indicated only once in the table and the indicated

[1] see Government Decree 156/1997. (IX.19.) on post-doctoral employment and on János Bólyai Research Scholarship

work-time spent is realistic. More names may be indicated in Table 5 as on page 11b of the Application Form, however, pay attention to the coherence of the data provided.

Key experts should register in the expert database of NKTH - if they have not done so so far.

Table 5

Name of expert	Number of consortium member	Number of tasks	Work time spent (days)
Other persons involved in research:		Other R&D participant	
		Postdocs	
		PhD student	
		Early stage R&D employee	
		Technician	
		Total:	
		The Full Time Equivalent (FTE) of research staff	

The Full Time Equivalent (FTE) of staff (researchers, developers) working on the project should be calculated on the basis of 262 days/year. With a view to the concentration of intellectual resources and focussed research and development, **for all sub-programmes and dedicated calls, the aim is to achieve that the total work time of R&D staff participating in the project should be at least as much as the Full Time Equivalent calculated for 10 R&D staff members during the total duration of the project. (Full Time Equivalent, FTE).** The activity reports of successful projects shall include the number of persons actually participating in the given activity period and their work time.

1.6. Description of project management

Describe project management structures, with a special emphasis on the various decision-making mechanisms to be used during the project, how the flow of information will be ensured among consortium members and what measures will be taken to guarantee quality of work. The description should not be longer than 1 page. The co-ordinator of the consortium must be an enterprise carrying out its economic activity as primary activity. The name of the financial director designated by the institution responsible for the project should also be indicated.

1.7. Description of projects and project proposals of similar topics

National and international research and development **projects** (of a single applicant or each consortium member) which have been carried out in the same or a **similar** topic and either received funding in the last 3 years or are still under evaluation should be presented according to the **Table 6**.

Table 6:

Title	
Objective (max. 250 characters)	
Partners	
Own role	

Publisher of Call, funding organization, (in the case of NKTH, call acronym)		
Funding received or required		
Beginning:	End:	Status (in %):
Results (max. 250 characters)		

1.8. Link to the projects of the European Community

If a programme is linked to the RTD Framework Programme of the European Union, it should be described how the programme is related to the international project, what are the similarities and differences between them, which organizations participate and carry out what tasks and what are the deliverables. A summary should be provided of the tasks of the applicants in the two projects, especially with regards to funding resources.

If a funded enterprise takes part in an EU project and it receives public contribution for the same tasks (from the sub-systems of public finances as well as from international sources, on the basis of intergovernmental agreements, including the European Union), the use of the double funding falls under the restrictions concerning the maximum funding intensity.

1.9. Financial plan

Describe in detail and justify the following costs in the Financial plan:

- the amount, scheduling and necessity of advance payment (for all relevant activity periods), if requested,
- if you want to receive reimbursement on general costs (overheads), its expected amount;
- other material expenses which exceed net HUF 5 million;
- if other sources will be involved then describe its form and amount (grant from other public organisation). Please take into consideration the 1.8. point (grants given by other public organisations to the project have to be added to this funding when calculating funding intensity)
- the form, source and amount of own sources. Please indicate if you involve capital from outside sources in order to provide own contribution and give the amount of this capital.
- if the planned total cost of subcontracting exceeds 10% of the total project budget or HUF 20 million, describe the tasks to be carried out by subcontractors and their expected costs. If, during implementation, the actual subcontracting fees deviate from the planned figures by more than 10%, describe the reasons for the deviation in the activity report. Please note that during project planning and implementation, applicants must observe the relevant provisions of public procurement legislation (if selection of subcontractors may exclusively be carried out in a public procurement procedure, the project proposal may not include the name of the subcontractor.)

Budget plan must be realistic, as proposals containing unjustified costs may be refused.

1.10. Description of the financial management of applicants

To demonstrate the financial management of the previous 2 years, please fill in the requested data in the Application Form. If the organization has been operating for less than a year, the data should be projected for the period of a year. **Public organizations** do not have to describe their financial management.

2. Drawing up a proposal

Please compile the project proposal in Hungarian and in English on A4-size sheets, the proposal should comprise of the following parts bound in the appropriate order (see description). The header of each page should include: National Technology Programme, / (number and title of) sub-programme / dedicated thematic area; acronym (as on application form). The pages (including enclosed documents) should be numbered consecutively. All pages of the original copies must be signed by the project leader.

The **Hungarian** and **English** copy should contain the following documents in the following order:

- Title page
- Contents page
- A detailed description of the project (including the application form)
- Declaration of intent to establish of a consortium
- Declaration about meeting staff requirements
- Appendix titled Declarations

Each proposal compiled in compliance with the Guide for Proposers should be submitted in Hungarian (1 original copy) and English (1 original copy) languages, in separately bound volumes in a closed parcel. **Apart from the address, please also indicate the following on the parcel: National Technology Programme, (number and title of) Sub-Programme / dedicated call) and the acronym of the proposal.**

Electronic submission:
The electronic version of the application must be sent after preparing and sending the application form without syntactic errors to to alap2008@nkth.gov.hu.
The Hungarian and the English language version of the full project proposal (in 2 separate pdf files) and the application form without syntactic errors (as an xml file) should be compressed into a zip file and sent to technologia@nkth.gov.hu. NKTH sends a confirmation upon receiving the file. Please make sure that the **size of the zip file to be submitted does not exceed 5MB**, as the mail server of NKTH will bounce files exceeding that limit, also check whether your mail server is capable of sending a file of that size.

Filename convention for the two pdf files: NKFP_08_a1-xxxxxxxx-zz, where a1 stands for the number of the sub-programme/dedicated call (e.g. A1 means life sciences sub-programme), x-s stand for the 8-digit acronym, and zz stands for the language code (en or hu). Thus the two files of a life sciences proposal may be named as follows: NKFP_08_a1-biologia-hu, and NKFP_08_a1-biologia-en. The name of the third file (.xml) is automatically generated when saving the data-content of the Application Form.
The name of the compressed file containing the three files above should be the same as the first 19 characters of the name of the pdf files containing the project. Please write the 8 character acronym of the project in the subject of the e-mail. We would like to call your attention that the evaluation will be done from the electronic version of the application.

III. General Information on the Selection Procedure, contracting and implementation of the National Technology Programme

1. Submission and formal assessment of proposals

Project proposals must be submitted in the form, to the address and by the deadline specified under section special conditions linked to the given call.
The Guide for Proposers, the Application Form and its Guide are integral parts of the Call for Proposals. These documents together contain all necessary requirements for proposals.
Applicants shall be informed in writing of the registration of their proposals.
Exclusively those project proposals shall be forwarded for evaluation, which meet formal requirements. Submitted proposals shall be checked against formal requirements. In case of the absence of some minor details, the applicant concerned shall be invited to submit the missing documents within five workdays. In case of major reasons for ineligibility, the proposal is excluded from further stages of evaluation.

The project proposal is automatically rejected for formal reasons if:

1. the proposal package has not been submitted by post,
2. the proposal package has not been submitted by the deadline specified in the call,
3. the consortium has not submitted the English and the Hungarian language project proposal and the application form without syntactic errors electronically,
4. there is inconsistency between the electronic and paper versions of the proposal (also including the Application Form),
5. the printed proposal package has not been submitted, or it only contains either the Hungarian or the English version,
6. funding intensity of the applicant exceeds the prescribed maximum, or the "qualification code" under point 21[h] of the Application Form is not filled in, or the necessary data for funding intensity calculation are not included in the Application Form submitted via e-mail,
7. the amount of the grant requested by the consortium is not in line with the minimum and maximum amounts set in the Guide for Proposers,
8. the duration of the project is not in line with the Guide for Proposers,
9. the total funding of enterprises carrying out economic activity as primary activity does not reach 50 % in the project,
10. the leader of the consortium is not an enterprise carrying out economic activity as primary activity,
11. the proportion of basic research in the project exceeds 30%,
12. enterprise planning basic research activities failed to introduce its research team with the required background so its basic research activities and the related funding intensity is considered as unfounded,

13. the applicant failed to undertake to meet the requested target indicators,
14. the detailed description of the project, the exploitation plan or the dissemination plan is missing from the proposal,
15. any of the consortium members do not fall under the definition of eligible applicants at the time of proposal submission or they are excluded on a legal basis or on the basis of reasons determined in this call for proposals,
16. the project proposal has not been compiled in accordance with the Guide (except for those cases where the Guide explicitly provides room for submitting missing data).
17. the proposal contains false data.

In case of deficiency (missing information), the coordinator shall receive an e-mail to the address provided on the Application Form requesting the coordinator to submit missing data within 5 days. Missing information qualifies as such deficiency if:

1. the co-ordinator did not sign one or more pages,
2. for consortium member enterprises and non-profit organizations, management data of the previous two years are missing from the application form,
3. one of the following documents signed by all consortium members is missing: the Application Form or one of the schedules: "declarations", "declaration of intent to establish a consortium", or "Declaration about meeting staff requirements",

If missing data are not posted within 5 workdays, the proposal shall be ineligible!

Applicants are informed about rejection or eligibility of the proposal.

2. Evaluation criteria, decision-making

2.1 Evaluation criteria, decision-making

Evaluation takes place following each call. Evaluation criteria and available scores are included in **Table 7**.

Table 7

Evaluation Criteria	*Maximum score*	Score given
1.Correspondence of project proposal to the objectives (maximum 3 points)		
1.1. To what extent does the project proposal match the objectives and priorities of the programme, sub-programme / dedicated call?	0-3	
2. Professional, scientific, technology and innovation content of the project (maximum 30 points)		
2.1. Professional content, significance and novelty of the project on the Hungarian and international stage	0-20	
2.2. Has the project proposal got well-defined and clear objectives? Is the selected key-technology suitable for the complex implementation of the task?	0-5	
2.3. The applicant's research results concerning the topic, prior to the project	0-5	
3. Feasibility of the project proposal (maximum 10 points)		
3.1. Feasibility and management of the project proposal.	0-5	
3.2. Justification and coherence of work packages, implementation plan, monitoring of work package implementation	0-5	
4. Financial plan of the project proposal, economic background of applicants (maximum 12 points)		
4.1. Validity of project costs, share of enterprises. Correspondence of costs to work packages, correspondence of total work time to the size of tasks, proportionateness of cost distribution between tasks and consortium members	0-7	
4.2. The sum of own and other financial resources to be used under the project. Financial situation of consortium members (e.g. from the point of providing their own financial resources).	0-5	
5. Competence of organizations and persons involved in the project (maximum 20 points)		
5.1. Competence of participating organizations and persons in project implementation, human resources mobility, efficient business-to-business and business-to-research unit cooperation	0-15	
5.2. Number of newly created workplaces for researchers, the employment of more than 3 PhD students or postdocs or young graduates in R&D position	0-5	
6. Social and economic exploitation of results (maximum 22 points)		
6.1. Anticipated impact of the project proposal on the national and international development of the given field, its contribution to the solution of a national or worldwide problems	0-5	
6.2. Validity of the exploitation plan, market and competitor analysis, plan on launching and marketing of competitive products on the national and/or international market (device, process, technology, service), risk assessment, return, need for further capital investment	0-12	
6.3 Undertaken target indicators (on top of the required ones)	0-3	
6.4 Link of the project proposal to the 7th Research and Development Framework Programme of the European Union	0-2	
7. Dissemination plan (maximum 3 points)		
7.1 Way of reaching the target audience, expected efficiency	0-1	
7.2 Clear description of project objectives	0-1	
7.3 Cost effective use	0-1	
TOTAL:	**0-100**	

Please note that if a project proposal does not meet the the evaluation criteria under 1.1 (e.g. it may not be considered a research project, or has no relevance to any of the topics under the given call), the given proposal shall be rejected during evaluation.

Proposal evaluation takes place in two-steps:

1. Project proposals are evaluated by independent, external experts of the fields concerned giving scores and written evaluation. A given project proposal is evaluated by the relevant Governing Board if the average score awarded to it by external experts exceeds the 70-point threshold.

2. Governing Boards are set up for each sub-programme and dedicated call. Having read the opinion of the independent external experts, Governing Boards shall evaluate and rank project proposals before them (without taking the scores awarded by the experts into consideration). Governing Boards evaluate proposals from professional quality, exploitation and efficiency point of view. Governing Boards may invite representatives of consortia for consultation to present the selected project and answer questions. Governing Boards rank proposals, and submit these lists to the president of NKTH.

International experts participating in the selection procedure guarantee the international quality of project proposals.

The **president of NKTH** makes the final funding decision. The list of successful proposals and applicants, as well as the amount of funding is published on the website of NKTH within 5 days following decision. The short description of successful proposals (based on the description provided by the applicants in the Application Form) shall be published by NKTH.

The applicant receives a written notification about the funding or rejection of the proposal within 10 days following decision.

There is no further appeal or recourse of any kind against funding decisions. Upon request, opinion of evaluators (without scores) are made available to the applicants within 30 days after the decision without disclosing the names of the evaluators.

3. Entering into contract and financing procedures

Every project leader receives a notification about the decision within 10 work days. In case of a successful proposal, the **contract proposal** is also enclosed.

The **contract proposal** is **valid for a maximum of 60 days** upon receipt of the notification on the decision (Government Decree 133/2004. (IV. 29.)). Until that deadline, the rules of proposal commitment apply to the decision. If the contract is not signed until the deadline of the beneficiary's fault, the funding decision becomes automatically null and void.

First, organizations concerned should sign a multi-lateral consortium agreement (rights and obligations of the members, regulation of mutual relations, joining and leaving, intellectual property rights), which becomes valid with the authorized signature of each participant. The coordinator must make a declaration about having concluded a consortium agreement. This document is a prerequisite of the funding contract. The work plan and the financial plan of the successful proposal constitute the basis for the contract.

The following must be enclosed with the contract:

- depending on the legal status of the beneficiaries

1. for business partnerships, a genuine copy of a valid certificate of incorporation not older than a month or a copy thereof certified by a notary public not earlier than 30 days before (instead of a certificate of incorporation, an official certificate issued by Company Registration and Company Information Service working beside the Ministry of Justice is equally acceptable).

2. for public bodies, a certified copy of the deed of foundation or the statutes, not older than 30 days; for bodies created by law, a copy of the law with the indication of the place and date of publication (title of official review/journal, year of publication, issue number; e.g. Magyar Közlöny 2004).

3. for organizations obliged to be registered by court, a genuine copy of a court certificate not older than 30 days or a copy thereof certified by a notary public, which clearly shows who is entitled to represent the organization and in what ways (joint/independent representation).

- a genuine copy of a valid specimen signature, or a copy thereof certified by a notary public;
- the actual version of *Declarations* attached to the proposal
- for beneficiaries, a prompt collection order for all bank accounts of the beneficiaries open to transactions during the duration of the contract
- certificate of existence and form of own financial resources.

Public funding can be appropriated according to the financial plan laid out in the contract. NKTH makes the funding available after checking and approving the implementation of the tasks and remits it to the beneficiary upon latter's request, proportionately to the funding.

Under certain justifiable circumstances, **an advance payment may be made from the funding as many times as reporting periods are planned by the applicants during the project, to the extent of the costs of the reporting period and in accordance with Government Decree 133/2004. (IV. 29.).**

A second or further advance payment shall only be made if the request for advance payment is justified. Further criteria of disbursement of advance payment or funding is that the beneficiary has completely used the advance payment earlier received as well as the share of its own resources planned for the given activity period, has accounted for it, and the relevant activity and financial reports have been approved, and the beneficiary has no payment obligations payable to the Fund or to budget provisions specified in Paragraph (2), Section 16 of Atv. overdue by more than 60 days (e.g. unaccounted advance payment).

The advance payment must be accounted for within 12 months.

Except for public bodies, the final 10% of total funding may only be transferred after the approval of the final activity and financial reports.

4. Monitoring the use of funding

With the help of independent experts, the implementation of the R&D project is evaluated at each activity period, based on the work-plan. Each activity period must be closed by the submission of an activity report and a financial report on the date specified in the funding contract. The report is complete if it contains the activity report as described bellow, as well as the cost reports of all members concerned, and the cost report summary by the coordinator, together with the appendices specified by the funding contract.

4.1 Activity report

Activity reports must include a detailed description of the activities of the research and development activities in the given period set out in the work and financial plans of the project as well as the results. The activity report should follow the work plan of the given activity period on the basis of the work and financial plans, and it should contain the following parts:

- title page: on the title page display the title and the acronym of the project, the number of the funding contract, the number of the activity period, the actual start and end date of the reporting period, the name of beneficiaries, the co-ordinator's name and the website of the project if there is one;
- contents page;
- a brief summary of the results of previous reporting periods;
- list and status of work packages undertaken for the given reporting period or rescheduled from a previous/later period (finished, partly finished, postponed, advanced, cancelled, etc.) with a justification of the differences;
- description of tasks accomplished and results achieved in the given reporting period in not more than 25 pages if possible;
- the list of the publications, published or approved, in the given activity period (articles, presentations), print or electronic publications, patents, etc; (NKTH should be displayed as sponsor on publications);
- a comprehensive table of the costs planned and actually incurred during the activity period (with justification);
- total time spent on R&D activities by researchers in a given reporting period according to table 5 of the proposal;
- monitoring data, with regards to target values described in the professional appendix of the proposal;
- measures concerning publicity and dissemination of information in the given reporting period
- description of positive impact of the grant.

If there is a difference between the work packages planned and those actually accomplished, justification is necessary. The activity report must be signed by the co-ordinator. Reports must be compiled according to the specific properties of each proposal. The contents of activity reports - apart from confidential data - may be published. NKTH may ask the representative of the consortium to present the professional development of the project in front of the monitoring body appointed by NKTH or at an open forum.

4.2 Financial report

Beneficiaries must keep separate accounting of the costs of the project complying with relevant legislation (e.g. with the Accounting Act). Costs of the project must be accounted for in accordance with the financial plan included in the appendix of the funding contract regarding both the received funding and own anf other financial sources.

Costs of the project may be charged to the beneficiary's own resources from the submission deadline of the proposal, and to the funding, from the date of the funding decision.

The financial report will only be approved upon approval of the activity report. The financial report must correspond to the performance displayed in the activity report. If, according to the expert opinion, a task has not or not fully been carried out, costs linked to the task shall be proportionately decreased and approved proportionately to the performance.

Financial reporting is governed by the funding contract. The person entitled to represent the beneficiary, assuming all responsibilities, makes a statement about the costs incurred in the reporting period and documented by invoices or other conclusive receipts, stating their exact sums and resources. The beneficiary must provide an authorized signature, which must be countersigned by the auditor of the beneficiary. A cost report and a summary invoice statement must be enclosed with the declaration. The acronym of the project and the sum charged to the project must be indicated by the consortium member concerned on each item of the documentation to be accounted for.

The declaration by the coordinator of successful projects – about total costs incurred during the project reporting period - shall also be submitted.

The procedure of accounting for advance payments is identical to that of accounting for partial performances; they may entirely coincide, but the use of advance payments must be declared within 12 months.

The overheads actually incurred during the implementation of the project must be accounted for in accordance with the proportions established on the basis of the principles determined in the Cost Accounting Standards of each Beneficiary, promptly supported by calculations. Overheads include a proportionate part of the following with regards to the project: public utilities fees documented by an invoice, telephone, mobile phone subscription (pre-paid phone cards are not eligible), internet subscription fee, fuel costs, postage, rents, etc.

Costs eligible as overheads can **exclusively** be accounted for as overheads among material expenses.

The funder and certain organizations eligible under the law are entitled to monitor or check the implementation of the total project and to monitor the use of funds, own and other financial resources.

4.3. Sanctions for breaching of the funding contract:

Sanctions for breaching of the funding contract are the following:

- suspension of funding;
- paying liquidated damages in the amount set forth by paragraph (1) Section 88/A of Government Decree 217/1998. (XII. 30.) (the daily rate of liquidated damages is 1/365th of 10% of the relevant funding; detailed rules are set forth by Section 88/A of Government Decree 217/1998. (XII. 30.) and the funding contract).
- withdrawal from contract, funding already issued must be returned in a lump sum within 15 days, adding interest (twice the central bank base rate at the time of withdrawal but at least 20%, pursuant to paragraph (4) Section 88 of Government Decree 217/1998. (XII. 30.)) and other expenses,

- immediate termination of contract,
- exclusion from the support-system.

Detailed regulations are set forth by Sections 87-88/A of Government Decree 217/1998 (XII.30) and Section 18 of Government Decree 133/2004 (IV.29) and by the funding contract.

4.4 Closing the project

At the end of the project, a final evaluation form and a final report must be prepared in addition to the periodical activity and financial reports. Following the structure of activity reports, a final report should provide a compact and comprehensive overview of the project as a whole and should contain self-evaluation concerning the work carried out. Project results should be described clearly in a well structured way for dissemination.

The project can be considered as implemented if objectives and tasks defined in the funding contract are implemented according to the contract. This should be included in the final protocol. The remainder of the funding shall only be transferred after the signing of the final protocol. If the total costs of the project will be less than planned then the amount of the grant will be decreased proportionately.

IV. Special Information on the Call with Deadline on 25th March 2008

1. Eligible Topics under the Call

Sub-programme 1: Life sciences (A1)

The aim of this sub-programme is to serve modern healthcare, improve the quality of life, with special view to disease-prevention and health restoration. Research results created - like tools of healthy lifestyle - should foster the preparation of public healthcare and prevention measures.

Sub-programme 2: Competitive Industry (A2)

The aim of this sub-programme is to promote the development and exploitation of products, procedures and technologies representing higher added value. Innovative development of traditional Hungarian technologies and industries, thus creating workplaces. Strengthening the competitiveness of domestic industry, improving market positions, fostering market entry as well as promoting IT, environmental industrial and technology R&D, environment protection, prevention of and decreasing pollution of the environment. The aim is to create and introduce cleaner technologies and products, as well as making them competitive.

Thematic areas of the dedicated calls:

1. *Nanomedicine (D1)*

   The main aims of nanomedicine are to exploit the methods already used in nanotechnology in the field of medical sciences, and to develop methods in the range of nanometre-sized (one millionth of a millimetre) particles serving specifically healing purposes.

   Improving the effect of existing drugs by improving the absorption and distribution characteristics of agents, decreasing side-effects, targeted delivery of drugs to affected organs and cells by the aid of so-called nano-drugs. Besides promoting research and development of nano-drugs, also fostering their market entry. Research and development of drug transport compounds and inert materials

   Phase I and phase II clinical trials of drug candidates.

2. *Renewable energy (D2)*

   Improving the economic efficiency of new technologies applying renewable energy sources. Research and development of biofuel production technologies and solving application technology issues, especially finding technological and scientific solutions to produce second generation bio-fuels from by-products and organic waste at industrial level.

   Development and adaptation of controllable/automated biomass-burning and heat production systems to produce power and heat, as well as development of private and other heating devices (to burn pellet, bricket and chips), opportunities for complex use of ash produced in biomass furnaces

   In the field of solar energy priority areas are solar cell and solar collector technology innovations; researching new and mainly industrial and communal application areas of geothermic energy exploitation and further development of power plants using geothermal energy. Researching new application areas concerning wind energy and development of new type wind generators and wind farms shall be preferred. Extra priority shall be given to research projects dealing with the integration of systems utilising renewable energy sources.

3. *Ambient assisted living (D3)*
The primary objective is to provide the technical aid to the elderly, disabled people and people receiving aftercare in their homes, which would, besides strengthening their security and feeling secure, enable them to preserve their autonomy as long as possible. The secondary objective of the dedicated call is to foster the development of Hungarian medical technology and health industry and to promote the creation of competitive products and services. Supported areas are AAL technologies and applications, solutions improving the efficiency of outpatient care, remote monitoring, remote care, remote diagnosis and remote treatment.

4. *Transport security (D4)*
Intensifying research activities in the field to increase transport security, finding innovative, interdisciplinary and more narrowly info-communication solutions to mitigate the direct and indirect damages arising from road accidents and to enable proper analysis of those. Innovative development of car industry and vehicle production in Hungary, increasing the competitiveness of Hungarian supplier companies by implementing novel technologies.

If a dedicated call in the topic of your project proposal has been published, please submit your proposal only under the relevant dedicated call.

When compiling project proposals in the field of life sciences and pharmaceutical industry, please observe the provisions of Health Ministry Decree 23/2002. (V.9.) on biomedical research on human beings and those of Health Ministry Decree 35/2005. (VIII.26.) on Clinical Trials of Medicinal Products for Human Use and Good Clinical Practice. The coordinator must make a statement at submission whether the research plan complies with prevailing legislation and the Declaration of Helsinki of the World Medical Association. In case of successful proposals funding contract shall not be concluded until the consortium receives all necessary permits for project implementation.

2. Budget of Project Funding

To achieve the objectives of the programme, the National Office for Research and Technology allocates **HUF 18 billion** for the purposes of the two calls under the National Technology Programme in 2008 from the Research and Technology Innovation Fund (hereinafter referred to as Fund).

3. Expected Number of Funded Proposals

Expected number of proposals receiving funding under the two calls in 2008: 25-45.

4. Submission of proposals

Proposals should be prepared according to the instructions of the previous section and submitted in closed parcels by post to the following address:

MAG - Magyar Gazdaságfejlesztési Központ Zrt.
1539 Budapest, Postafiók 684.

Please also display the following on the parcel: "**MAG – Magyar Gazdaságfejlesztési Központ Zrt. 1448 Budapest, Rb.: 684**"

Please note that there is no room for personal submission.

Submission (posting) deadline: **25 March 2008**

If your present proposal has been submitted to a previous Jedlik call and has been rejected due to lack of funding resources, please use the same 8-digit acronym with updated year and sub-programme number.

Funding can be provided as long as budget is available.

The Call for Proposals, the Guide for Proposers, the Application Form and the Guide to the Application Form may be downloaded from the following websites:

National Office for Research and Technology (www.nkth.gov.hu),
and the **Ministry of Economy and Transport** (www.gkm.gov.hu).
MAG Zrt. (www.magzrt.hu)

You may ask questions concerning the call and the elaboration of proposals via e-mail sent to technologia@nkth.gov.hu. The acronym of the proposal and the name of the programme (National Technology Programme) should be indicated in the subject field. Questions are answered within 5 work days.

Applicants are kindly asked to read the Call for Proposals and the Guide for Proposers as well as the list of Frequently Asked Questions available at www.nkth.gov.hu, as their questions might be answered immediately without the 5-work-day delay.

Competitive Agriculture as well as Liveable and Sustainable Environment sub-programmes and further dedicated calls are expected to be published in July 2008.